APPENDIX 4D

Half year Financial Report

Half Year ended 31 December 2014

Name of Entity: Ingenia Communities Holdings Limited ("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 2014 – 31 December 2014**
Previous corresponding period:	1 July 2013 – 31 December 2013

Results for announcement to the market

	31 Dec 2014	**31 Dec 2013**	**change**
	$'000	**$'000**	**%**
Revenues from Continuing operations	28,660	19,311	48%
Profit/(loss) from ordinary activities after tax attributable to members	(987)	4,306	Refer note 1
Net profit/(loss) for the period attributable to members	(987)	4,306	Refer note 1
Underlying profit from continuing operations	6,017	4,018	50%
Underlying profit	6,677	3,603	85%
Distributions - current period (cents) FY14 Final Distribution (paid) 1H15 Interim Distribution (declared)	 0.65 0.65		
Distributions - previous period (cents) FY13 Final Distribution (paid) 1H14 Interim Distribution (declared)		 0.50 0.50	
Record date for determining entitlement to the Final Distribution	5.00pm, 3 March 2015		
The Dividend and Distribution Reinvestment Plan is operational for this distribution			
	31 Dec 2014	**30 Jun 2014**	**change**
Net asset value per security (cents)	36.5	35.5	3%

1. The variances that would otherwise be shown are not meaningful because the current year number is negative.

Results for announcement to the market

This information should be read in conjunction with the 2014 Annual Financial Report of Ingenia Communities and any public announcements made in the period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules

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

Control gained:	None
Control Lost:	Noyea Pty Ltd and Noyea Operations Pty Ltd

Details of any associates and joint venture entities required to be disclosed: None

Audit status

This report is based on the consolidated 2015 Half Year Report of Ingenia Communities, which has been reviewed by EY. The Auditor's Independence Declaration provided by EY is included in the 31 December 2014 Half Year Financial Report.

Other significant information and commentary on results

See attached ASX announcement and materials referred to below.

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 31 December 2014 half year financial statements.

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

- Directors' report
- Reviewed Half Year Financial Report
- Results presentation and media release

Tania Betts
Company Secretary

24 February 2015

INGENIA COMMUNITIES HOLDINGS LIMITED

A.C.N. 154 444 925

INTERIM REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

www.ingeniacommunities.com.au

Registered Office: Level 5, 151 Castlereagh Street, Sydney NSW 2000

Ingenia Communities Holdings Limited
Interim Financial Report
Half-year ended 31 December 2014

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Ingenia Communities Holdings Limited
Directors' report
Half-year ended 31 December 2014

The directors of Ingenia Communities Holdings Limited ("ICH" or the "Company") present their report together with the Company's financial report for the half-year ended 31 December 2014 (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 the Ingenia Communities Fund ("ICF" or the "Fund") and the Ingenia Communities Management Trust ("ICMT") (together, 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" 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 is regarded as a business combination. The Company has been identified as the parent for preparing consolidated financial reports.

1. DIRECTORS

The directors of the Company at any time during or since the end of half-year were:

Non-executive directors
Jim Hazel (Chairman)
Philip Clark AM
Amanda Heyworth
Robert Morrison
Norah Barlow ONZM

Executive director
Simon Owen (Managing Director and CEO)

2. OPERATING AND FINANCIAL REVIEW

a) Ingenia Communities Overview

The Group owns, manages and develops a diversified portfolio of seniors living communities across Australia. Its real estate assets at 31 December 2014 are valued at $322 million[1] and comprises 58 lifestyle parks, rental villages, and deferred management fee (DMF) villages. The Group is included in the ASX 300 with a market capitalization of approximately $369 million.

The Group's vision is to be a leading Australia provider of affordable seniors living and short term rental accommodation. The Board is committed to delivering long-term earnings and security price growth to securityholders and providing an affordable and supportive community environment to both its permanent and short term residents.

b) Strategy

The Group's strategy is to further grow its Australian rental portfolio, primarily within the lifestyle parks sector. Using a disciplined framework, the Group remains focused on completing the deployment of the $89.1m of equity raised in October 2014 and accelerating the build out of its development pipeline.

Pleasingly, the Group finalised its strategic exit from the non-core New Zealand Students portfolio in December 2014. The Group is continuing to focus on reducing its investment in DMF assets with the divestment of one asset completed in July 2014.

[1] Real estate assets value is determined as the net of carrying value of investment properties, retirement village resident loans and finance lease liabilities.

Ingenia Communities Holdings Limited
Directors' report
Half-year ended 31 December 2014

In February 2015, the Group completed a debt refinance increasing its facility limit from $129.5m to $175m, expanding is lenders, providing enhanced flexibility and reducing pricing. This facility, combined with proceeds remaining from the recent equity raising as well as capital recycling and stock monetization positions the Group well for significant further investment in its growing lifestyle parks business.

A disciplined investment approach, stringent capital management and continually exploring opportunities for operational efficiencies remains of critical importance. The Group remains committed to maintaining a loan to value ratio ("LVR") within a target range of 30-35%.

The key immediate business priorities of the Group are:

- Increasing sales and settlement rates for new homes within the Active Lifestyle Estates development pipeline;
- Finalising the deployment of funds from the recent $89.1m equity raising;
- Growing occupancy rates both within the Garden Villages portfolio and the Active Lifestyle Estates short term accommodation; and
- Continuing sell down of completed homes within the Settlers portfolio whilst advancing the divestment of the eight remaining communities.

c) 1H15 Financial results

1H15 has been a period of significant investment in the Active Lifestyle Estate portfolio, with the focus on establishing the necessary sales and development platforms to deliver the forecast returns from the growing development pipeline. At the same time, there has been a continuing focus on increasing earnings from the Garden Villages portfolio through occupancy growth and increasing rents as well as continuing to sell down available stock within the Settlers portfolio.

Overall 1H15 has delivered an underlying profit of $6.7m and a statutory loss of $1.0m. The underlying profit is an 85% increase on the prior period whilst the statutory loss is a reflection of transaction costs, including stamp duty, being written off on the significant number of lifestyle parks acquired over the last year.

Operating cashflow for the period was $4.6m, up 50% on the prior period. The improvement in operating cashflow reflects an increasing contribution from the rental element of the lifestyle parks business partially offset by further investment in manufactured home inventories to deliver settlements during the second half.

In October 2014, the Group raised $45.3m from an institutional placement and $43.8m from a rights issue. Using a mix of debt and the equity raised, this has provided capacity to invest c$120m into the lifestyle parks sector. So far, one asset has settled and several others are either contracted or under due diligence or advanced price discovery.

The Group is currently positioned significantly below its target LVR range of 30-35% following the temporary application of the equity raised against debt until fully deployed. The all in cost of debt on a fully deployed basis at half year was 4.65%. The cost of debt has subsequently reduced further following the new Australian multilateral debt facility coming into effect this month.

The Group announced on 24 February 2015 an interim distribution of 0.65 cents, and the dividend reinvestment plan will be available. This distribution is a 30% increase on the prior period and in line with the FY14 final distribution. The Board reaffirms its commitment to further growth in securityholder returns over the medium term.

Ingenia Communities Holdings Limited
Directors' report
Half-year ended 31 December 2014

d) Key Metrics

- Interim distribution of 0.65 cent per security, up 30% on prior period.
- Underlying profit was $6.7m, up 85% from 1H14.
- Underlying profit per security was 0.9 cents, up 50% from 1H14.
- Net asset value grew by 1.0 cent per security to 36.5 cents .
- Statutory loss of $1.0m, down from a profit of $4.3m in the prior period reflecting write off of transaction costs, principally stamp duty, on nine lifestyle park acquisitions completed during FY14.
- Statutory loss per security was 0.1 cents.

These results are reflective of execution of divestment of the majority of the overseas operations, and deployment of capital into the Australia market to generate strong returns for securityholders.

Underlying profit for the half-year is calculated as follows:

	2015 $'000	2014 $'000
EBIT – continuing operations	**6,020**	**4,901**
Net interest expense	(2,326)	(1,661)
Tax benefit associated to underlying profit	2,323	778
Underlying profit – continuing operations	**6,017**	**4,018**
Underlying profit – discontinued operations	660	(415)
Underlying profit	**6,677**	**3,603**
Net foreign exchange gain/(loss)	(940)	348
Net loss on disposal of investment properties	(323)	-
Net gain/(loss) on change in fair value of :		
Investment properties	(9,309)	1,226
Derivatives	98	(8)
Retirement village resident loans	(86)	60
Gain on revaluation of newly constructed retirement villages	(1,144)	(1,271)
Release of foreign currency reserve on disposal of foreign operations	2,374	-
Discontinued operations (below underlying profit) net of income tax	(1,937)	121
Tax benefit associated with items below underlying profit	3,603	227
Statutory (loss)/profit	**(987)**	**4,306**

Underlying Profit is a non-IFRS measure designed to present, in the opinion of the Directors, the results from the on-going 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.

Ingenia Communities Holdings Limited
Directors' report
Half-year ended 31 December 2014

e) Segment Performance and Priorities

Active Lifestyle Estates

Active Lifestyle Estates now comprises sixteen communities making Ingenia the largest owner, operator and developer of lifestyle parks in New South Wales. The business is the primary focus of growth for the Group as it provides an affordable, yield focused housing alternative for seniors and short term residents with a capital light, low risk development model. The net carrying value of these assets at 31 December 2014 is $144.4m.

i. Performance

	1H15	1H14	Variance
New and refurbished home settlements #	**8**	**5**	**60%**
Development income $m	**$0.8m**	**$0.5m**	**76%**
Residential rental income $m	**$3.8m**	**$1.3m**	**188%**
Short-term rental income $m	**$4.6m**	**$1.6m**	**197%**
EBIT $m	**$2.0m**	**$1.3m**	**52%**

Active Lifestyle Estates delivered a contribution of $2.0m in 1H15 (1H14: $1.3m) of which $0.8m was attributable to development profit in new manufactured homes. Master planning and infrastructure work is well under way across numerous projects and a growing number of homes are being delivered. This will deliver a strong second half skew from both settlement volumes and earnings. The rental accommodation earnings of this segment have grown strongly through acquisitions. This has been partly offset by the establishment of a sales and development framework for new homes.

ii. Strategic priorities

The key strategic priorities for this business are building further momentum in sales and settlement volumes, securing remaining approvals required to deliver FY16 and longer term settlements, repositioning parks to grow both short term and permanent rental returns and leveraging scale efficiencies across a larger portfolio. As at the date of this report the Group had 61 new homes being built or installed which is likely to drive 2H15 and FY16 sales volumes and earnings.

The Group is working towards investing the remaining funds from the equity raising with available debt into both the NSW and Southeast Queensland markets over the coming months.

Garden Villages

Garden Villages is comprised of 34 rental villages located across the eastern seaboard and Western Australia. These villages accommodate more than 1,800 residents, and generate $12.1 million in gross rental income per annum. The carrying value of these assets at 31 December 2014 is $116.8m.

i. Performance

	1H15	FY14	Variance
Occupancy %	**85.7%**	**84.6%**	**+1.3%**
	1H15	**1H14**	
Rental income $m	**$12.1m**	**$10.0m**	**+21%**
Catering income $m	**$1.7m**	**$1.5m**	**+13%**
EBIT $m	**$5.4m**	**$4.9m**	**+10%**

The Garden Villages segment delivers a consistent stream of recurring cash income for the Group. The results are up $0.4m on the corresponding prior period due to growing occupancy levels, up 1.1% from June 14.

The Ingenia Care Assist program continues to be a strong contributor to the growing occupancy levels across this portfolio. This program enables residents to live independently for longer in the villages and is proving to be a key selling feature for residents moving into the villages.

ii. Strategic priorities

The key strategic priorities of this business continue to be growing village occupancy toward the mid term target of 92%, improving cash operating margins in lower performing villages, ensuring residents are actively engaged and maintaining affordability whilst leveraging scale efficiencies across the portfolio. Beyond continuing maintenance reinvestment in existing villages it is unlikely further growth capital will be deployed in the Garden Villages portfolio.

Settlers Lifestyle

Settlers Lifestyle is comprised of eight deferred management fee villages, including those in the process of being converted from the rental to deferred management fee model. These villages are located Queensland, New South Wales and Western Australia and accommodate more than 800 residents whilst generating income from accrued deferred management fees, rental income where villages are not yet fully converted and development income from unit conversions and village expansion. The carrying value of these assets at 31 December 2014, net of resident loans and lease liabilities is $65.6m. The Group continues to explore opportunities to reduce its exposure to this portfolio following the first divestment in July 2014, when the Settlers Lifestyle Noyea Park village settled for an adjusted sales price of $5.4m.

i. Performance

	1H15	FY14	Variance
Occupancy %	**93%**	**92%**	**+1.0%**
	1H15	**1H14**	**Variance**
New settlements #	**21**	**21**	**-**
Development income $m	**$1.1m**	**$1.3m**	**-10%**
Accrued DMF income $m	**$2.7m**	**$2.7m**	**-**
EBIT $m	**$2.7m**	**$1.7m**	**+59%**

The Settlers Lifestyle business delivered a higher result than the prior period due to gradual winding down of sales and marketing efforts on several projects nearing completion. The Hunter Valley residential market continues to be weak, which has meant incoming residents are requiring longer to sell their existing home in order to settle their new unit purchase within our Cessnock and Ridge Estate villages.

ii. Strategic priorities

The key strategic priorities of this business over the coming six months are the continued sell down of stock at Ridge Estate, Forest Lake, Cessnock and Rockhampton and further exploration of divestment opportunities.

f) Discontinued operations

The Group completed its exit from the New Zealand Students accommodation portfolio in December 2014.

g) Capital Management

The Group adopts a prudent and considered approach to capital management. During the period, the Group strengthened its capital position by undertaking a $89.1m capital raising. In February 2015 the Group negotiated a new $175m Australian multilateral debt facility, an increase of $45.5m from the previous bilateral facility.

As at 31 December 2014, the current LVR is 14.4%. The Group is working to deploy proceeds from the capital raising and debt into further Active Lifestyle Estate acquisitions, and anticipates being at or close to its target LVR of 30-35% by 30 June 2015.

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Directors' report
Half-year ended 31 December 2014

h) Financial Position

The following table provides a summary of the Group's financial position as at 31 December 2014:

$'000	31 Dec 2014	30 Jun 2014	Change %
Cash and cash equivalents	**24,618**	12,894	**+90.9%**
Inventories	**6,437**	2,208	**+191.5%**
Investment properties	**520,184**	498,863	**+4.3%**
Assets of discontinued operations	**-**	47,657	**N/A**
Other assets	**16,794**	13,302	**+26.3%**
Total assets	**568,033**	574,924	**-1.2%**
Borrowings	**25,557**	98,356	**-74.0%**
Retirement village resident loans	**193,411**	190,122	**+1.7%**
Liabilities from discontinued operations	**-**	30,449	**N/A**
Other liabilities	**28,462**	15,820	**+79.9%**
Total Liabilities	**247,430**	334,747	**-26.1%**
Net assets/equity	**320,603**	240,177	**+33.5%**

Inventories increased by $4.2m reflecting the Group's growing investment in the manufactured home estates sector. The Group's strategy includes development of new manufactured homes, which are classified as inventory until they are sold to new residents. This element of the Group's balance sheet will continue to grow as the number of active development projects increases.

Investment properties increased by $21.3m largely due to the acquisition of White Albatross Holiday Park.

Assets and liabilities of discontinued operations decreased to nil reflecting the disposal of New Zealand operations in December 2014, in line with the divestment strategy.

Borrowings decreased by $72.8 million due to the temporary application of proceeds from the October rights issue against debt until funds are gradually deployed, and extinguishment of New Zealand debt associated with the New Zealand divestment. This ensures finance costs are minimised during this intervening period.

i) Cashflow

$'000	1H15	1H14	Variance
Operating cashflows	**4,609**	**3,070**	**1,539**
Investing cashflows	**26,963**	**(67,429)**	**94,392**
Financing cashflows	**(21,672)**	**47,811**	**(69,483)**
Net change in cash and cash equivalents	**9,900**	**(16,548)**	**26,448**
Effects of exchange rate fluctuations on cash held	**167**	**18**	**149**
Cash at the end of the period	**24,618**	**21,020**	**3,598**

Operating cash flow for the Group was strong at $4.6m, up $1.5m from prior year. The improvement in operating cash flow reflects increasing contribution from the recurring rental income streams of both the Active Lifestyle Estates and Garden Villages portfolios offset by increased costs associated with the purchase of manufactured homes.

Investing cash flows reflect the divestment of New Zealand operations and Noyea for $49.6 million along with capital refurbishment works of $6.3 million.

Financing cash flows include net proceeds of $86.5m from the October institutional placement and rights issue, net repayment of borrowings of $102.9 million, and payment of distributions to security holders of $4.4 million.

j) Distributions

The following distribution was made during or in respect of the period:

- On 26 August 2014 the directors declared a final distribution for 2014 of 0.65 cents per security ("cps") (2013: 0.5 cps) amounting to $4,407,379 which was paid on 17 September 2014.

The distributions are 100% tax deferred and the dividend reinvestment plan will apply to the interim distribution.

The Group is committed to continuing to grow distributions in the near term.

k) Outlook

The Group is well positioned to continue growing its lifestyle parks business with a strong an accretive acquisition pipeline in place for deploying the remaining proceeds from the October equity raising. The volume of new manufactured home settlements will start to grow as gathering sales momentum converts into settlements and further projects are launched. This will result in performance building into earnings in the second half of FY15, and into FY16.

At the same time, the Group will continue to regularly assess the performance of its existing assets, continue exploring opportunities for divestment of the Settlers portfolio and recycle capital into other opportunities delivering superior returns.

3. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Changes in the state of affairs during the half year are set out in the various reports in this Interim Financial Report. Refer to note 6 of the accompanying financial statements for discontinued operations and assets held for sale, note 9 for investment properties acquired or disposed of during the period, note 11 for details of Australian debt refinanced and note 13 for issued securities.

4. EVENTS SUBSEQUENT TO REPORTING DATE

- On 27 January 2015, the Group announced it had exchanged conditional contracts for the acquisition of Sydney Hills Holiday Park in Dural, NSW. The acquisition price is approximately $12m (excluding acquisition costs) subject to due diligence and Board approval and will be funded from the proceeds of the capital raising in October 2014.
- On 13 February 2015, the Group completed refinancing its debt and now has a $175m Australian multilateral banking facility in place. The facility, is split between a three year and a five year maturity profile.
- On 18 February 2015, the Group settled Big 4 Bougainvillia Holiday Park, a lifestyle park, located in Tewantin, QLD. The purchase price of $12.5m was funded from the proceeds of capital raising in October 2014.
- On 24 February 2015 the directors resolved to declare an interim distribution of 0.65 cps (2014: 0.5cps) amounting to $5,712,537 to be paid on 18 March 2015. The distributions are 100% tax deferred and the dividend reinvestment plan will apply to the interim distribution.

5. NON-IFRS FINANCIAL INFORMATION

Alternative profit measure (i.e. underlying profit) shown in this report has not been reviewed or audited in accordance with Australian Auditing Standards.

6. 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 11.

7. 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.

To the extent permitted by law, the Company has agreed to indemnify its auditors, 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 financial year.

8. ROUNDING OF AMOUNTS

The Group is an entity of the kind referred to in ASIC Class Order 98/100, 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.

Jim Hazel
Chairman
Sydney
24 February 2015

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

In relation to our review of the financial report of Ingenia Communities Holdings Limited and its controlled entities for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Chris Lawton
Partner
24 February 2015

Ingenia Communities Holdings Limited
Consolidated Statement of Comprehensive Income
for the Half-year ended 31 December 2014

	Note	2014 $'000	2013 $'000
Continuing operations			
Revenue			
Rental income	5	**20,849**	13,390
Accrued deferred management fee income		**2,735**	2,745
Manufactured home sales		**1,930**	1,105
Catering income		**1,768**	1,562
Other property income	5	**1,271**	320
Interest income		**107**	189
		28,660	19,311
Property expenses		**(8,022)**	(4,826)
Employee expenses		**(10,054)**	(6,690)
Administrative expenses		**(2,411)**	(1,846)
Operational, marketing and selling expenses		**(1,935)**	(1,411)
Cost of manufactured homes		**(1,102)**	(632)
Finance expenses		**(2,433)**	(1,850)
Net foreign exchange gain/(loss)		**57**	348
Net gain/(loss) on disposal of investment properties		**(323)**	-
Net gain/(loss) on change in fair value of:			
Investment properties		**(9,309)**	1,226
Derivatives		**98**	(8)
Retirement village resident loans		**(86)**	60
Depreciation and amortisation expense		**(153)**	(87)
Profit/(loss) from continuing operations before income tax		**(7,013)**	3,595
Income tax benefit		**5,926**	1,005
Profit/(loss) from continuing operations		**(1,087)**	4,600
Profit/(loss) from discontinued operations	6	**100**	(294)
Net profit/(loss) for the half-year		**(987)**	4,306
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences arising during the period		**1,339**	752
Release of foreign currency translation reserve on disposal of foreign operations		**(2,374)**	-
Total comprehensive income for the half-year, net of income tax		**(2,022)**	5,058
Profit/(loss) attributable to securityholders of:			
Ingenia Communities Holdings Limited		**160**	(1,411)
Ingenia Communities Fund		**9,412**	6,775
Ingenia Communities Fund Management Trust		**(10,559)**	(1,058)
		(987)	4,306
Total comprehensive income attributable to securityholders of:			
Ingenia Communities Holdings Limited		**160**	(1,411)
Ingenia Communities Fund		**5,685**	7,495
Ingenia Communities Fund Management Trust		**(7,867)**	(1,026)
		(2,022)	**5,058**

Ingenia Communities Holdings Limited
Consolidated Statement of Comprehensive Income
for the Half-year ended 31 December 2014

	2014 Cents	2013 Cents
Distributions per security(1)	**0.65**	0.50
Earnings per security:		
Basic earnings from continuing operations		
Per security	**(0.1)**	0.7
Per security attributable to parent	**0.0**	(0.2)
Basic earnings		
Per security	**(0.1)**	0.7
Per security attributable to parent	**0.0**	(0.2)
Diluted earnings from continuing operations		
Per security	**(0.1)**	0.7
Per security attributable to parent	**0.0**	(0.2)
Diluted earnings		
Per security	**(0.1)**	0.7
Per security attributable to parent	**0.0**	(0.2)

(1) Distributions relate to the final distribution paid for the prior reporting period. An interim distribution for the current reporting period was declared for 0.65 cents on 24 February 2015, to be paid to securityholders on 18 March 2015.

Ingenia Communities Holdings Limited
Consolidated Balance Sheet
as at 31 December 2014

	Note	31 Dec 2014 $'000	30 Jun 2014 $'000
Current assets			
Cash and cash equivalents	7	**24,618**	12,894
Trade and other receivables		**6,064**	3,745
Inventories	8	**6,437**	2,208
Income tax receivable		**241**	960
Assets held for sale		**-**	5,439
Assets of discontinued operations		**-**	47,657
Total current assets		**37,360**	72,903
Non-current assets			
Trade and other receivables		**2,481**	2,168
Investment properties	9	**520,184**	498,863
Plant and equipment		**860**	615
Intangible assets		**1,483**	375
Deferred tax assets		**5,665**	-
Total non-current assets		**530,673**	502,021
Total assets		**568,033**	574,924
Current liabilities			
Trade and other payables	10	**16,776**	10,409
Borrowings	11	**21,226**	283
Retirement village resident loans	12	**193,411**	190,122
Provisions		**835**	718
Derivatives		**70**	84
Liabilities of discontinued operations		**-**	30,449
Total current liabilities		**232,318**	232,065
Non-current liabilities			
Trade and other payables	10	**10,500**	4,000
Borrowings	11	**4,331**	98,073
Provisions		**281**	249
Derivatives		**-**	84
Deferred tax liabilities		**-**	276
Total non-current liabilities		**15,112**	102,682
Total liabilities		**247,430**	334,747
Net assets		**320,603**	240,177
Equity			
Issued securities	13	**655,640**	569,116
Reserves		**1,319**	2,023
Accumulated losses		**(336,356)**	(330,962)
Total equity		**320,603**	**240,177**
Attributable to securityholders of:			
Ingenia Communities Holdings Limited			
Issued securities		**8,874**	7,377
Reserves		**1,319**	988
Retained earnings/(Accumulated losses)		**(2,499)**	(2,659)
		7,694	5,706
Ingenia Communities Fund		**295,872**	224,254
Ingenia Communities Management Trust		**17,037**	10,217
		320,603	240,177
Net asset value per security (cents)		**36.5**	**35.5**

Ingenia Communities Holdings Limited
Consolidated Cash Flow Statement
for the Half-year ended 31 December 2014

	Note	**2014 $'000**	2013 $'000
Cash flows from operating activities			
Rental and other property income		**29,466**	17,929
Property and other expenses		**(25,001)**	(15,903)
Proceeds from resident loans		**10,773**	10,607
Repayment of resident loans		**(6,221)**	(6,717)
Proceeds from sale of manufactured homes		**3,486**	1,267
Purchase of manufactured homes		**(5,678)**	(1,180)
Interest received		**99**	224
Borrowing costs paid		**(3,105)**	(3,022)
Income tax (paid)/received		**790**	(135)
		4,609	3,070
Cash flows from investing activities			
Purchase and additions of plant and equipment		**(280)**	(71)
Purchase and additions of intangible assets		**(1,049)**	-
Payments for investment properties		**(15,205)**	(61,104)
Additions to investment properties		**(6,259)**	(12,524)
Proceeds/(costs) from sale of investment properties		**49,588**	1,256
Proceeds from sale of equity accounted investments		**-**	5,117
Amounts received from/(advanced to) villages		**168**	(23)
Payments for lease arrangements		**-**	(80)
		26,963	(67,429)
Cash flows from financing activities			
Proceeds from issue of stapled securities		**90,394**	61,707
Payments for security issue costs		**(3,941)**	(2,719)
Finance lease payments		**(50)**	(42)
Payments for derivatives		**(444)**	-
Distributions to securityholders		**(4,402)**	(2,507)
Proceeds from borrowings		**22,305**	58,970
Repayment of borrowings		**(125,197)**	(67,500)
Payments for debt issue costs		**(337)**	(98)
		(21,672)	47,811
Net increase/(decrease) in cash and cash equivalents		**9,900**	(16,548)
Cash and cash equivalents at the beginning of the year		**14,551**	37,550
Effects of exchange rate fluctuation on cash held		**167**	18
Cash and cash equivalents at the end of the half-year	7	**24,618**	21,020

Ingenia Communities Holdings Limited
Statement of Changes in Equity
for the Half-year ended 31 December 2014

		ATTRIBUTABLE TO SECURITYHOLDERS					
		INGENIA COMMUNITIES HOLDINGS LIMITED					
		Issued capital	Reserves	Retained earnings	Total	ICF & ICMT	Total equity
	Note	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at 1 July 2013		**6,078**	**308**	**77**	**6,463**	**168,189**	**174,652**
Net profit/(loss) for the period		-	-	(1,411)	(1,411)	5,717	4,306
Other comprehensive income		-	-	-	-	752	752
Total Comprehensive income for the period		**-**	**-**	**(1,411)**	**(1,411)**	**6,469**	**5,058**
Transactions with security holders in their capacity as security holders:							
Issue of securities	13	1,300	-	-	1,300	57,677	58,977
Share-based payment transactions		-	350	-	350	-	350
Distributions paid or payable	17	-	-	-	-	(2,536)	(2,536)
Carrying amount at 31 December 2013		**7,378**	**658**	**(1,334)**	**6,702**	**229,799**	**236,501**
Carrying amount at 1 July 2014		**7,377**	**988**	**(2,659)**	**5,706**	**234,471**	**240,177**
Net profit/(loss) for the period		-	-	160	160	(1,147)	(987)
Other comprehensive income		-	-	-	-	(1,035)	(1,035)
Total Comprehensive income for the period		**-**	**-**	**160**	**160**	**(2,182)**	**(2,022)**
Transactions with security holders in their capacity as security holders:							
Issue of securities	13	1,497	-	-	1,497	85,027	86,524
Share-based payment transactions		-	331	-	331	-	331
Distributions paid or payable	17	-	-	-	-	(4,407)	(4,407)
Carrying amount at 31 December 2014		8,874	1,319	(2,499)	7,694	312,909	320,603

Ingenia Communities Holdings Limited
Notes to the financial statements
for the Half-year ended 31 December 2014

1. Summary of significant accounting policies

(a) The Group

The financial report of Ingenia Communities Holdings Limited (the "Company") comprises the consolidated interim 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 units in each trust shall remain equal and those shareholders 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.

(b) Basis of preparation

The interim financial report is a general purpose financial report which has been prepared in accordance with *AASB 134 'Interim financial reporting'* and the *Corporations Act 2001*.

The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the Group's annual financial report for the year ended 30 June 2014.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2014 annual report with the exception of new amended standards and interpretations which have been applied as required. Where necessary comparative figures have been adjusted to conform with changes in presentation in the current period.

As at 31 December 2014, the Group recorded a net current asset deficiency of $194,958,000. This deficiency includes retirement village resident loans of $193,411,000. Resident loan obligations of the Group are classified as current liabilities due to the demand feature of these obligations despite the unlikely possibility that the majority of the loans will be settled within the next 12 months. Furthermore, if required, the proceeds from new resident loans could be used by the Group to settle existing loan obligations should those incumbent residents vacate their units. On 13 February 2015, the Group completed refinancing its debt and now has a $175m Australian Multilateral banking facility in place. The facility, is split between a three year and a five year maturity profile. Had the debt facility been re-negotiated prior to 31 December 2014 the Group would have the debt facility of $21 million classified as non-current and shown a net current asset position of $19,453,000 (excluding the retirement village resident loans).

Accordingly, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and the financial report of the Group has been prepared on a going concern basis.

Ingenia Communities Holdings Limited
Notes to the financial statements
for the Half-year ended 31 December 2014

1. Summary of significant accounting policies (continued)

(c) New or revised Accounting Standards and Interpretations that are first effective in the current reporting period

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current period. The following standards were most relevant to the Group:

- AASB 132 '*Financial Instruments: Presentation*' and AASB 2012-3 'Amendments to Australian Accounting Standards – *Offsetting Financial Assets and Financial Liabilities'*;

- AASB 136 '*Impairment of Assets*' and AASB 2013-3 'Amendments to AASB 136 – *Recoverable Amount Disclosures for Non-Financial Assets'* ;

- AASB 2 ' *Share Based Payments'*, AASB 3 '*Business Combinations'*, AASB 8 '*Segment Reporting'* and AASB 2014-1 Part A – Annual Improvements 2010-2012 Cycle

The impact of application of each Standard is as follows:

Accounting Standard	**Impact on the Group**
AASB 132 and AASB 2012-3	AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* makes amendments to AASB 132 *Financial Instruments: Presentation* as a result of issuance of International Financial Reporting Standard *Offsetting Financial Assets and Financial Liabilities* and provides application guidance to certain criteria mentioned in AASB 132. The application of the standard does not have any impact on the results of the Group as retirement village resident loans are already offset as there is a current legally enforceable right and there is an intention to settle on a net basis.
AASB 136 and AASB 2013-3	AASB 2013-3 amends the disclosure requirements of AASB 136 *Impairment of Assets* to require disclosure of additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The application of the standard did not have any impact on the results of the Group.

Ingenia Communities Holdings Limited
Notes to the financial statements
for the Half-year ended 31 December 2014

1. Summary of significant accounting policies (continued)

Accounting Standard	Impact on the Group
AASB 2, AASB 3, AASB 8, and AASB 2014-1	AASB 2014-1 *Amendments to Australian Accounting Standards* makes amendments to the following AASB's as part of the Annual Improvement Cycle - AASB 2: This statement clarifies the Definition of 'vesting conditions' and separately defines 'performance condition' and 'service condition'. The amendment applies to any share based payment transactions for which the grant date is on or after 1 July 2014. Application of this amendment did not have any impact on the results of the Group. - AASB 3: The standard clarifies that judgement is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is an acquisition of a group of assets or a business combination within the scope of AASB 3 *Business Combinations* that includes an investment property. The Group makes an assessment about this classification for each investment property acquired. Therefore no impact except for additional disclosures regarding judgements and estimates. - AASB 8: The standard amends disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard requires a reconciliation of segment assets to the entity's assets when segment assets are reported. Application of this amendment did not have any impact on the results of the Group.

Ingenia Communities Holdings Limited
Notes to the financial statements
for the Half-year ended 31 December 2014

1. Summary of significant accounting policies (continued)

(d) Pending accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period. The Group's assessment of the impact of these new standards and interpretations is set out below.

Accounting Standard	Impact on the Group
AASB 9	AASB 9 *Financial Instruments* is applicable to reporting periods beginning on or after 1 January 2018. The Group has not early adopted this standard. This standard provides requirements for the classification and measurement of financial assets and accounting for financial liabilities. These requirements seek to improve and simplify the requirements listed in AASB 139 *Financial Instruments: Recognition and Measurement*. The Group is continuing to evaluate the impact of this standard, however no material impact is expected.
AASB 15	AASB 15 *Revenue from Contracts with Customers* is applicable to reporting periods beginning on or after 1 January 2017. This will replace IAS 18, which covers contracts for goods and services and IAS 11, which covers construction contracts. The Group has not early adopted the standard. The new standard provides that an entity recognizes revenue in line with contractual performance obligations, where the determined contract price which is allocated against those performance obligations. The new standard is based on the principal that revenue is recognised when control of the good or service transfers to the customer, so the notion of control replaces the existing notion of risks and rewards. The Group is continuing to evaluate the impact of this standard, however no material impact is expected.

Other new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the current reporting period. These are not expected to have any material impact on the Group's financial reporting in future reporting periods.

(e) Accounting policies applied for the first time in the current period

(i) Intangible Assets

An intangible asset arising from development expenditure related to software 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, and direct payroll and payroll related costs of employees' time spent on the project.

Following the initial recognition of the 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.

Ingenia Communities Holdings Limited
Notes to the financial statements
for the Half-year ended 31 December 2014

1. Summary of significant accounting policies (continued)

(e) Accounting policies applied for the first time in the current period (continued)

A summary of the policy applied to capitalised development costs is as follows:

Software and associated development costs (assets in use)

- Useful life: Finite Amortisation method using 7 years on a straight-line basis.
- Impairment test: Amortisation method reviewed at each financial year end; closing carrying value reviewed annually for indicators of impairment.

Subsequent expenditure on capitalised 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 de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

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 the Group's 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, will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Valuation of investment property

The Group has investment properties with a carrying amount of $520,184,000 (June 2014:$498,863,000) (refer note 9), and retirement village residents' loans with a carrying amount of $193,411,000 (June 2014: $190,122,000) (refer note 12), which together represent the estimated fair value of the Group's continuing interest in retirement villages.

These carrying amounts reflect certain assumptions about expected future rentals, rent-free periods, operating costs and appropriate discount and capitalisation rates. The valuation assumptions for deferred management fee villages reflect assumptions relating to 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 Responsible Entity considered information about current and recent sales activity, current market rents, and discount and capitalisation rates, for properties similar to those owned by the Group, as well as independent valuations of the Group's property.

2. Accounting estimates and judgements (continued)

(ii) Valuation of Inventories

The Group has inventory in the form of manufactured 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 the estimates are made, of the amount the inventories are expected to realise and the estimate of costs to complete. Key assumptions require the use of management judgement, which 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 relies on counterparty valuations for derivative values. The counterparty valuations are usually based on mid-market rates and calculated using the main variables including the forward market curve, time and volatility.

(iv) Valuation of share-based payments

Valuation of share-based payment transactions is performed using judgements around the fair value of equity instruments on the date at which they are granted. The fair value is determined using a Monte Carlo based simulation method for long term incentive performance rights and the security price at grant date of short term incentive performance rights. Refer note 14 for assumptions used in determining the fair value.

(v) Valuation of assets acquired in business combinations

Upon recognising an acquisition, management uses estimations and assumptions of the fair value of assets and liabilities assumed at the date of acquisition, including judgements related to valuation of investment property as discussed above.

(vi) Valuation of retirement village resident loans

The fair value of the retirement village resident loans is calculated by reference to the initial loan amount and the resident's share of any capital gains in accordance with their contracts less any deferred management fee income earned to date by the Group as operator. The key assumptions for calculating the capital gain and deferred management fee income components is the value of the dwelling being occupied by the resident. This value is determined by reference to the valuation of investment property as referred to above.

(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.

Ingenia Communities Holdings Limited
Notes to the financial statements
for the Half-year ended 31 December 2014

3. Segment information

(a) Description of segments

The Group invests in seniors living properties located in Australia with three reportable segments:

- Garden Villages – rental villages;
- Settlers Lifestyle – deferred management fee villages; and
- Active Lifestyle Estates – comprising permanent and short stay rentals within lifestyle parks and the sale of manufactured homes.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker in assessing performance and in determining the allocation of resources. Other parts of the Group are neither an operating segment nor part of an operating segment. Assets that do not belong to an operating segment are described below as “unallocated”.

(b) 31 December 2014

	Active Lifestyle Estates	Settlers	Garden Villages	Corporate/ Unallocated	Total
	$’000	$’000	$’000	$’000	$’000
(i) **Segment revenue**					
External segment revenue	10,915	4,661	13,962	159	**29,697**
Interest income	-	-	-	107	**107**
Reclassification of gain on revaluation of newly constructed villages	-	(1,144)	-	-	**(1,144)**
Total revenue	**10,915**	**3,517**	**13,962**	**266**	**28,660**
(ii) **Segment underlying profit**					
External segment revenue	10,915	4,661	13,962	159	**29,697**
Interest income	-	-	-	107	**107**
Property expenses	(2,961)	(680)	(4,174)	(207)	**(8,022)**
Employee expenses	(3,656)	(887)	(3,725)	(1,786)	**(10,054)**
Administration expenses	(532)	(155)	(300)	(1,424)	**(2,411)**
Operational, marketing and selling expenses	(705)	(224)	(373)	(633)	**(1,935)**
Manufactured home cost of sales	(1,102)	-	-	-	**(1,102)**
Depreciation and amortisation expense	(6)	-	(32)	(115)	**(153)**
Finance expense	-	-	-	(2,433)	**(2,433)**
Income tax benefit	-	-	-	2,323	**2,323**
Underlying profit/(loss) – continuing operations	**1,953**	**2,715**	**5,358**	**(4,009)**	**6,017**
Reconciliation of underlying profit to profit from continuing operations:					
Net foreign exchange gain	-	-	-	57	**57**
Net loss on disposal of investment property	-	(316)	-	(7)	**(323)**
Net gain/(loss) on change in fair value of:					
Investment properties	(8,670)	(2,401)	1,762	-	**(9,309)**
Derivatives	-	-	-	98	**98**
Retirement village resident loans	-	(86)	-	-	**(86)**
Gain on revaluation of newly constructed villages	-	(1,144)	-	-	**(1,144)**
Income tax benefit associated with reconciliation items	-	-	-	3,603	**3,603**
Profit/(loss) from continuing operations per the Consolidated Statement of Comprehensive Income	**(6,717)**	**(1,232)**	**7,120**	**(258)**	**(1,087)**
(iii) **Segment assets**					
Segment assets	153,715	217,312	161,466	35,540	**568,033**
Discontinued operations					-
Total assets					**568,033**

Ingenia Communities Holdings Limited
Notes to the financial statements
for the Half-year ended 31 December 2014

3. Segment information (continued)

(c) 31 December 2013

	Active Lifestyle Estates $'000	Settlers $'000	Garden Villages $'000	Corporate/ Unallocated $'000	Total $'000
(i) **Segment revenue**					
External segment revenue	4,192	4,651	11,550	-	**20,393**
Interest income	-	-	-	189	**189**
Reclassification of gain on revaluation of newly constructed villages	-	(1,271)	-	-	**(1,271)**
Total revenue	**4,192**	**3,380**	**11,550**	**189**	**19,311**
(ii) **Segment underlying profit**					
External segment revenue	4,192	4,651	11,550	-	**20,393**
Interest income	-	-	-	189	**189**
Property expenses	(775)	(897)	(3,001)	(153)	**(4,826)**
Employee expenses	(1,290)	(1,167)	(2,804)	(1,429)	**(6,690)**
Administration expenses	(142)	(155)	(425)	(1,124)	**(1,846)**
Operational, marketing and selling expenses	(68)	(720)	(431)	(192)	**(1,411)**
Manufactured home cost of sales	(632)	-	-	-	**(632)**
Depreciation and amortisation expense	-	-	-	(87)	**(87)**
Finance expense	-	-	-	(1,850)	**(1,850)**
Income tax benefit	-	-	-	778	**778**
Underlying profit/(loss) – continuing operations	**1,285**	**1,712**	**4,889**	**(3,868)**	**4,018**
Reconciliation of underlying profit to profit from continuing operations:					
Net foreign exchange gain	-	-	-	348	**348**
Net gain/(loss) on change in fair value of:					
Investment properties	(493)	383	1,336	-	**1,226**
Derivatives	-	-	-	(8)	**(8)**
Retirement village resident loans	-	60	-	-	**60**
Gain on revaluation of newly constructed villages	-	(1,271)	-	-	**(1,271)**
Income tax benefit associated with reconciliation items	-	-	-	227	**227**
Profit from continuing operations per the Consolidated Statement of Comprehensive Income	**792**	**884**	**6,225**	**(3,301)**	**4,600**
(iii) **Segment assets**					
Segment assets	80,035	259,164	103,267	25,243	**467,709**
Discontinued operations					46,630
Total assets					**514,339**

(d) Impact of seasonality on segment results

The results of the Group are affected by the seasonal impact of Active Lifestyle Estate investments. Occupancy rates of short term cabins are higher in the period December through to March each year due to their geographic location and summer holiday months increasing demand for holiday bookings.

Ingenia Communities Holdings Limited
Notes to the financial statements
for the Half-year ended 31 December 2014

4. Earnings per security

	2014	2013
(a) Per security		
Profit/(loss) attributable to securityholders ($'000)	**(987)**	4,306
Profit/(loss) from continuing operations ($'000)	**(1,087)**	4,600
Profit/(loss) from discontinued operations ($000)	**100**	(294)
Weighted average number of securities outstanding (thousands)		
Issued securities	**763,190**	617,384
Dilutive securities		
Performance quantum rights	**7,558**	4,710
Retention quantum rights	**-**	1,818
Weighted average number of issued and dilutive potential securities outstanding (thousands)	**770,748**	623,912
Basic earnings per security from continuing operations (cents)	**(0.1)**	0.7
Basic earnings per security from discontinued operations (cents)	**0.0**	0.7
Basic earnings per security (cents)	**(0.1)**	(0.0)
Dilutive earnings per security from continuing operations (cents)	**(0.1)**	0.7
Dilutive earnings per security from discontinued operations (cents)	**0.0**	0.7
Dilutive earnings per security (cents)	**(0.1)**	(0.0)
(b) Per security attributable to parent		
Profit/(loss) attributable to securityholders ($'000)	**160**	(1,411)
Weighted average number of securities outstanding (thousands)		
Issued securities	**763,190**	617,384
Dilutive securities		
Performance quantum rights	**7,558**	4,710
Retention quantum rights	**-**	1,818
Weighted average number of issued and dilutive potential securities outstanding (thousands)	**770,748**	623,912
Basic earnings per security (cents)	**0.0**	(0.2)
Dilutive earnings per security (cents)	**0.0**	(0.2)

5. Revenue

	2014 $'000	2013 $'000
Residential rental income – Garden Villages	**12,088**	9,988
Residential rental income – Settlers Lifestyle	**384**	543
Residential rental income – Active Lifestyle Estates	**3,762**	1,306
Short-term rental income – Active Lifestyle Estates	**4,615**	1,553
Total rental income	**20,849**	13,390
Government incentives	**70**	50
Commissions and administrative fees	**375**	72
Linen fees	**79**	-
Sundry income	**398**	121
Utility recoveries	**349**	77
Total other property income	**1,271**	320

Sundry Income includes ancillary service, laundry and other property income amounts.

Ingenia Communities Holdings Limited
Notes to the financial statements
for the Half-year ended 31 December 2014

6. Discontinued operations

(a) Assets Held for Sale

Noyea Riverside Village ('Noyea') was classified as an asset held for sale at 30 June 2014. Noyea was included within the Settlers Lifestyle segment. On 31 July 2014 settlement of this asset occurred for an adjusted sales price of $5.4 million resulting in $nil gain or loss recognised upon completion.

(b) Discontinued operations

(i) Details of discontinued operations

The Group's investment in its New Zealand Students business was classified as a discontinued operation since 30 June 2011, consistent with the previously announced strategy to focus on transitioning to an actively managed Australian seniors living business. The Group held a 100% interest in three facilities in Wellington, New Zealand that were primarily leased for 15 years to Victoria University of Wellington and Wellington Institute of Technology. The Group completed the sale of these assets in December 2014. Funds still remain in New Zealand to facilitate the final stages of exit.

(ii) Financial performance

The financial performance of components of the Group disposed of or classified as discontinued operations at 31 December 2014 was:

	2014 **$'000**	2013 $'000
Revenue	2,182	1,041
Net gain/(loss) on change in fair value of investment properties	-	(335)
Unrealised net foreign exchange gain/(loss)	(997)	630
Interest income	2	41
Expenses	(715)	(784)
Interest expense	(799)	(702)
Disposal costs associated with overseas investments	-	(143)
Profit/(loss) from operating activities before income tax	(327)	(252)
Income tax expenses	(10)	(10)
Profit/(loss) from operating activities	(337)	(262)
Gain/(loss) on sale of discontinued operations (net of tax)	(1,937)	(32)
Release of foreign currency translation reserve on disposal of foreign operations	2,374	-
Profit/(loss) from discontinued operations for the half-year	100	(294)

Profit/(loss) from discontinued operations attributable to the Company for periods ending 31 December 2014 and 31 December 2013 is $nil.

Ingenia Communities Holdings Limited
Notes to the financial statements
for the Half-year ended 31 December 2014

6. Discontinued operations (continued)

(iii) Cash Flows

The cash flows of components of the Group disposed of or classified as discontinued operations were:

	2014	2013
	$'000	$'000
Net cash flow from operating activities	179	(371)
Net cash flow from investing activities:		
(Payments)/proceeds on sale of discontinued operations	44,247	(65)
Additions to investment properties	-	(7,738)
Payments for lease arrangements	(4)	(80)
Other	-	308
Net cash flow from financing activities	(30,345)	10,161
Transfer to continuing operations	(15,738)	-
Net cash flows from discontinued operations	(1,661)	2,215

(iv) Assets and liabilities

The assets and liabilities of components of the Group classified as disposal groups at each reporting date were:

	31 Dec 2014	30 Jun 2014
	$'000	$'000
Assets		
Cash and cash equivalents	-	1,657
Trade and other receivables	-	98
Investment properties	-	45,902
Total assets	-	47,657
Liabilities		
Bank overdraft	-	-
Payables	-	368
Borrowings	-	30,081
Total liabilities	-	30,449
Net assets of disposal groups	-	17,208

(v) Capitalisation rate

The weighted average capitalisation rate of the New Zealand Students internal valuation within discontinued operations at 30 June 2014 was 8.6%.

Ingenia Communities Holdings Limited
Notes to the financial statements
for the Half-year ended 31 December 2014

7. Cash and cash equivalents

	31 Dec 2014 $'000	30 Jun 2014 $'000
Cash at bank and in hand	**24,618**	12,894

Reconciliation to statements of cash flows	**31 Dec 2014 $'000**	31 Dec 2013 $'000
Cash and cash equivalents attributable to:		
Continuing operations - cash at bank	24,618	19,784
Discontinued operations - cash at bank	**-**	1,236
Cash at the end of half-year as per cash flow statement	**24,618**	21,020

8. Inventories

	31 Dec 2014 $'000	30 Jun 2014 $'000
Current assets		
Manufactured homes	**6,437**	2,208

9. Investment properties

(a) Summary of carrying amounts

	31 Dec 2014 $'000	30 Jun 2014 $'000
Completed properties	**504,478**	482,618
Properties to be developed	**15,706**	16,245
	520,184	498,863

Ingenia Communities Holdings Limited
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9. Investment properties (continued)

(b) Individual valuations and carrying amounts

Property	Location	Date of purchase	Cost to date	Latest external valuation date	Valuation	Carrying amount		Capitalisation rate	
						31 Dec 2014	30 Jun 2014	**31 Dec 2014**	30 Jun 2013
			$'000		**$'000**	**$'000**	$'000	**%**	%
Completed properties									
Garden Villages									
Yakamia Gardens	Yakamia, WA	Jun 04	5,474	Dec 14	3,200	**3,200**	2,730	**12.3%**	10.0%
Mardross Gardens	Albury, NSW	Jun 04	5,659	Jun 14	2,400	**2,350**	2,400	**10.0%**	10.0%
Seville Grove Gardens	Seville Grove, WA	Jun 04	4,575	Dec 14	3,200	**3,200**	3,390	**12.0%**	10.5%
Hertford Gardens	Sebastopol, VIC	Jun 04	4,145	Jun 14	3,770	**3,850**	3,770	**10.8%**	10.8%
Carey Park Gardens	Bunbury, WA	Jun 04	4,959	Dec 14	3,300	**3,300**	3,520	**12.1%**	11.0%
Jefferis Gardens	Bundaberg North, QLD	Jun 04	5,003	Dec 13	2,600	**3,920**	3,480	**12.5%**	11.0%
Claremont Gardens	Claremont, TAS	Jun 04	4,306	Dec 13	3,320	**3,510**	3,230	**11.8%**	10.5%
Taloumbi Gardens	Coffs Harbour, NSW	Jun 04	5,093	Dec 14	4,300	**4,300**	4,170	**11.8%**	10.5%
Devonport Gardens	Devonport, TAS	Jun 04	4,033	Dec 14	1,700	**1,700**	2,100	**11.1%**	9.0%
Wheelers Gardens	Dubbo, NSW	Jun 04	4,375	Dec 13	3,800	**4,580**	4,300	**11.3%**	10.0%
Elphinwood Gardens	Launceston, TAS	Jun 04	4,505	Dec 14	3,200	**3,200**	2,910	**12.1%**	10.5%
Glenorchy Gardens	Glenorchy, TAS	Jun 05	4,179	Dec 13	3,250	**3,630**	3,370	**11.5%**	10.5%
Chatsbury Gardens	Goulburn, NSW	Jun 04	4,836	Dec 13	2,940	**3,710**	3,430	**11.8%**	10.5%
Grovedale Gardens	Grovedale, VIC	Jun 05	4,986	Dec 14	4,100	**4,100**	4,010	**12.6%**	10.5%
Horsham Gardens	Horsham, VIC	Jun 04	4,479	Jun 14	3,300	**3,290**	3,300	**11.8%**	10.8%
Sea Scape Gardens	Erskine, WA	Jun 04	4,590	Dec 14	4,000	**4,000**	4,170	**11.6%**	11.0%
Marsden Gardens	Marsden, QLD	Jun 05	10,389	Dec 14	8,500	**8,500**	8,380	**11.7%**	12.5%
Coburns Gardens	Brookfield, VIC	Jun 04	4,368	Dec 14	3,300	**3,300**	3,290	**11.7%**	10.5%
Brooklyn Gardens	Brookfield, VIC	Jun 04	4,205	Dec 14	3,200	**3,200**	3,270	**11.8%**	10.5%
Oxley Gardens	Port Macquarie, NSW	Jun 04	4,438	Dec 14	3,000	**3,000**	3,120	**13.0%**	10.5%
Townsend Gardens	St Albans Park, VIC	Jun 04	4,826	Jun 14	3,800	**3,780**	3,800	**11.5%**	11.0%
St Albans Park Gardens	St Albans Park, VIC	Jun 04	5,122	Jun 14	4,140	**4,300**	4,140	**11.5%**	11.0%
Swan View Gardens	Swan View, WA	Jan 06	7,921	Dec 14	6,000	**6,000**	5,990	**11.5%**	11.5%

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9. Investment properties (continued)

(b) Individual valuations and carrying amounts (continued)

Property	Location	Date of purchase	Cost to date	Latest external valuation date	Valuation	Carrying amount		Capitalisation rate	
						31 Dec 2014	30 Jun 2014	**31 Dec 2014**	30 Jun 2014
			$'000		**$'000**	**$'000**	$'000	**%**	%
Completed properties (continued)									
Garden Villages (continued)									
Taree Gardens	Taree, NSW	Dec 04	4,651	Dec 14	2,300	**2,300**	2,320	**13.8%**	9.0%
Dubbo Gardens	Dubbo, NSW	Dec 12	2,711	Dec 13	3,290	**3,010**	2,670	**11.0%**	10.3%
Ocean Grove Gardens	Mandurah, WA	Feb 13	3,159	Dec 13	3,280	**3,380**	3,100	**11.3%**	10.8%
Peel River Gardens	Tamworth, NSW	Mar 13	3,626	Dec 13	2,970	**2,440**	2,040	**12.0%**	9.0%
Sovereign Gardens	Ballarat, VIC	Jun 13	3,390	Jun 14	3,100	**3,140**	3,100	**10.5%**	10.5%
Wagga Gardens	Wagga Wagga, NSW	Jun 13	4,075	Jun 14	3,930	**4,040**	3,930	**12.0%**	12.0%
Bathurst Gardens	Bathurst, NSW	Jan 14	2,428	Jun 14	2,580	**2,520**	2,580	**9.0%**	9.0%
Launceston Gardens	Launceston, TAS	Jan 14	2,458	Jun 14	2,510	**2,450**	2,510	**9.0%**	9.0%
Shepparton Gardens	Shepparton, VIC	Jan 14	1,735	Jun 14	1,780	**1,720**	1,780	**8.0%**	8.0%
Murray River Gardens	Mildura, VIC	Jan 14	2,326	Jun 14	2,170	**2,110**	2,170	**7.5%**	7.5%
Warrnambool Gardens	Warrnambool, VIC	Jan 14	1,974	Jun 14	1,800	**1,740**	1,800	**8.0%**	8.0%
			148,999		**114,030**	**116,770**	114,270		
Settlers Lifestyle								**Discount rate**	
Forest Lake	Forest Lake, QLD	Nov 05	14,435	Jun 13	12,662	**15,250**	14,194	**16.0%**	16.7%
South Gladstone	South Gladstone, QLD	Nov 05	8,223	Jun 13	12,093	**11,802**	12,534	**15.5%**	15.0%
South Gladstone - Land	South Gladstone, QLD	Nov 05	199	Jun 13	750	**750**	750	**-**	-
Rockhampton	Rockhampton, QLD	Nov 05	10,798	Dec 13	13,900	**14,680**	14,314	**15.5%**	17.9%
Cessnock	Cessnock, NSW	Jun 04	7,495	Dec 14	5,631	**5,631**	6,009	**20.0%**	19.0%
Lakeside	Ravenswood, WA	Apr 07	71,326	Dec 14	75,672	**75,672**	77,242	**15.0%**	14.2%
Meadow Springs	Mandurah, WA	Apr 07	18,423	Jun 13	17,066	**16,476**	16,510	**15.0%**	14.0%
Meadow Springs - Land	Mandurah, WA	Apr 07	2,470	Jun 13	2,455	**2,455**	2,455	**-**	-
Ridgewood Rise	Ridgewood, WA	Apr 07	85,383	Jun 13	105,104	**102,928**	103,552	**14.3%**	14.3%
Ridge Estate	Gillieston Heights, NSW	Jul 12	11,910	Dec14	13,349	**13,349**	11,765	**16.5%**	20.0%
			230,662		**258,682**	**258,993**	259,325		

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9. Investment properties (continued)

(b) Individual valuations and carrying amounts (continued)

Property	Location	Date of purchase	Cost to date	Latest external valuation date	Valuation	Carrying amount		Capitalisation rate	
						31 Dec 2014	30 Jun 2014	**31 Dec 2014**	30 Jun 2014
			$'000		**$'000**	**$'000**	$'000	**$'000**	$'000
Completed properties (continued)									
Active Lifestyle Estates									
The Grange Village	Morisset, NSW	Mar 13	12,024	Dec 13	9,400	10,763	10,761	9.1%	9.1%
Ettalong Beach Village[1]	Ettalong Beach, NSW	Apr 13	6,369	Dec 13	2,200	4,146	5,811	16.0%	21.0%
Albury Citygate Holiday Park	Albury, NSW	Aug 13	2,460	Jun 14	1,725	1,725	1,510	12.1%	10.5%
Nepean River Holiday Village	Penrith, NSW	Aug 13	10,967	Jun 14	11,000	11,040	11,000	10.5%	10.4%
Mudgee Valley Tourist Park	Mudgee, NSW	Sep 13	4,132	Jun 14	4,250	4,250	3,710	10.5%	10.5%
Mudgee Tourist and Van Resort	Mudgee, NSW	Oct 13	7,190	Jun 14	6,393	6,393	6,403	10.5%	8.8%
Drifters Holiday Village	Kingscliff, NSW	Nov 13	11,069	Dec 14	10,500	10,500	10,991	9.7%	-[4]
Lake Macquarie Village	Morisset, NSW	Nov 13	6,278	Dec 14	5,010	5,010	5,693	8.8%	-[4]
One Mile Beach Holiday Park[2]	Anna Bay, NSW	Dec 13	12,093	Dec 14	10,500	11,872	13,349	13.0%	-[4]
Big4 Valley Vineyard Tourist Park	Cessnock, NSW	Feb 14	8,494	Dec 14	7,500	7,500	8,282	8.8%	-[4]
Cessnock Wine Country Caravan Park	Cessnock, NSW	Feb 14	1,122	Dec 14	1,000	1,000	1,109	10.3%	-[4]
Sun Country Holiday Village	Mulwala, NSW	Apr 14	7,036	Dec 14	6,610	6,610	6,858	10.7%	-[4]
Stoney Creek Estate (formerly Town and Country Estate)	Marsden Park, NSW	May 14	16,148	Dec 14	14,740	14,740	16,184	9.0%	-[4]
Rouse Hill Lifestyle Park	Rouse Hill, NSW	Jun 14	7,442	Dec 14	8,400	8,400	7,362	9.2%	-[4]
White Albatross Holiday Park[3]	Nambucca Heads, NSW	Dec 14	24,766	-	-	24,766	-	-	-
			137,590		**99,228**	**128,715**	109,023		
Total completed properties			**517,251**		**471,940**	**504,478**	482,618		

Ingenia Communities Holdings Limited
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9. Investment properties (continued)

(b) Individual valuations and carrying amounts (continued)

Property		Date of purchase	Cost to date	Latest external valuation date	Valuation	Carrying amount	
						31 Dec 2014	30 Jun 2014
			$'000		$'000	$'000	$'000
Properties to be developed							
Active Lifestyle Estates							
The Grange Village	Morisset, NSW	Mar 13	1,387	-	-	1,387	1,387
Ettalong Beach Village[1]	Ettalong Beach, NSW	Apr 13	310	-	-	116	310
Albury Citygate Holiday Park	Albury, NSW	Aug 13	490	-	-	490	490
Nepean River Holiday Village	Penrith, NSW	Aug 13	-	-	-	-	-
Mudgee Valley Tourist Park	Mudgee, NSW	Sep 13	540	-	-	540	540
Mudgee Tourist and Van Resort	Mudgee, NSW	Oct 13	794	-	-	797	797
Drifters Holiday Village	Kingscliff, NSW	Nov 13	517	-	-	520	520
Lake Macquarie Village	Morisset, NSW	Nov 13	1,990	-	-	1,990	1,990
Macquarie Lakeside Village	Chain Valley Bay, NSW	Dec 13	4,262	-	-	3,700	4,045
One Mile Beach Holiday Park[2]	Anna Bay, NSW	Dec 13	-	-	-	-	-
Big4 Valley Vineyard Tourist Park	Cessnock, NSW	Feb 14	1,500	-	-	1,500	1,500
Cessnock Wine Country Caravan Park	Cessnock, NSW	Feb 14	556	-	-	556	556
Sun Country Holiday Village	Mulwala, NSW	Apr 14	850	-	-	850	850
Stoney Creek Estate (formerly Town and Country Estate)	Marsden Park, NSW	May 14	3,260	-	-	3,260	3,260
Rouse Hill Lifestyle Park	Rouse Hill, NSW	Jun 14	-	-	-	-	-
White Albatross Holiday Park[3]	Nambucca Heads, NSW	Dec 14	-	-	-	-	-
Properties to be developed			**16,456**		**-**	**15,706**	16,245
Total Investment Properties			**533,707**		**471,940**	**520,184**	498,863

(1) Ettalong Beach Holiday Village land component is leased from the Gosford City Council and is recognised as investment property with an associated finance lease.
(2) One Mile Beach land component is leased from the Crown under 40 year and perpetual leases and is recognised as investment property with an associated finance lease.
(3) Acquired during the period ended 31 December 2014 and carried at cost at balance date. Cost to date is deemed to represent fair value at the end of the period.
(4) Acquired during the period ended 30 June 2014 and carried at cost at balance date. Cost to date is deemed to represent fair value at the end of the period.

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9. Investment properties (continued)

Investment property that has not been valued by external valuers at reporting date is carried at the Responsible Entity's estimate of fair value in accordance with the accounting policy. Properties acquired during the half year are held at cost, which is reflective of the estimate of fair value.

Valuations of retirement villages are provided net of residents' loans (after deducting any accrued deferred management fees). For presentation in this note, the external valuations shown are stated before deducting this liability to reflect its separate balance sheet presentation. The carrying amounts include the fair value of units completed since the date of the external valuation.

Select Settlers Lifestyle villages continue to be in the process of converting from a rental to a deferred management fee model. The discount rate reflects a combination of development risk on vacant units and DMF from both occupied and vacant units. Over time, these properties' discount rates will likely revert downwards as project risk diminishes.

(c) Movements in Carrying amounts

	31 Dec 2014 $'000	30 Jun 2014 $'000
Carrying amount at beginning of period	**498,863**	370,931
Acquisitions	**24,749**	118,303
Expenditure capitalised	**5,881**	10,336
Sale of unit – Strata title	**-**	(492)
Transferred from plant and equipment	**-**	320
Transferred to inventory	**-**	(194)
Net gain/(loss) on change in fair value	**(9,309)**	(341)
Carrying amount at the end of the period	**520,184**	498,863

The net change in fair value are recognised in profit or loss as net gain/(loss) on change in fair value of investment properties.

Fair value hierarchy disclosures for investment properties have been provided in note 15.

(d) Reconciliation of fair value

	Garden Villages $'000	**Settlers Lifestyle $'000**	**Active Lifestyle Estates $'000**	**Total $'000**
Carrying amount at 1 July 2014	**114,270**	**259,325**	**125,268**	**498,863**
Acquisitions	-	-	24,749	**24,749**
Expenditure capitalised	738	2,069	3,074	**5,881**
Net gain/(loss) on change in fair value	1,762	(2,401)	(8,670)	**(9,309)**
Carrying amount at 31 December 2014	**116,770**	**258,993**	**144,421**	**520,184**

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10. Trade and other payables

	31 Dec 2014 $'000	30 Jun 2014 $'000
Current liabilities		
Trade and other payables	**9,854**	8,814
Deposits and other unearned income	**3,422**	1,595
Deferred land payment	**3,500**	-
Total current liabilities	**16,776**	10,409
Non-current liabilities		
Deferred land payment	**10,500**	4,000

11. Borrowings

	Note	31 Dec 2014 $'000	30 Jun 2014 $'000
Current liabilities			
Bank debt	(a)	**21,000**	-
Prepaid borrowing costs		**(60)**	-
Finance leases		**286**	283
		21,226	283
Non-current liabilities			
Bank debt	(a)	**-**	94,000
Prepaid borrowing costs		**-**	(312)
Finance leases		**4,331**	4,385
Total non-current borrowings		**4,331**	98,073

(a) Bank debt

(i) Current debt facility

This facility expires on 30 September 2015 and has the following principal financial covenants:

- Loan to value ratio ("LVR") is less than or equal to 50%;
- Total leverage ratio does not exceed 50%; and
- Interest cover ratio (as defined) of at least 1.50x in financial year ending 2014 increasing to at least 1.75x in FY2015.

As at 31 December 2014, the facility has been drawn to $21,000,000 (30 June 2014: $94,000,000). The carrying value of investment property net of resident liabilities at reporting date for the Group's Australian properties pledged as security is $314,181,000 (30 June 2014: $290,375,000).

(ii) Australian multilateral debt facility

On 13 February 2015, the Group completed refinancing its debt and now has a $175 m Australian Multilateral banking facility in place. The facility, is split between a three year and a five year maturity profile.

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11. Borrowings (continued)

(b) Bank guarantees

The Group has the ability to utilise a portion of this $129.5 million bank facility to provide bank guarantees. Bank guarantees at 31 December 2014 were $24.3 million (30 June 2014: $4.4 million).

12. Retirement village resident loans

(a) Summary of carrying amounts

	31 Dec 2014 $'000	30 Jun 2014 $'000
Gross resident loans	**223,357**	218,639
Accrued deferred management fee	**(29,946)**	(28,517)
Net resident loans	**193,411**	190,122

(b) Movement in carrying amounts

	31 Dec 2014 $'000	30 Jun 2014 $'000
Carrying amount at beginning of period	**190,122**	175,703
Net (gain)/loss on change in fair value of resident loans	**86**	616
Accrued deferred management fee income	**(2,735)**	(5,333)
Deferred management fee cash collected	**1,308**	1,811
Proceeds from resident loans	**10,773**	22,021
Repayment of resident loans	**(6,221)**	(10,361)
Transfer to assets held for sale	**-**	5,439
Other	**78**	226
Carrying amount at end of period	**193,411**	190,122

Fair value hierarchy disclosures for retirement village resident loans have been provided in note 15.

Ingenia Communities Holdings Limited
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13. Issued Securities

(a) Carrying values

	31 Dec 2014 $'000	30 Jun 2014 $'000
At beginning of period	**569,116**	510,141
Issued during the period:		
Dividend Reinvestment Plan issue	**1,310**	-
Institutional placement	**45,315**	-
Rights issue	**43,769**	61,707
Institutional placement and rights issue costs	**(3,870)**	(2,732)
At end of period	**655,640**	569,116
The closing balance is attributable to the securityholders of:		
Ingenia Communities Holding Limited	**8,874**	7,377
Ingenia Communities Fund	**617,982**	547,642
Ingenia Communities Management Trust	**28,784**	14,097
	655,640	569,116

(b) Number of securities issued

	31 Dec 2014 Thousands	30 Jun 2014 Thousands
At beginning of period	**676,240**	507,179
Issued during the year:		
Retention Quantum Rights	**1,818**	-
Dividend Reinvestment Plan	**2,826**	-
Institutional Placement and Rights Issue	**197,968**	169,061
At end of period	**878,852**	676,240

(c) Terms 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 securityholders.

14. Share based payments

(a) Long term incentive plan

The Group has established a Rights Plan (‘the Plan’), which provides for the grant of conditional rights to receive securities in the Group. The intention of the Plan is to align long-term securityholder returns with the ‘at-risk’ compensation potentially payable to executive level employees and to reward managers who remain in employment and perform at the required levels of performance.

The Plan encompasses one type of security rights (Rights). Rights vest on completion of a period of service, with the number of rights vesting based on the Group’s performance, as measured by total securityholder returns (TSR). On vesting, each Right entitles the employee to receive one security of the Group for no consideration.

During the period, 982,974 Rights were granted to senior executives of the Group under the Plan. The number of Rights that will vest under the Plan depends on the TSR achieved and is also conditional on the individual being in employment of the Group on the vesting date (30 September 2017). The measurement period for the Rights is 1 October 2014 to 30 September 2017 and full rights vest based on TSR growth relative to growth in the ASX 300 Industrials Index. A sliding scale applies for lower TSRs with the number of Rights vesting being nil for a TSR at or below 1%. One Right equates to one security in the Group.

(a) Long term incentive plan (continued)

The fair value of the PQRs issued during the year was estimated using a Monte Carlo Simulation model. Assumptions made in determining these fair value, and the results of these assumptions, are:

Grant Date	24 October 2014	12 November 2014
Price of stapled securities at grant date	$0.445	$0.455
Volatility of security price	30.0%	30.0%
Distribution yield	2.24%	2.28%
Risk-free rate at grant date	2.53%	2.56%
Expected remaining life at grant date	2.9 years	2.9 years
Fair value of each right	$0.243	$0.253

The fair value of the rights 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 expense recognised for the half year was $288,000 (2013: $353,000).

14. Share based payments (continued)

(b) Short term incentive plan

The Group has established a short-term incentive plan ("STIP"), which provides for the award of short term incentives based on agreed STIP performance conditions. The STIP comprises two components, a cash payment, and grant of conditional rights to receive securities in the Group. The intention of the STIP is to align short-term securityholder returns with the 'at-risk' portion of compensation potentially payable to executive level employees and to reward managers who remain in employment and perform at the required levels of performance to sustain earnings growth. The deferred expense for conditional rights recognised for the half year was $43,000 (2013: nil).

The total value of STIP rights is conditional based on KMPs meeting pre-agreed Key Performance Indicators (KPIs) and is subject to adjustment through to 1 October 2015 once the full year audited result is known and the KPIs can be reliably measured. An estimate based on the current period performance and KMP performance against these KPIs has been recognised at 31 December 2014 however the total number of Rights to be issued will be determined by 1 October 2015.

The rights are subject to a one year deferral period and are eligible to vest on the date that is twelve months following the issue date. The STIP allows for certain lapsing conditions within the deferral period, should certain conditions occur.

15. Financial Instruments

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 represent the fair value determined based on quoted prices on active markets as at the reporting date without deduction for transaction costs.

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15. Financial Instruments (continued)

The following table represents 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
Retirement village resident loans	Loans measured as the ingoing resident's contribution plus the resident's share of capital appreciation to reporting date, less DMF accrued to reporting date	Long-term capital appreciation rates for residential property between 0-4%. Estimated length of stay of residents based on life tables	The higher the appreciation, the higher the value of resident loans. The longer the length of stay, the lower the value of resident loans
Deferred management fee accrued	DMF measured using the initial property price, estimated length of stay, various contract terms and projected property price at time of re-leasing	Estimated length of stay of residents based on life table	The longer the length of stay, the higher the DMF accrued, capped at a predetermined period of time
Derivative interest rate swaps	Net present value of future cash flows discounted at market rates adjusted for the Group's credit risk	N/A	N/A

There has been no movement from Level 3 to Level 2 during the current period. Changes in the Group's retirement village resident loans which are Level 3 instruments are presented in note 12.

The carrying amount of the Groups' other financial instruments approximate their fair values.

Ingenia Communities Holdings Limited
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16. 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

			FAIR VALUE MEASUREMENT USING		
31 December 2014	**Date of valuation**	**Total $'000**	**Prices quoted in active markets (Level 1) $'000**	**Significant observable inputs (Level 2) $'000**	**Significant unobservable inputs (Level 3) $'000**
Assets					
Investment properties	31 December 2014 Refer to note 9	520,184	-	-	520,184

			FAIR VALUE MEASUREMENT USING		
30 June 2014	**Date of valuation**	**Total $'000**	**Prices quoted in active markets (Level 1) $'000**	**Significant observable inputs (Level 2) $'000**	**Significant unobservable inputs (Level 3) $'000**
Assets					
Investment properties	30 June 2014 Refer to note 9	498,863	-	-	498,863
Discontinued operations- investment properties	30 June 2014 Refer to note 6	45,902	-	-	45,902
Assets held for sale – deferred management fee receivable	30 June 2014 Refer to note 12	5,439	-	-	5,439

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16. Fair value measurement (continued)

(b) Liabilities measured at fair value

31 December 2014	Date of valuation	Total $'000	FAIR VALUE MEASUREMENT USING Prices quoted in active markets (Level 1) $'000	Significant observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000
Liabilities					
Retirement village resident loans	31 December 2014 Refer to note 12	193,411	-	-	193,411
Derivatives	31 December 2014	70	-	70	-

30 June 2014	Date of valuation	Total $'000	FAIR VALUE MEASUREMENT USING Prices quoted in active markets (Level 1) $'000	Significant observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000
Liabilities					
Retirement village resident loans	30 June 2014 Refer to note 12	190,122	-	-	190,122
Derivatives	30 June 2014	168	-	168	-

There have been no transfers between Level 2 and Level 3 during the period.

17. Distributions

Dividends and distributions declared and paid for the half-year are detailed below.

	31 Dec 2014 $'000	31 Dec 2013 $'000
Recognised Distribution		
Cents per security	**0.65**	0.50
Total amount ($'000)	**4,407**	2,536
Payment date	**17 Sep 2014**	20 Sep 2013
Unrecognised Distribution		
Cents per security	**0.65**	0.50
Total amount ($'000)	**5,713**	3,381
Payment date	**18 Mar 2015**	21 Mar 2014

All distributions are made by ICF and are 100% tax deferred.

18. Subsequent events

On 27 January 2015, the Group announced it had exchanged conditional contracts for the acquisition of Sydney Hills Holiday Park in Dural, NSW. The acquisition price is approximately $12m (excluding acquisition costs) subject to due diligence and Board approval and will be funded from the proceeds of the capital raising in October 2014.

On 13 February 2015, the Group completed refinancing its debt and now has a $175m Australian Multilateral banking facility in place. The facility, is split between a three year and a five year maturity profile.

On 18 February 2015, the Group settled Big 4 Bougainvillia Holiday Park, a lifestyle park, located in Tewantin, QLD. The purchase price of $12.5m was funded from the proceeds of the capital raising in October 2014.

On 24 February 2015, the directors resolved to declare an interim distribution of 0.65cps (2014: 0.5cps) amounting to $5,712,537 to be paid on 18 March 2015. The distributions are 100% tax deferred and the dividend reinvestment plan will apply to the interim distribution.

Ingenia Communities Holdings Limited
Directors' declaration
Half-year ended 31 December 2014

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 half-year ended 31 December 2014 are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of its financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

      (ii) complying with Accounting Standards (including Australian Accounting Interpretations) and *Corporations Regulations 2001*; and

   (b) 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.

On behalf of the Board

Jim Hazel
Chairman
24 February 2015

Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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To the unitholders of Ingenia Communities Holdings Limited

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Ingenia Communities Holdings Limited, which comprise the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit and loss and other comprehensive income, the statement of changes in equity and the consolidated cash flow statement for the half year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ingenia Communities Holdings Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ingenia Communities Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Chris Lawton
Partner
Sydney
24 February 2015

INGENIA COMMUNITIES FUND
AND
INGENIA COMMUNITIES MANAGEMENT TRUST

INTERIM REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

www.ingeniacommunities.com.au

Registered Office: Level 5, 151 Castlereagh Street, Sydney NSW 2000

Ingenia Communities Fund & Ingenia Communities Management Trust
Directors' report
Half-year ended 31 December 2014

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Ingenia Communities Fund & Ingenia Communities Management Trust
Directors' report
Half-year ended 31 December 2014

The Ingenia Communities Fund ("ICF" or the "Fund") (ARSN 107 459 576) and the 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 "Responsible Entity") is Ingenia Communities Holdings Limited (the "Company"). The shares of the Company and the units of the Trusts are "stapled" and trade on the Australian Securities Exchange ("ASX") as a single security. 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 half year ended 31 December 2014 (the "current period").

1. DIRECTORS

The directors of the Ingenia Communities RE Limited at any time during or since the end of the half-year were:

Non-executive directors
Jim Hazel (Chairman)
Philip Clark AM
Amanda Heyworth
Robert Morrison
Norah Barlow ONZM

Executive director
Simon Owen (Managing Director and CEO)

2. OPERATING AND FINANCIAL REVIEW

a) ICF and ICMT Overview

ICF and ICMT are two of the entities forming part of Ingenia Communities Group, which is a triple stapled structure, traded on the ASX.

The Group owns, manages and develops a diversified portfolio of seniors living communities across Australia. Its real estate assets at 31 December 2014 are valued at $322 million[1] and comprises 58 lifestyle parks, rental villages, and deferred management fee (DMF) villages. The Group is included in the ASX 300 with a market capitalisation of approximately $369 million.

The Group's vision is to be a leading Australia provider of affordable seniors living and short term rental accommodation. The Board is committed to delivering long-term earnings and security price growth to securityholders and providing an affordable and supportive community environment to both its permanent and short term residents.

b) Strategy

The strategy of ICF and ICMT is aligned with the Group's strategy to further grow its Australian rental portfolio, primarily within the lifestyle parks sector. Using a disciplined framework, the Group remains focused on completing the deployment of the $89.1m of equity raised in October 2014 and ramping up the build out of its development pipeline.

[1] Real estate assets value is determined as the net of carrying value of investment properties, retirement village resident loans and finance lease liabilities.

Pleasingly, the Group finalised its strategic exit from the non-core New Zealand Students portfolio in December 2014. The Group is continuing to focus on reducing its investment in DMF assets with the divestment of one asset completed in July 2014.

In February 2015, the Group completed a debt refinance and now has a $175m Australian multilateral banking facility in place which positions the Group well for further investment in lifestyle parks via capital recycling, efficient inventory management and monetisation of stock.

A disciplined investment approach, stringent capital management and exploring opportunities for operational efficiencies remains paramount. The Group remains committed to maintaining a loan to value ratio ("LVR") within a target range of 30-35%.

The key immediate business priorities of the Group are:

- Finalising deployment of funds from recent $89.1m equity raising;
- Increasing sales and settlement rates for new homes within the Active Lifestyle Estates development pipeline;
- Growing occupancy rates both within the Garden Villages portfolio and the Active Lifestyle Estates short term accommodation; and
- Continuing sale of completed homes within the Settlers portfolio and exploring opportunities for divestment.

c) 1H15 Financial results

1H15 has been a period of investment in the Active Lifestyle Estate portfolio, with the focus on establishing the necessary sales and development platforms to deliver the returns from the Active Lifestyle Estates development pipeline. At the same time, there has been a focus on increasing earnings from the Garden Villages portfolio through occupancy growth and continuing to sell down available stock within the Settlers portfolio.

Other key milestones during the period include:

- Renegotiation of the Australian debt facility to $175m;
- Acquisition of White Albatross Holiday Park in NSW completed;
- Divestment of Settlers Lifestyle Noyea Park village in July 2014; and
- Exit from the New Zealand Students portfolio completed in December 2014.

d) Key Metrics

- Net profit for the year of $9.4m for ICF and a loss of $10.6m for ICMT.
- Interim distribution of 0.65 cents per unit by ICF, nil for ICMT.
- Statutory profit for ICF was $9.4 million, up 33.8% from 1H14.
- Statutory loss for ICMT was $10.6 million, down from a $1.3 million loss in 1H14.

These results are reflective of execution of divestment of the majority of the overseas operations, and deployment of capital into the Australia market to generate strong returns for unitholders.

e) Discontinued operations

ICF and ICMT completed their exit from the New Zealand Students accommodation portfolio in December 2014.

f) Capital Management

The Group adopts a prudent and considered approach to capital management. During the period, the Group strengthened its capital position by undertaking a $89.1m capital raising and in February 2015 the Group negotiated a new $175m Australian multilateral debt facility an increase of $45.5m from the previous bilateral facility.

As at 31 December 2014, the current LVR is 14.4%, however with the Group looking to deploy proceeds from capital raising and debt into further Active Lifestyle Estate acquisitions, the Group anticipates being at its target LVR of 30-35% by 30 June 2015.

g) Distributions

ICF made the following distribution during or in respect of the period:

- On 26 August 2014 the directors declared a final distribution for 2014 of 0.65 cents per unit ("cpu") (2013: 0.5 cpu) amounting to $4,407,379 which was paid on 17 September 2014.

The distributions are 100% tax deferred and the dividend reinvestment plan will apply to the interim distribution.

The Trusts are committed to continuing to grow distributions in the near future.

h) Outlook

The Trust's are well positioned to continue growing their lifestyle parks business with a strong acquisition pipeline in place for deploying the remaining proceeds from the October equity raising. The volume of new manufactured home settlements will start to grow as gathering sales momentum converts into settlements and further projects are launched. This will result in performance building into earnings in the second half of FY15, and into FY16.

At the same time, the Trust's will continue to regularly assess the performance of its existing assets, continue exploring opportunities for divestment of the Settlers portfolio and recycle capital into other opportunities delivering superior returns.

3. 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 Interim Financial Report. Refer to note 5 of the accompanying financial statements for discontinued operations and assets held for sale, note 8 for investment properties acquired or disposed of during the period, note 10 for details of Australian debt refinanced and note 12 for issued units.

4. EVENTS SUBSEQUENT TO REPORTING DATE

- On 27 January 2015, the Group announced it had exchanged conditional contracts for the acquisition of Sydney Hills Holiday Park in Dural, NSW. The acquisition price is approximately $12m (excluding acquisition costs) subject to due diligence and Board approval and will be funded from the proceeds of the capital raising in October 2014.
- On 13 February 2015, the Group completed refinancing its debt and now has a $175 m Australian Multilateral banking facility in place. The facility, is split between a three year and a five year maturity profile.

- On 18 February 2015, the Group settled Big 4 Bougainvillia Holiday Park, a lifestyle park, located in Tewantin, QLD. The purchase price of $12.5m was funded from the proceeds of the capital raising in October 2014.
- On 24 February 2015 the directors resolved to declare an interim distribution of 0.65 cpu (2014: 0.5cpu) amounting to $5,712,537 to be paid on 18 March 2015. The distribution will be paid from ICF and will be 100% tax deferred and the dividend reinvestment plan will apply to the interim distribution.

5. 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.

To the extent permitted by law, the Company has agreed to indemnify its auditors, 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 financial year.

6. NON-IFRS FINANCIAL INFORMATION

Alternative profit measure (i.e. underlying profit) shown in this report has not been reviewed or audited in accordance with Australian Auditing Standards.

7. 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 6.

8. ROUNDING OF AMOUNTS

The Group is an entity of the kind referred to in ASIC Class Order 98/100, 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
Sydney
24 February 2015

Ernst & Young
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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

In relation to our review of the financial reports of Ingenia Communities Fund and its controlled entities and Ingenia Communities Management Trust and its controlled entities for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Chris Lawton
Partner
24 February 2015

Ingenia Communities Fund & Ingenia Communities Management Trust
Consolidated Statements of Comprehensive Income
Half-year ended 31 December 2014

		INGENIA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
		2014	2013	**2014**	2013
	Note	**$'000**	$'000	**$'000**	$'000
Continuing operations					
Revenue					
Rental income		**4,860**	4,546	**20,849**	13,390
Accrued deferred management fee income		**-**	-	**2,735**	2,745
Manufactured home sales		**-**	-	**1,930**	1,105
Catering income		**-**	-	**1,768**	1,526
Other property income		**-**	-	**1,112**	356
Interest income		**6,852**	4,236	**5**	3
		11,712	8,782	**28,399**	19,125
Property expenses		**(206)**	(133)	**(12,676)**	(9,220)
Employee expenses		**-**	-	**(7,880)**	(4,549)
Administrative expenses		**(288)**	(183)	**(1,329)**	(854)
Operational, marketing and selling expenses		**(556)**	(207)	**(1,301)**	(1,218)
Cost of manufactured homes		**-**	-	**(1,102)**	(632)
Finance expenses		**(1,975)**	(1,681)	**(6,957)**	(4,095)
Net foreign exchange gain/(loss)		**2,060**	324	**(2,005)**	24
Net gain/(loss) on disposal of investment properties		**(2,013)**	-	**1,697**	-
Net gain/(loss) on change in fair value of:					
Investment properties		**1,525**	770	**(10,834)**	455
Derivatives		**98**	(8)	**-**	60
Retirement village resident loans		**-**	-	**(86)**	-
Depreciation and amortisation expense		**(67)**	(42)	**(56)**	(24)
Responsible Entity's fees and expenses		**(878)**	(586)	**(1,101)**	(753)
Profit/(loss) from continuing operations before income tax		**9,412**	7,036	**(15,231)**	(1,681)
Income tax benefit		**-**	-	**5,663**	657
Profit/(loss) from continuing operations		**9,412**	7,036	**(9,568)**	(1,024)
Profit/(loss) from discontinued operations	5	**-**	(1)	**(991)**	(294)
Net profit/(loss) for the half-year		**9,412**	7,035	**(10,559)**	(1,318)
Other comprehensive income, net of income tax					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences arising during the period		**1,846**	430	**(507)**	322
Release of foreign currency translation reserve on disposal of foreign operations		**(1,620)**	-	**338**	-
Total comprehensive income for the half-year, net of income tax		**9,638**	7,465	**(10,728)**	(996)
Profit/(loss) attributable to unitholders of:					
Ingenia Communities Fund		**9,412**	7,035	**(2,861)**	(260)
Ingenia Communities Management Trust		**-**	-	**(7,698)**	(1,058)
		9,412	7,035	**(10,559)**	(1,318)
Total comprehensive income attributable to unitholders of:					
Ingenia Communities Fund		**9,638**	7,465	**(2,861)**	73
Ingenia Communities Fund Management Trust		**-**	-	**(7,867)**	(1,069)
		9,638	7,465	**(10,728)**	(996)

Ingenia Communities Fund & Ingenia Communities Management Trust
Consolidated Statements of Comprehensive Income
Half-year ended 31 December 2014

	INGENIA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
	2014	2013	**2014**	2013
	Cents	Cents	**Cents**	Cents
Distributions per unit[1]	**0.65**	0.50	**-**	-
Earnings per unit:				
Basic earnings from continuing operations	**1.2**	1.1	**(1.3)**	(0.2)
Basic earnings	**1.2**	1.1	**(1.4)**	(0.2)
Diluted earnings from continuing operations	**1.2**	1.1	**(1.2)**	(0.2)
Diluted earnings	**1.2**	1.1	**(1.4)**	(0.2)

(1) Distributions relate to the final distribution paid for the prior reporting period. An interim distribution for the current reporting period was declared for 0.65 cents on 24 February 2015, to be paid to securityholders on 18 March 2015.

Ingenia Communities Fund & Ingenia Communities Management Trust
Consolidated Balance Sheets
Half-year ended 31 December 2014

	Note	INGENIA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
		Dec 2014 $'000	Jun 2014 $'000	**Dec 2014 $'000**	Jun 2014 $'000
Current assets					
Cash and cash equivalents	6	**8,000**	2,658	**16,543**	3,893
Trade and other receivables		**3,458**	4,280	**5,386**	3,131
Inventories	7	**-**	-	**6,437**	2,208
Income tax receivable		**177**	975	**48**	-
Assets held for sale	5	**-**	-	**-**	5,439
Assets of discontinued operations	5	**-**	3,874	**-**	47,657
Total current assets		**11,635**	11,787	**28,414**	62,328
Non-current assets					
Trade and other receivables		**30,708**	39,334	**103**	40
Receivable from related party		**133,305**	135,805	**-**	-
Investment properties	8	**144,153**	134,488	**376,031**	364,375
Plant and equipment		**174**	239	**482**	180
Investments		**3,874**	-	**-**	-
Intangible assets		**-**	-	**1,483**	-
Deferred tax asset		**-**	-	**4,250**	-
Total non-current assets		**312,214**	309,866	**382,349**	364,595
Total Assets		**323,849**	321,653	**410,763**	426,923
Current Liabilities					
Trade and other payables	9	**681**	1,210	**14,883**	8,480
Borrowings	10	**20,940**	-	**3,465**	3,461
Retirement village resident loans	11	**-**	-	**193,411**	190,122
Provisions		**-**	-	**656**	590
Derivatives		**70**	84	**-**	-
Provision for income tax		**-**	-	**-**	29
Payable to related party		**-**	-	**137,971**	133,249
Liabilities of discontinued operations	5	**-**	-	**-**	30,449
Total current liabilities		**21,691**	1,294	**350,386**	366,380
Non-current liabilities					
Trade and other payables	9	**-**	-	**10,500**	4,000
Borrowings	10	**-**	93,688	**32,659**	41,883
Provisions		**-**	-	**281**	249
Derivatives		**-**	84	**-**	-
Deferred tax liabilities		**-**	-	**-**	1,433
Total non-current liabilities		**-**	93,772	**43,440**	47,565
Total liabilities		**21,691**	95,066	**393,826**	413,945
Net assets		**302,158**	226,587	**16,937**	12,978
Equity					
Issued units	12	**617,982**	547,642	**28,784**	14,097
Reserves		**-**	(226)	**-**	169
Accumulated losses		**(315,824)**	(320,829)	**(11,747)**	(4,049)
Unitholders' interest		**302,158**	226,587	**17,037**	10,217
Non-controlling interest		**-**	-	**(100)**	2,761
Total equity		**302,158**	**226,587**	**16,937**	**12,978**
Attributable to unitholders of:					
Ingenia Communities Fund		**302,158**	226,587	**(100)**	2,761
Ingenia Communities Management Trust		**-**	-	**17,037**	10,217
		302,158	**226,587**	**16,937**	**12,978**

Ingenia Communities Fund & Ingenia Communities Management Trust
Consolidated Cash Flow Statements
Half-year ended 31 December 2014

		INGENIA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
		2014	2013	**2014**	2013
	Note	**$'000**	$'000	**$'000**	$'000
Cash flows from operating activities					
Rental and other property income		**-**	-	**29,465**	17,982
Payment of management fees		**-**	-	**-**	(13)
Property and other expenses		**(124)**	(653)	**(22,832)**	(13,148)
Proceeds from resident loans		**-**	-	**10,773**	10,607
Repayment of resident loans		**-**	-	**(6,221)**	(6,717)
Proceeds from sale of manufactured homes		**-**	-	**3,486**	1,267
Purchase of manufactured homes		**-**	-	**(5,678)**	(1,180)
Interest received		**97**	154	**2**	3
Borrowing costs paid		**(1,975)**	(2,197)	**(1,130)**	(825)
Income tax received/(paid)		**790**	(121)	**-**	-
		(1,212)	(2,817)	**7,865**	7,976
Cash flows from investing activities					
Purchase and additions of plant and equipment		-	(2)	(260)	(24)
Purchase and additions of intangible assets		-	-	(1,049)	-
Payments for investment properties		-	(987)	(15,205)	(60,118)
Additions to investment properties		(483)	(2)	(5,776)	(12,520)
Proceeds/(costs) from sale of investment properties		-	(26)	49,588	1,282
Proceeds from sale of equity accounted investments		-	5,016	-	102
Amounts received from/(advanced to) villages		-	-	-	(23)
Payments for lease arrangements		-	-	-	(80)
		(483)	3,999	**27,298**	(71,381)
Cash flows from financing activities					
Proceeds from issue of stapled securities		**73,483**	51,985	**15,343**	8,364
Payments for security issue costs		**(3,468)**	(2,528)	**(473)**	(190)
Payments for derivatives		**-**	-	**(444)**	-
Finance lease payments		**-**	-	**(50)**	(44)
Distributions to securityholders		**(3,091)**	(2,507)	**(1,311)**	-
Proceeds from borrowings		**28,840**	50,005	**305**	59,108
Repayment of borrowings		**(88,730)**	(117,638)	**(37,367)**	(1,023)
Payments for debt issue costs		**(53)**	-	**(284)**	(98)
		6,981	(20,683)	**(24,281)**	66,117
Net increase/(decrease) in cash and cash equivalents		**5,286**	(19,501)	**10,882**	2,712
Cash and cash equivalents at the beginning of the year		**2,658**	31,014	**5,550**	249
Effects of exchange rate fluctuation on cash held		**56**	43	**111**	(15)
Cash and cash equivalents at the end of the half-year	6	**8,000**	11,556	**16,543**	2,946

Ingenia Communities Fund & Ingenia Communities Management Trust
Statements of Changes in Unitholders' Interest
Half-year ended 31 December 2014

		INGENIA COMMUNITIES FUND					
		ATTRIBUTABLE TO UNITHOLDERS					
	Note	Issued capital	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at 1 July 2013		**497,956**	**-**	**(330,334)**	**167,622**	**-**	**167,622**
Net profit/(loss) for the period		-	-	7,035	7,035	-	7,035
Other comprehensive income		-	430	-	430	-	430
Total comprehensive income for the period		**-**	**430**	**7,035**	**7,465**	**-**	**7,465**
Transactions with unitholders in their capacity as unitholders:							
Issue of units	12	49,688	-	-	49,688	-	49,688
Distributions paid or payable	15	-	-	(2,536)	(2,536)	-	(2,536)
Carrying amount at 31 December 2013		**547,644**	**430**	**(325,835)**	**222,239**	**-**	**222,239**
Carrying amount at 1 July 2014		**547,642**	**(226)**	**(320,829)**	**226,587**	**-**	**226,587**
Net profit/(loss) for the period		-	-	9,412	9,412	-	9,412
Other comprehensive income		-	226	-	226	-	226
Total comprehensive income for the period		**-**	**226**	**9,412**	**9,638**	**-**	**9,638**
Transactions with unitholders in their capacity as unitholders:							
Issue of units	12	70,340	-	-	70,340	-	70,340
Distributions paid or payable	15	-	-	(4,407)	(4,407)	-	(4,407)
Carrying amount at 31 December 2014		**617,982**	**-**	**(315,824)**	**302,158**	**-**	**302,158**

Ingenia Communities Fund & Ingenia Communities Management Trust
Statements of Changes in Unitholders' Interest
Half-year ended 31 December 2014

		INGENIA COMMUNITIES MANAGEMENT TRUST					
		ATTRIBUTABLE TO UNITHOLDERS					
		Issued capital	Reserves	Retained earnings	Total	Non-controlling interest(1)	Total equity
	Note	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at 1 July 2013		**6,106**	**120**	**(2,990)**	**3,236**	**2,426**	**5,662**
Net profit/(loss) for the period		-	-	(1,058)	(1,058)	(260)	(1,318)
Other comprehensive income		-	(11)	-	(11)	333	322
Total comprehensive income for the period		**-**	**(11)**	**(1,058)**	**(1,069)**	**73**	**(996)**
Transactions with unitholders in their capacity as unit holders:							
Issue of units	12	7,998	-	-	7,988	-	7,988
Distributions paid or payable	15	-	-	-	-	-	-
Carrying amount at 31 December 2013		**14,094**	**109**	**(4,048)**	**10,155**	**2,499**	**12,654**
Carrying amount at 1 July 2014		**14,097**	**169**	**(4,049)**	**10,217**	**2,761**	**12,978**
Net profit/(loss) for the period		-	-	(7,698)	(7,698)	(2,861)	(10,559)
Other comprehensive income		-	(169)	-	(169)	-	(169)
Total comprehensive income for the period		**-**	**(169)**	**(7,698)**	**(7,867)**	**(2,861)**	**(10,728)**
Transactions with unitholders in their capacity as unitholders:							
Issue of units	12	14,687	-	-	14,687	-	14,687
Distributions paid or payable	15	-	-	-	-	-	-
Carrying amount at 31 December 2014		**28,784**	**-**	**(11,747)**	**17,037**	**(100)**	**16,937**

(1) Non-controlling interest relates to the portion in which ICF owns subsidiaries consolidated within ICMT.

1. Summary of significant accounting policies

(a) The Trusts

The Ingenia Communities Fund ("ICF" or the "Fund") (ARSN 107 459 576) and the 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 and the units of the Trust are "stapled" and trade on the Australian Securities Exchange ("ASX") as a single security. The Company and the Trust along with their subsidiaries are collectively referred to as the Group in this report.

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.

(b) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with *AASB 134 'Interim financial reporting'* and the *Corporations Act 2001*.

The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with both the Ingenia Communities Fund and Ingenia Communities Management Trust annual financial reports for the year ended 30 June 2014.

As permitted by Class Order 05/642, issued by the Australian Securities and Investments Commission ("ASIC"), this financial report is a combined financial report that presents the financial statements and accompanying notes of both the ICF and ICMT.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2014 Annual Report with the exception of new mandatorily amended standards and interpretations which have been applied as required. Where necessary comparative figures have been adjusted to conform with changes in presentation in the current period.

1. Summary of significant accounting policies (continued)

(b) Basis of preparation (continued)

As at 31 December 2014, the Ingenia Communities Management Trust (ICMT) recorded a net current asset deficiency of $321,972,000. This deficiency includes retirement village resident loans of $193,411,000 and payables to other entities within the Group of $137,971,000. Resident loan obligations of ICMT are classified as current liabilities due to the demand feature of these obligations despite the unlikely possibility that the majority of the loans will be settled within the next 12 months. Furthermore, if required, the proceeds from new resident loans could be used by the Group to settle existing loan obligations should those incumbent residents vacate their units. Intercompany loan balances are payable on demand, however ICF has undertaken not to call its loan receivable from ICMT within the next 12 months of the date of this report, if calling the loan would result in ICMT being unable to pays its debts as and when they are due. Accordingly, there are reasonable grounds to believe that the ICMT will be able to pay its debts as and when they become due and payable; and the interim financial report of ICMT has been prepared on a going concern basis.

(c) New or revised Accounting Standards and Interpretations that are first effective in the current reporting period

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current period. The following standards were most relevant to the Group:

- AASB 132 '*Financial Instruments: Presentation*' and AASB 2012-3 'Amendments to Australian Accounting Standards – *Offsetting Financial Assets and Financial Liabilities*';
- AASB 136 '*Impairment of Assets*' and AASB 2013-3 'Amendments to AASB 136 – *Recoverable Amount Disclosures for Non-Financial Assets'* ;
- AASB 2 '*Share Based Payments'*, AASB 3 '*Business Combinations'*, AASB 8 '*Segment Reporting'* and AASB 2014-1 Part A – Annual Improvements 2010-2012 Cycle

The impact of application of each Standard is as follows:

Accounting Standard	**Impact on the Group**
AASB 132 and AASB 2012-3	AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* makes amendments to AASB 132 *Financial Instruments: Presentation* as a result of issuance of International Financial Reporting Standard *Offsetting Financial Assets and Financial Liabilities* and provides application guidance to certain criteria mentioned in AASB 132. The application of the standard does not have any impact on the results of the Group as retirement village resident loans are already offset as there is a current legally enforceable right and there is an intention to settle on a net basis.
AASB 136 and AASB 2013-3	AASB 2013-3 amends the disclosure requirements of AASB 136 *Impairment of Assets* to require disclosure of additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The application of the standard did not have any impact on the results of the Group.

1. Summary of significant accounting policies (continued)

Accounting Standard	Impact on the Group
AASB 2, AASB 3, AASB 8, and AASB 2014-1	AASB 2014-1 *Amendments to Australian Accounting Standards* makes amendments to the following AASB's as part of the Annual Improvement Cycle - AASB 2: This standard clarifies the Definition of 'vesting conditions' and separately defines 'performance condition' and 'service condition'. The amendment applies to any share based payment transactions for which the grant date is on or after 1 July 2014. Application of this amendment did not have any impact on the results of the Group. - AASB 3: The standard clarifies that judgement is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is an acquisition of a group of assets or a business combination within the scope of AASB 3 *Business Combinations* that includes an investment property. The Group makes an assessment about this classification for each investment property acquired. Therefore no impact except for additional disclosures regarding judgements and estimates. - AASB 8: The standard amends disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard requires a reconciliation of segment assets to the entity's assets when segment assets are reported. Application of this amendment did not have any impact on the results of the Group.

Ingenia Communities Fund & Ingenia Communities Management Trust
Notes to the financial statements
Half-year ended 31 December 2014

1. Summary of significant accounting policies (continued)

(d) Pending accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period. The Group's assessment of the impact of these new standards and interpretations is set out below.

Accounting Standard	Impact on the Trust
AASB 9	AASB 9 *Financial Instruments* is applicable to reporting periods beginning on or after 1 January 2018. The Group has not early adopted this standard. This standard provides requirements for the classification and measurement of financial assets and accounting for financial liabilities. These requirements seek to improve and simplify the requirements listed in AASB 139 *Financial Instruments: Recognition and Measurement*. The Group is continuing to evaluate the impact of this standard, however no material impact is expected.
IFRS 15	AASB 15 *Revenue from Contracts with Customers* is applicable to reporting periods beginning on or after 1 January 2017. This will replace IAS 18, which covers contracts for goods and services and IAS 11, which covers construction contracts. The Group has not early adopted the standard. The new standard provides that an entity recognizes revenue in line with contractual performance obligations, where the determined contract price which is allocated against those performance obligations. The new standard is based on the principal that revenue is recognised when control of the good or service transfers to the customer, so the notion of control replaces the existing notion of risks and rewards. The Group is continuing to evaluate the impact of this standard, however no material impact is expected.

Other new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the current reporting period. These are not expected to have any material impact on the Group's financial reporting future reporting periods.

(e) Accounting policies applied for the first time in the current period

(i) Intangible Assets

An intangible asset arising from development expenditure related to software 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, and direct payroll and payroll related costs of employees' time spent on the project.

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

1. Summary of significant accounting policies (continued)

(e) Accounting policies applied for the first time in the current period (continued)

A summary of the policy applied to capitalised development costs is as follows:

Software and associated development costs (assets in use)

- Useful life: Finite Amortisation method using 7 years on a straight-line basis.
- Impairment test: Amortisation method reviewed at each financial year end; closing carrying value reviewed annually for indicators of impairment.

Subsequent expenditure on capitalised 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 de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

2. Accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Responsible Entity to exercise its judgement in the process of applying the Trusts' 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 make estimates and assumptions concerning the future. The resulting accounting estimates, by definition, will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Valuation of investment property

The Trusts have investment properties with a carrying amount of $520,184,000 (June 2014: $498,863,000) (refer note 8), and retirement village residents' loans with a carrying amount of $193,411,000 (June 2014: $190,122,000) (refer note 11), which together represent the estimated fair value of the Trusts continuing interest in retirement villages.

These carrying amounts reflect certain assumptions about expected future rentals, rent-free periods, operating costs and appropriate discount and capitalisation rates. The valuation assumptions for deferred management fee villages reflect assumptions relating to 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 Responsible Entity considered information about current and recent sales activity, current market rents, and discount and capitalisation rates, for properties similar to those owned by the Trusts, as well as independent valuations of the Trust's property.

2. Accounting estimates and judgements (continued)

(a) Critical accounting estimates and assumptions (continued)

(ii) Valuation of Inventories

The Trust has inventory in the form of manufactured 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 the estimates are made, of the amount the inventories are expected to realise and the estimate of costs to complete. Key assumptions require the use of judgement, which 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 calculated using the main variables including the forward market curve, time and volatility.

(iv) Valuation of assets acquired in business combinations

Upon recognising the acquisition, management uses estimations and assumptions of the fair value of assets and liabilities assumed at the date of acquisition, including judgements related to valuation of investment property as discussed above.

(v) Valuation of retirement village resident loans

The fair value of the retirement village resident loans is calculated by reference to the initial loan amount and the resident's share of any capital gains in accordance with their contracts less any deferred management fee income earned to date by the Trusts as operator. The key assumption include calculating the capital gain and deferred management fee income components is the value of the dwelling being occupied by the resident. This value is determined by reference to the valuation of investment property as referred to above.

(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 invests in seniors living properties located in Australia with three reportable segments:

- Garden Villages – rental villages;
- Settlers Lifestyle – deferred management fee villages; and
- Active Lifestyle Estates – comprising permanent and short stay rentals within lifestyle parks and the sale of manufactured homes.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker in assessing performance and in determining the allocation of resources. Other parts of the Group are neither an operating segment nor part of an operating segment. Assets that do not belong to an operating segment are described below as "unallocated".

(b) Ingenia Communities Fund - 31 December 2014

	Active Lifestyle Estates	Settlers	Garden Villages	Corporate/ Unallocated	Total
	$'000	$'000	$'000	$'000	$'000
(i) **Segment revenue**					
External segment revenue	192	-	4,668	-	**4,860**
Interest income	-	-	-	6,852	**6,852**
Total revenue	**192**	**-**	**4,668**	**6,852**	**11,712**
(ii) **Segment underlying profit**					
External segment revenue	192	-	4,668	-	**4,860**
Interest income	-	-	-	6,852	**6,852**
Property expenses	-	-	-	(206)	**(206)**
Administration expenses	-	-	-	(288)	**(288)**
Operational, marketing and selling expenses	-	-	-	(556)	**(556)**
Depreciation and amortisation expense	-	-	-	(67)	**(67)**
Finance expense	-	-	-	(1,975)	**(1,975)**
Underlying profit/(loss) – continuing operations	**192**	**-**	**4,668**	**3,760**	**8,620**
Reconciliation of underlying profit to profit from continuing operations:					
Net foreign exchange loss	-	-	-	2,060	**2,060**
Net loss on disposal of investment property	-	(2,013)	-	-	**(2,013)**
Net gain/(loss) on change in fair value of:					
Investment properties	(214)	(5)	1,744	-	**1,525**
Derivatives	-	-	-	98	**98**
Responsible Entity fees	-	-	-	(878)	**(878)**
Profit from continuing operations per the Consolidated Statement of Comprehensive Income	**(22)**	**(2,018)**	**6,412**	**5,040**	**9,412**
(iii) **Segment assets**					
Segment assets	6,878	48,912	116,798	151,261	**323,849**
Total assets					**323,849**

Ingenia Communities Fund & Ingenia Communities Management Trust
Notes to the financial statements
Half-year ended 31 December 2014

3. Segment information (continued)

(c) Ingenia Communities Fund – 31 December 2013

	Active Lifestyle Estates $'000	Settlers $'000	Garden Villages $'000	Corporate/ Unallocated $'000	Total $'000
(i) **Segment revenue**					
External segment revenue	192	-	4,354	-	**4,546**
Interest income	-	1,660	-	2,576	**4,236**
Total revenue	**192**	**1,660**	**4,354**	**2,576**	**8,782**
(ii) **Segment underlying profit**					
External segment revenue	192	-	4,354	-	**4,546**
Interest income	-	1,660	-	2,576	**4,236**
Property expenses	-	-	-	(133)	**(133)**
Administration expenses	-	-	-	(183)	**(183)**
Operational, marketing and selling expenses	-	-	-	(207)	**(207)**
Depreciation and amortisation expense	-	-	-	(42)	**(42)**
Finance expense	-	-	-	(1,681)	**(1,681)**
Underlying profit/(loss) – continuing operations	**192**	**1,660**	**4,354**	**330**	**6,536**
Reconciliation of underlying profit to profit from continuing operations:					
Net foreign exchange loss	-	-	-	324	**324**
Net gain/(loss) on change in fair value of:					
Investment properties	(565)	-	1,335	-	**770**
Derivatives	-	-	-	(8)	**(8)**
Responsible Entity fees	-	-	-	(586)	**(586)**
Profit from continuing operations per the Consolidated Statement of Comprehensive Income	**(373)**	**1,660**	**5,689**	**60**	**7,036**
(iii) **Segment assets**					
Segment assets	7,154	54,009	99,699	72,086	**232,948**
Discontinued operations					3,874
Total assets					**236,822**

Ingenia Communities Fund & Ingenia Communities Management Trust
Notes to the financial statements
Half-year ended 31 December 2014

3. Segment information (continued)

(d) Ingenia Communities Management Trust – 31 December 2014

	Active Lifestyle Estates $'000	Settlers $'000	Garden Villages $'000	Corporate/ Unallocated $'000	Total $'000
(i) **Segment revenue**					
External segment revenue	10,911	4,658	13,969	-	**29,538**
Interest Income	-	-	-	5	**5**
Reclassification of gain on revaluation of newly constructed villages	-	(1,144)	-	-	**(1,144)**
Total revenue	**10,911**	**3,514**	**13,969**	**5**	**28,399**
(ii) **Segment underlying profit**					
External segment revenue	10,911	4,658	13,969	-	**29,538**
Interest income	-	-	-	5	**5**
Property expenses	(3,140)	(673)	(8,863)	-	**(12,676)**
Employee expenses	(2,752)	(399)	(4,704)	(25)	**(7,880)**
Administration expenses	(328)	(32)	(625)	(344)	**(1,329)**
Operational, marketing and selling expenses	(471)	(45)	(785)	-	**(1,301)**
Manufactured home cost of sales	(1,102)	-	-	-	**(1,102)**
Depreciation and amortisation expense	-	-	-	(56)	**(56)**
Finance expense	-	-	-	(6,957)	**(6,957)**
Income tax benefit	-	-	-	2,199	**2,199**
Underlying profit/(loss) – continuing operations	**3,118**	**3,509**	**(1,008)**	**(5,178)**	**441**
Reconciliation of underlying profit to profit from continuing operations:					
Net foreign exchange gain	-	-	-	(2,005)	**(2,005)**
Net gain on disposal of investment property	-	1,697	-	-	**1,697**
Net gain/(loss) on change in fair value of:					
Investment properties	(8,456)	(2,396)	18	-	**(10,834)**
Retirement village resident loans	-	(86)	-	-	**(86)**
Gain on revaluation of newly constructed villages	-	(1,144)	-	-	**(1,144)**
Responsible Entity fees	-	-	-	(1,101)	**(1,101)**
Income tax benefit associated with reconciliation items	-	-	-	3,464	**3,464**
Profit from continuing operations per the Consolidated Statement of Comprehensive Income	**(5,338)**	**1,580**	**(990)**	**(4,820)**	**(9,568)**
(iii) **Segment assets**					
Segment assets	146,217	240,992	1,465	22,089	**410,763**
Total assets					**410,763**

Ingenia Communities Fund & Ingenia Communities Management Trust
Notes to the financial statements
Half-year ended 31 December 2014

3. Segment information (continued)

(e) Ingenia Communities Management Trust – 31 December 2013

	Active Lifestyle Estates $'000	Settlers $'000	Garden Villages $'000	Corporate/ Unallocated $'000	Total $'000
(i) **Segment revenue**					
External segment revenue	4,192	5,902	11,480	-	**21,574**
Interest income	-	-	3	-	**3**
Reclassification of gain on revaluation of newly constructed villages	-	(2,452)	-	-	**(2,452)**
Total revenue	**4,192**	**3,450**	**11,483**	**-**	**19,125**
(ii) **Segment underlying profit**					
External segment revenue	4,192	5,902	11,480	-	**21,574**
Interest income	-	-	3	-	**3**
Property expenses	(926)	(479)	(7,815)	-	**(9,220)**
Employee expenses	(555)	(295)	(3,699)	-	**(4,549)**
Administration expenses	(108)	(31)	(582)	(133)	**(854)**
Operational, marketing and selling expenses	(101)	(13)	(1,104)	-	**(1,218)**
Manufactured home cost of sales	(632)	-	-	-	**(632)**
Depreciation and amortisation expense	-	-	-	(24)	**(24)**
Finance expense	-		-	(4,095)	**(4,095)**
Income tax benefit	-	-	-	430	**430**
Underlying profit/(loss) – continuing operations	**1,870**	**5,084**	**(1,717)**	**(3,822)**	**1,415**
Reconciliation of underlying profit to profit from continuing operations:					
Net foreign exchange gain	-	-	-	24	**24**
Net gain/(loss) on change in fair value of:					
Investment properties	72	383	-	-	**455**
Retirement village resident loans	-	60	-	-	**60**
Gain on revaluation of newly constructed villages	-	(2,452)	-	-	**(2,452)**
Responsible Entity fees	-	-	-	(753)	**(753)**
Income tax benefit associated with reconciliation items	-	-	-	227	**227**
Profit from continuing operations per the Consolidated Statement of Comprehensive Income	**1,942**	**3,075**	**(1,717)**	**(4,324)**	**(1,024)**
(iii) **Segment assets**					
Segment assets	73,234	245,835	1,735	105	**320,909**
Assets held for sale					46,630
Total assets					**367,539**

(f) Impact of seasonality on segment results

The results of the Group are affected by the seasonal impact of Active Lifestyle Estate investments. Occupancy rates of short term cabins are higher in the period December through to March each year due to their geographic location and summer holiday months increasing demand for holiday bookings.

4. Earnings per unit

	INGENIA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
	2014	2013	**2014**	2013
***(a)* Per unit**				
Profit/(loss) attributable to unitholders ($'000)	9,412	7,035	(10,559)	(1,318)
Profit/(loss) from continuing operations ($'000)	9,412	7,036	(9,568)	(1,024)
Profit/(loss) from discontinued operations ($'000)	-	(1)	(991)	(294)
Weighted average number of units outstanding (thousands)				
Issued units	763,190	617,384	763,190	617,384
Dilutive units				
Performance quantum rights	7,558	4,710	7,558	4,710
Retention quantum rights	-	1,818	-	1,818
Weighted average number of issued and dilutive potential securities outstanding (thousands)	770,748	623,912	770,748	623,912
Basic earnings per unit from continuing operations (cents)	1.2	1.1	(1.3)	(0.2)
Basic earnings per unit from discontinued operations (cents)	-	-	(0.1)	-
Basic earnings per unit (cents)	1.2	1.1	(1.4)	(0.2)
Dilutive earnings per unit from continuing operations (cents)	1.2	1.1	(1.2)	(0.2)
Dilutive earnings per unit from discontinued operations (cents)	-	-	(0.1)	-
Dilutive earnings per unit (cents)	1.2	1.1	(1.4)	(0.2)

5. Discontinued operations

(a) Assets Held for Sale

(i) Details of assets held for sale

Noyea Riverside Village ('Noyea') was classified as an asset held for sale at 30 June 2014. Noyea was included within the Settlers Lifestyle segment. On 31 July 2014 settlement of this asset occurred for an adjusted sales price of $5.4 million resulting in $nil gain or loss recognised upon completion.

(b) Discontinued operations

(i) Details of discontinued operations

The Group's investment in its New Zealand Students business was classified as a discontinued operation since 30 June 2011, consistent with the previously announced strategy to focus on transitioning to an actively managed Australian seniors living business. The Group held a 100% interest in three facilities in Wellington, New Zealand that were primarily leased for 15 years to Victoria University of Wellington and Wellington Institute of Technology. The Group completed the sale of these assets in December 2014. Funds still remain in New Zealand to facilitate the final stages of exit.

Ingenia Communities Fund & Ingenia Communities Management Trust
Notes to the financial statements
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5. Discontinued operations (continued)

(ii) Financial performance

The financial performance of components of the Trusts disposed of or classified as discontinued operations at 31 December 2014 was:

	INGENIA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Revenue	**-**	-	**2,182**	1,041
Net gain/(loss) on change in fair value of investment properties	**-**	-	**-**	(335)
Unrealised net foreign exchange gain/(loss)	**-**	-	**(2,088)**	630
Interest income	**-**	36	**2**	5
Expenses	**-**	(1)	**(715)**	(784)
Interest expense	**-**	-	**(799)**	(702)
Disposal costs associated with overseas investments	**-**	-	**-**	(143)
Share of net profit of equity accounted investments	**-**	(32)	**-**	-
Profit/(loss) from operating activities before income tax	**-**	3	**(1,418)**	(288)
Income tax expenses	**-**	(4)	**(10)**	(6)
Profit/(loss) from operating activities	**-**	(1)	**(1,428)**	(294)
Gain/(loss) on sale of discontinued operations (net of tax)	**-**	-	**(1,937)**	-
Release of foreign currency translation reserve on disposal of foreign operations	**-**	-	**2,374**	-
Profit/(loss) from discontinued operations for the half-year	**-**	(1)	**(991)**	(294)

5. Discontinued operations (continued)

(b) Discontinued operations (continued)

(iii) Cash flows

The cash flows of components of the Trusts disposed of or classified as discontinued operations were:

	INGENIA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Net cash flow from operating activities	**-**	-	**179**	(371)
Net cash flow from investing activities				
(Payments)/proceeds on sale of discontinued operations	**-**	-	**44,247**	(65)
Additions to investment properties	**-**	-	**-**	(7,738)
Payments for lease arrangements	**-**	-	**(4)**	(80)
Other	**-**	-	**-**	308
Net cash flow from financing activities	**-**	-	**(30,345)**	10,161
Transfer to continuing operations	**-**	-	**(15,738)**	-
Net cash flows from discontinued operations	**-**	-	**(1,661)**	2,215

(iv) Assets and liabilities

The assets and liabilities of components of the Trusts classified as disposal groups at each reporting date were:

	INGENIA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
	Dec 2014	Jun 2014	**Dec 2014**	Jun 2014
	$'000	$'000	**$'000**	$'000
Assets				
Cash and cash equivalents	**-**	-	**-**	1,657
Trade and other receivables	**-**	-	**-**	98
Investment properties	**-**	-	**-**	45,902
Plant and equipment	**-**	-	**-**	-
Equity accounted investments	**-**	3,874	**-**	-
Total assets	**-**	3,874	**-**	47,657
Liabilities				
Bank overdraft	**-**	-	**-**	-
Payables	**-**	-	**-**	368
Borrowings	**-**	-	**-**	30,081
Deferred tax liabilities	**-**	-	**-**	-
Total liabilities	**-**	-	**-**	30,449
Net assets of disposal groups	**-**	3,874	**-**	17,208

(v) Capitalisation rate

The weighted average capitalisation rate of the New Zealand Students internal valuation within discontinued operations at 30 June 2014 was 8.6%.

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6. Cash and cash equivalents

	INGENIA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
	Dec 2014	Jun 2014	**Dec 2014**	Jun 2014
	$'000	$'000	**$'000**	$'000
Cash at bank and in hand	**8,000**	2,658	**16,543**	3,893

	Dec 2014	Dec 2013	**Dec 2014**	Dec 2013
	$'000	$'000	**$'000**	$'000
Reconciliation to statements of cash flow				
Cash and cash equivalents attributable to:				
Continuing operations – cash at bank	**8,000**	11,556	**16,543**	1,711
Discontinued operations – cash at bank	**-**	-	**-**	1,236
Cash at the end of half-year as per cash flow statement	**8,000**	11,556	**16,543**	2,947

7. Inventories

	INGENIA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
	Dec 2014	Jun 2014	**Dec 2014**	Jun 2014
	$'000	$'000	**$'000**	$'000
Current assets				
Manufactured homes	**-**	-	6,437	**2,208**

Ingenia Communities Fund & Ingenia Communities Management Trust
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8. Investment properties

(a) Summary of carrying amounts

	INGENIA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
	Dec 2014	Jun 2014	**Dec 2014**	Jun 2014
	$'000	$'000	**$'000**	$'000
Completed properties	**142,766**	133,101	**361,712**	349,517
Properties under development	**1,387**	1,387	**14,319**	14,858
	144,153	134,488	**376,031**	364,375

(b) Movements in carrying amounts

	INGENIA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
	Dec 2014	Jun 2014	**Dec 2014**	Jun 2014
	$'000	$'000	**$'000**	$'000
Carrying amount at beginning of period	**134,488**	120,167	**364,375**	250,764
Acquisitions	**-**	10,616	**24,749**	108,300
Expenditure capitalised	**977**	2,175	**4,904**	7,551
Transferred from plant and equipment	**-**	-	**-**	320
Disposals	**7,163**	-	**(7,163)**	-
Sale of unit – Strata title	**-**	-	**-**	(495)
Transferred to inventory	**-**	-	**-**	(194)
Net gain/(loss) on change in fair value	**1,525**	1,530	**(10,834)**	(1,871)
Carrying amount at the end of the period	**144,153**	134,488	**376,031**	364,375

The net change in fair value are recognised in profit or loss as a net gain/(loss) on change in fair value of investment properties.

Fair value hierarchy disclosures for investment properties have been provided in note 13.

Ingenia Communities Fund & Ingenia Communities Management Trust
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9. Trade and other payables

	INGENIA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
	31 Dec 2014 $'000	30 Jun 2014 $'000	**31 Dec 2014 $'000**	30 Jun 2014 $'000
Current liabilities				
Trade and other payables	**681**	1,210	**7,941**	8,480
Deposits and other unearned income	**-**	-	**3,442**	-
Deferred land payment	**-**	-	**3,500**	-
Total current liabilities	**681**	1,210	**14,883**	8,480
Non-current liabilities				
Deferred land payment	**-**	-	**10,500**	4,000

10. Borrowings

		INGENA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
	Note	**31 Dec 2014 $'000**	**30 Jun 2014 $'000**	**31 Dec 2014 $'000**	**30 Jun 2014 $'000**
Current liabilities					
Bank debt	(a)	**21,000**	-	**-**	-
Prepaid borrowing costs		**(60)**	-	**-**	-
Finance leases		**-**	-	**3,465**	3,461
		20,940	-	**3,465**	3,461
Non-current liabilities					
Bank debt	(a)	**-**	94,000	**-**	-
Prepaid borrowing costs		**-**	(312)	**-**	-
Finance leases		**-**	-	**32,659**	41,883
		-	93,688	**32,659**	41,883

(a) Bank debt

(i) Current debt facility

This facility expires on 30 September 2015 and has the following principal financial covenants:

- Loan to value ratio ("LVR") is less than or equal to 50%;
- Total leverage ratio does not exceed 50%; and
- Interest cover ratio (as defined) of at least 1.50x in financial year ending 2014 increasing to at least 1.75x in FY2015.

As at 31 December 2014, the facility has been drawn to $21,000,000 (30 June 2014: $94,000,000). The carrying value of investment property net of resident liabilities at reporting date for the Group's Australian properties pledged as security is $314,181,000 (30 June 2014: $290,375,000).

(ii) Australian multilateral debt facility

On 13 February 2015, the Group completed refinancing its debt and now has a $175m Australian Multilateral banking facility in place. The facility, is split between a three year and a five year maturity profile.

10. Borrowings (continued)

(b) Bank guarantees

The Group has the ability to utilise a portion of this $129.5 million bank facility to provide bank guarantees. Bank guarantees at 31 December 2014 were $24.3 million (30 June 2014: $4.4m).

11. Retirement village resident loans

(a) Summary of carrying amounts

	INGENA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
	31 Dec 2014 $'000	30 Jun 2014 $'000	31 Dec 2014 $'000	30 Jun 2014 $'000
Gross resident loans	-	-	**223,357**	218,639
Accrued deferred management fee	-	-	**(29,946)**	(28,517)
Net resident loans	-	-	**193,411**	190,122

(b) Movements in Carrying Amounts

	INGENA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
	31 Dec 2014 $'000	30 Jun 2014 $'000	31 Dec 2014 $'000	30 Jun 2014 $'000
Carrying amount at beginning of period	-	-	**190,122**	175,703
Net (gain)/loss on change in fair value of resident loans	-	-	**86**	616
Accrued deferred management fee income	-	-	**(2,735)**	(5,333)
Deferred management fee cash collected	-	-	**1,308**	1,811
Proceeds from resident loans	-	-	**10,773**	22,021
Repayment of resident loans	-	-	**(6,221)**	(10,361)
Transfer to assets held for sale	-	-	**-**	5,439
Other	-	-	**78**	226
Carrying amount at end of period	-	-	**193,411**	190,122

Fair value hierarchy disclosures for retirement village resident loans have been provided in note 13.

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12. Issued units

(a) Carrying amounts

	INGENIA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
	31 Dec 2014 $'000	30 Jun 2014 $'000	**31 Dec 2014 $'000**	30 Jun 2014 $'000
At beginning of period	**547,642**	497,956	**14,097**	6,106
Dividend reinvestment plan issue	**1,070**	-	**220**	-
Institutional placement	**36,835**	-	**7,693**	-
Rights issue	**35,578**	51,985	**7,430**	8,364
Institutional placement and rights issue costs	**(3,143)**	(2,299)	**(656)**	(373)
At end of period	**617,982**	547,642	**28,784**	14,097
The closing balance is attributable to the unitholders of:				
Ingenia Communities Fund	**617,982**	547,642	**-**	-
Ingenia Communities Management Trust	**-**	-	**28,784**	14,097
	617,982	547,642	**28,784**	14,097

(b) Number of issued units

	INGENIA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
	31 Dec 2014 ' 000	30 Jun 2014 ' 000	**31 Dec 2014 ' 000**	30 Jun 2014 '000
At beginning of period	**676,240**	507,179	**676,240**	**507,179**
Issued during the year:				
Retention quantum rights	**1,818**	-	**1,818**	-
Dividend reinvestment plan	**2,826**	-	**2,826**	-
Institutional placement and rights issue	**197,968**	169,061	**197,968**	169,061
At end of period	**878,852**	676,240	**878,852**	676,240

(c) Terms of units

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

13. Financial instruments

The Trust's use 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 represent the fair value determined based on quoted prices on active markets as at the reporting date without deduction for transaction costs.

The following table represents the Trust'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
Retirement village resident loans	Loans measured as the ingoing resident's contribution plus the resident's share of capital appreciation to reporting date, less DMF accrued to reporting date	Long-term capital appreciation rates for residential property between 0-4%. Estimated length of stay of residents based on life tables	The higher the appreciation, the higher the value of resident loans. The longer the length of stay, the lower the value of resident loans
Deferred management fee accrued	DMF measured using the initial property price, estimated length of stay, various contract terms and projected property price at time of re-leasing	Estimated length of stay of residents based on life table	The longer the length of stay, the higher the DMF accrued, capped at a predetermined period of time.
Derivative interest rate swaps	Net present value of future cash flows discounted at market rates adjusted for the Group's credit risk	N/A	N/A

There has been no movement from Level 3 to Level 2 during the current period. Changes in the Trust's retirement village resident loans which are Level 3 instruments are presented in note 11.

The carrying amount of the Trust's other financial instruments approximate their fair values.

Ingenia Communities Fund & Ingenia Communities Management Trust
Notes to the financial statements
Half-year ended 31 December 2014

14. Fair value measurement

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

(a) Assets measured at fair value

			FAIR VALUE MEASUREMENT USING		
31 December 2014	**Date of valuation**	**Total $'000**	**Prices quoted in active markets (Level 1) $'000**	**Significant observable inputs (Level 2) $'000**	**Significant unobservable inputs (Level 3) $'000**
Assets					
Ingenia Communities Fund					
Investment properties	31 December 2014 Refer to note 8	144,153	-	-	144,153
Ingenia Communities Management Trust					
Investment properties	31 December 2014 Refer to note 8	376,031	-	-	376,031

(b) Liabilities measured at fair value

			FAIR VALUE MEASUREMENT USING		
31 December 2014	**Date of valuation**	**Total $'000**	**Prices quoted in active markets (Level 1) $'000**	**Significant observable inputs (Level 2) $'000**	**Significant unobservable inputs (Level 3) $'000**
Liabilities					
Ingenia Communities Fund					
Derivatives	31 December 2014	70	-	70	-
Ingenia Communities Management Trust					
Retirement village resident loans	31 December 2014 Refer to note 11	193,411	-	-	193,411

There have been no transfers between Level 2 and Level 3 during the period.

Ingenia Communities Fund & Ingenia Communities Management Trust
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14. Fair value measurement (continued)

(c) Fair value hierarchy for financial instruments measured at fair value as at 30 June 2014

(i) Assets measured at fair value

			FAIR VALUE MEASUREMENT USING		
30 June 2014	**Date of valuation**	**Total $'000**	**Prices quoted in active markets (Level 1) $'000**	**Significant observable inputs (Level 2) $'000**	**Significant unobservable inputs (Level 3) $'000**
Assets					
Ingenia Communities Fund					
Investment properties	30 June 2014 Refer to note 8	134,488	-	-	134,488
Ingenia Communities Management Trust					
Investment properties	30 June 2014 Refer to note 8	364,375	-	-	364,375

(ii) Liabilities measured at fair value

			FAIR VALUE MEASUREMENT USING		
30 June 2014	**Date of valuation**	**Total $'000**	**Prices quoted in active markets (Level 1) $'000**	**Significant observable inputs (Level 2) $'000**	**Significant unobservable inputs (Level 3) $'000**
Liabilities					
Ingenia Communities Fund					
Derivatives	30 June 2014	168	-	168	-
Ingenia Communities Management Trust					
Retirement village resident loans	30 June 2014 Refer to note 11	190,122	-	-	190,122

Ingenia Communities Fund & Ingenia Communities Management Trust
Notes to the financial statements
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15. Distributions

Distributions declared and paid for the half-year are detailed below.

	INGENA COMMUNITIES FUND		INGENIA COMMUNITIES MANAGEMENT TRUST	
	31 Dec 2014 $'000	31 Dec 2013 $'000	**31 Dec 2014 $'000**	31 Dec 2013 $'000
Recognised Distribution				
Cents per unit	**0.65**	0.5	**-**	-
Total amount ($'000)	**4,407**	2,536	**-**	-
Payment date	**17 Sep 2014**	20 Sep 2013	**-**	-
Unrecogised Distribution				
Cents per unit	**0.65**	0.5	**-**	-
Total amount ($'000)	**5,713**	3,381	**-**	-
Payment date	**18 Mar 2015**	21 Mar 2014	**-**	-

All distributions are made by ICF and are 100% tax deferred.

16. Subsequent events

On 27 January 2015, the Group announced it had exchanged conditional contracts for the acquisition of Sydney Hills Holiday Park in Dural, NSW. The acquisition price is approximately $12m (excluding acquisition costs) subject to due diligence and Board approval and will be funded from the proceeds of the capital raising in October 2014.

On 13 February 2015, the Group completed refinancing its debt and now has a $175 m Australian Multilateral banking facility in place. The facility, is split between a three year and a five year maturity profile.

On 18 February 2015, the Group settled Big 4 Bougainvillia Holiday Park, a lifestyle park, located in Tewantin, QLD. The purchase price of $12.5m was funded from the proceeds of the capital raising in October 2014.

On 24 February 2015 the directors resolved to declare an interim distribution of 0.65 cpu (2014: 0.5cpu) amounting to $5,712,537 to be paid on 18 March 2015. The distribution will be paid from ICF and will be 100% tax deferred and the dividend reinvestment plan will apply to the interim distribution.

Ingenia Communities Fund & Ingenia Communities Management Trust
Directors' declaration
Half-year ended 31 December 2014

In accordance with a resolution of the directors of Ingenia Communities RE Limited, 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 are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of each Trust's financial position as at 31 December 2014 and of their performance for the half-year ended on that date; and

      (ii) complying with Accounting Standards and *Corporations Regulations 2001*; and

   (b) 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.

On behalf of the board

Jim Hazel
Chairman
24 February 2015

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To the unitholders of Ingenia Communities Fund and Ingenia Communities Management Trust ("the Trusts")

Report on the Half-year Financial Reports

We have reviewed the accompanying half-year financial reports which have been prepared in accordance with ASIC class order 05/642 and comprise:

- the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit and loss and other comprehensive income, the statement of changes in unitholders' interest and the consolidated statement of cash flow for the half-year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of Ingenia Communities Fund, comprising Ingenia Communities Fund and the entities it controlled at half-year end or from time to time during the half-year.

- the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit and loss and other comprehensive income, the statement of changes in unitholders' interest and the consolidated statement of cash flow for the half-year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of Ingenia Communities Management Trust, comprising Ingenia Communities Management Trust and the entities it controlled at half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-year Financial Report

The directors of the Ingenia Communities RE Limited as Responsible Entity of the Trusts are responsible for the preparation of the half-year financial reports that give a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial reports that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial reports based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial reports are not in accordance with the *Corporations Act 2001* including: giving a true and fair view of each consolidated entities' financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Trusts and the entities they controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

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

a) giving a true and fair view of each consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

Chris Lawton
Partner
Sydney
24 February 2015