The GPT Group

GPT Management Holdings Limited

ABN: 67 113 510 188

Annual Financial Report
31 December 2020

This financial report covers both GPT Management Holdings Limited (the Company) as an individual entity and the Consolidated Entity consisting of GPT Management Holdings Limited and its controlled entities.

GPT Management Holdings Limited is a company limited by shares, incorporated and domiciled in Australia.

Through GPT's internet site, GPT has ensured that its corporate reporting is timely, complete and available globally at minimum cost to the Company. All press releases, financial reports and other information is available on GPT's website: www.gpt.com.au.

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DIRECTORS' REPORT

Year ended 31 December 2020

The Directors of GPT Management Holdings Limited (the Company), present their report together with the financial statements of GPT Management Holdings Limited and its controlled entities (the Consolidated Entity) for the financial year ended 31 December 2020. The Consolidated Entity is a for profit entity and is stapled to the General Property Trust (Trust). The GPT Group (GPT or the Group) financial statements include the results of the stapled entity as a whole.

GPT Management Holdings Limited is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is MLC Centre, Level 51, 19 Martin Place, Sydney NSW 2000.

1. OPERATING AND FINANCIAL REVIEW

The Consolidated Entity's results are largely driven by the results of the Trust and the Wholesale Funds managed by the Consolidated Entity given that management and other fees are driven by the asset value and performance of the underlying properties within these entities.

About GPT

GPT is a vertically integrated diversified property group that owns and actively manages its $24.4 billion portfolio of high quality Australian office, logistics and retail assets. The Group leverages its real estate management platform to enhance returns through property development and funds management.

Listed on the Australian Securities Exchange (ASX) since 1971, today The GPT Group is a constituent of the S&P/ASX 50 with a substantial investor base of more than 32,000 securityholders.

GPT's strategy aims to deliver growing and predictable earnings for investors through owning, developing and managing a diversified portfolio of high quality real estate.

Review of operations and operating result

While GPT commenced 2020 with solid momentum, the Group's performance for the financial year ended 31 December 2020 has been impacted by the measures implemented in response to the COVID-19 pandemic. Mobility restrictions, social distancing and requirements for some businesses to cease operations resulted in a significant reduction in foot traffic and sales across the Group's retail assets and office tenants implemented work from home arrangements in line with government requirements. Most logistics tenants continued to operate their facilities as supply chain movements remained essential, particularly for food, pharmaceuticals, and general consumables.

As part of the government response to the pandemic, a commercial tenancies Code of Conduct was developed and legislated in each state and territory requiring landlords to provide rent relief to qualifying tenants impacted by the government mandated measures. The Code of Conduct requires landlords to provide relief to qualifying tenants in the form of rent waivers and rent payment deferral. The relief is to reflect a proportionate sharing of the revenue impact experienced by the qualifying tenant as a result of COVID-19. At the end of the reporting period the negotiations to effect this relief are well progressed but remain incomplete. The Group has also agreed to provide relief to many retail tenants that are not eligible for assistance under the Code of Conduct but have been materially impacted by COVID-19.

In response to the high level of uncertainty and the unprecedented circumstances, the Group reduced or deferred spending on non-essential and discretionary items across the business. The Rouse Hill retail expansion and the Melbourne Central office and retail development were deferred until such time as market conditions are more favourable. In addition, the 2020 Short Term Incentive Compensation scheme and the 2020 – 2022 Long Term Incentive scheme were withdrawn.

The health and safety of our people, our customers and our communities has been paramount throughout the period. Additional resources and funds have been deployed to ensure we maintain safe environments across our portfolio and within our premises.

The Consolidated Entity's financial performance for the year ended 31 December 2020 is summarised below.

The net loss after tax for the year ended 31 December 2020 is $67,260,000 (2019: $13,985,000 profit).

DIRECTORS' REPORT

For the year ended 31 December 2020

	31 Dec 20 $'000	31 Dec 19 $'000	Change %
Property management fees	**36,374**	44,331	(18%)
Development management fees and revenue	**19,693**	23,014	(14%)
Fund management fees	**83,647**	86,497	(3%)
Management costs recharged	**29,621**	30,608	(3%)
Proceeds from sale of inventory	**1,196**	96,670	(99%)
Other income	**4,706**	446	955%
Expenses	**(232,375)**	(245,676)	(5%)
(Loss)/profit from continuing operations before income tax expense	**(57,138)**	35,890	(259%)
Income tax expense	**(10,122)**	(11,855)	(15%)
(Loss)/profit after income tax for continuing operations	**(67,260)**	24,035	(380%)
Loss from discontinued operations	**-**	(10,050)	(100%)
Net (loss)/profit for the year	**(67,260)**	13,985	(581%)

Consolidated Entity result
The net loss after tax compared to the profit recognised at December 2019 is largely due to the revaluation of financial instruments in 2020, the reversal of impairment expense in 2019 and lower property management and development management fees in 2020, partially offset by savings in remuneration expenses.

Property management

Retail
The Consolidated Entity is responsible for property management activities across the retail sector. Property management fees decreased to $19,969,000 in 2020 primarily as a result of lower property revenue associated with the impacts of the COVID-19 pandemic including the recognition of rent waivers for tenants affected by the pandemic.

Office
The Consolidated Entity is responsible for property management activities across the office sector. Property management fees decreased to $13,520,000 in 2020 primarily as a result of membership fee waivers provided to Space&Co members as a result of the COVID-19 pandemic.

Logistics
The Consolidated Entity is responsible for property management activities across the logistics sector. Property management fees increased to $2,885,000 in 2020 as a result of property acquisitions and the conversion of properties from development assets to operating assets.

Development management fees and revenue

Development management fees have decreased by 14 per cent overall to $19,693,000 primarily due to a decrease in development activity as a result of the impacts of the COVID-19 pandemic. There was lower utilisation amongst the teams with headcount reductions and projects being postponed, including the Melbourne Central Rooftop and the Rouse Hill developments, including the Rouse Hill developments held in inventory.

Funds Management

GPT Wholesale Office Fund (GWOF)
The fund delivered a one year equity IRR of 2.0 per cent. GWOF's total assets increased to $9.0 billion, up $0.2 billion from 31 December 2019. The management fee income earned from GWOF for the year ended 31 December 2020 increased by $2.0 million as compared to 31 December 2019 due to the increase in the asset value of the portfolio.

In May 2020, GWOF closed its successful $289 million equity raising with a total of $339 million of equity raised in the year inclusive of the Distribution Reinvestment Plan (DRP). As a result of GPT not participating in GWOF's equity raising or DRP, GPT's ownership reduced to 21.87 per cent (Dec 2019: 22.93 per cent). Investor participation in GWOF's DRP has reduced from 41.9 per cent at December 2019 to 6.6 per cent at December 2020.

GPT Wholesale Shopping Centre Fund (GWSCF)
The fund delivered a one year equity IRR of negative 20.0 per cent. GWSCF's total assets decreased to $3.9 billion, down $0.6 billion from 31 December 2019, primarily driven by asset devaluations and reduced income, both of which have been impacted by COVID-19. The management fee income earned from GWSCF for the year ended 31 December 2020 decreased $2.8 million as compared to 31 December 2019 due to the decrease in the asset value of the portfolio.

GPT's ownership in GWSCF is 28.48 per cent (Dec 2019: 28.49 per cent).

Management costs recharged
Management costs recharged reduced by 3 per cent overall to $29,621,000 primarily due to the sale of MLC Centre in April 2019 and Norton Plaza in October 2019.

Proceeds from sale of inventory
Proceeds from sale of inventory reduced by 99 per cent overall to $1,196,000 due to lower sales at Metroplex in 2020 and no sales at Rouse Hill and Berrinba during the current year.

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Other income
Other income has increased during the period to $4,706,000 primarily due to an increase in the share of profit recognised from the Lendlease GPT (Rouse Hill) Pty Limited joint venture.

Expenses
Expenses have decreased by 5 per cent overall to $232,375,000 primarily due to decreased costs relating to the sale of inventory and lower remuneration expenses, partially offset by higher revaluation of financial arrangements in 2020 and the reversal of impairment expense in 2019.

Loss from discontinued operations
2019 relates to the revaluation of the loans related to the Hotel/Tourism portfolio. All loans are now classified in continuing operations in 2020.

Financial position

	31 Dec 20 **$'000**	31 Dec 19 $'000	Change %
Current assets	**138,816**	83,120	67%
Non-current assets	**203,289**	263,600	(23%)
Total assets	**342,105**	346,720	(1%)
Current liabilities	**48,452**	97,557	(50%)
Non-current liabilities	**242,749**	128,868	88%
Total liabilities	**291,201**	226,425	29%
Net assets	**50,904**	120,295	(58%)

Total assets decreased by 1 per cent to $342,105,000 in 2020 (Dec 2019: $346,720,000) primarily due to a decrease in deferred tax assets, the amortisation and impairment of right-of-use assets partially offset by the acquisition of intangibles along with an increase in inventories and equity accounted investments.

Total liabilities increased by 29 per cent to $291,201,000 in 2020 (Dec 2019: $226,425,000) due to the increase in the carrying value of related party borrowings, partially offset by reduced payables and provision balances mostly in relation to people costs.

Capital management
The Consolidated Entity has an external loan of $5,005,000 relating to the Metroplex joint venture.

The Consolidated Entity has related party borrowings from the Trust and its subsidiaries and joint ventures. Under Australian Accounting Standards, the loans are revalued to fair value at each reporting period.

Going Concern
The Consolidated Entity's financial position is highly dependent on the financial position of GPT given that the Consolidated Entity is funded through intercompany loans from GPT.

Due to the uncertainty created by COVID-19, GPT has performed additional procedures in relation to assessing going concern. GPT is of the opinion that it is able to meet its liabilities and commitments as and when they fall due for at least a period of 12 months from the reporting date. In reaching this position, GPT has taken into account the following factors:
- Available liquidity, through cash and undrawn facilities of $1,790.1 million (after allowing for refinancing of $514.0 million of outstanding commercial paper as at 31 December 2020);
- Weighted average debt expiry of 7.8 years, with $5.0 million of debt (excluding commercial paper outstanding) due between the date of this report and 31 December 2021;
- Interest rate hedging level of 75 per cent over the next 12 months;
- Primary covenant gearing of 25.1 per cent, compared to a covenant level of 50.0 per cent;
- Interest cover ratio at 31 December 2020 of 6.4 times, compared to a covenant level of 2.0 times; and
- Sensitivity analysis has been conducted which indicate that GPT will continue to comply with its covenants, including adequate levels of headroom for both the gearing and interest cover ratios, and that GPT will have adequate cash flows to remain solvent.

Cash flows
The cash balance at 31 December 2020 increased to $22,968,000 (Dec 2019: $21,677,000).

Operating activities:
Net cash inflows from operating activities have decreased in 2020 to $12,370,000 (Dec 2019: $111,412,000) driven by lower proceeds on sale of inventory and lower cash receipts, partially offset by income tax refunds.

The following table shows the reconciliation from net (loss)/profit to the cash flow from operating activities:

	31 Dec 20 **$'000**	31 Dec 19 $'000	Change %
Net (loss)/profit for the year	**(67,260)**	13,985	(581%)
Non-cash items included in net profit	**113,781**	32,850	246%
Timing difference	**(34,151)**	64,577	(153%)
Net cash inflows from operating activities	**12,370**	111,412	(89%)

Investing activities:
Net cash outflows from investing activities have increased to $18,204,000 in 2020 (Dec 2019: $14,522,000) due to higher costs associated with the acquisition of property, plant and equipment and intangible assets.

Financing activities:
Net cash inflows from financing activities have increased to $7,125,000 in 2020 (Dec 2019: $94,472,000 outflow) primarily due to increased proceeds from related party borrowings and lower repayment of related party borrowings.

Dividends
The Directors have not declared any dividends for the year ended 31 December 2020 (2019: nil).

Prospects
The following details the prospects of the Group and the Wholesale Funds, as the management and other fees earned by the Consolidated Entity are driven by the asset value and performance of the underlying properties within these entities.

The global COVID-19 pandemic is unprecedented and has been a major disruption for the Australian economy. This disruption has accelerated trends including on-line retailing and working from home arrangements.

Australian governments, businesses and the community acted swiftly to control community transmission of COVID-19 and while restrictions remain in place, most parts of the economy have re-opened and we are optimistic we will see an ongoing economic recovery through the course of 2021. The recovery is unlikely to be even and some sectors will take longer than others to get back to pre-pandemic activity levels. Australia's CBD's are a prime example of this, with office utilisation continuing to be relatively low as government restrictions remain in place and the health of employees is prioritised by businesses. The near term outlook for the Group is influenced by a number of factors, and Management considers that it has applied its best judgement in outlining the Group's prospects in the current market conditions.

The Group remains well placed despite the ongoing uncertainty with a strong balance sheet, a diversified portfolio of high quality assets and a proactive management team. Rent collection improved significantly in the fourth quarter of 2020 resulting in 94 per cent of net rent being collected for the full year and we expect that with an improving economic outlook this trend should continue.

As at 31 December 2020, the Group's net gearing was 23.2 per cent, with cash and undrawn bank facilities totalling $1.8 billion. GPT has also retained its credit ratings of A (stable)/A2 (stable) by S&P and Moody's respectively.

Office
The requirement to work from home during the pandemic has accelerated the use of business technology for communication and virtual meetings. Employee surveys suggest that there has also been benefits to work-life balance and more effective use of time otherwise spent commuting. It is likely that we will see broader adoption of hybrid work practices, with a higher proportion of employees choosing to work from home for part of their working week in the future.

However, we expect the continued need for businesses to have work environments that enable collaboration and innovation, assist with shaping organisational culture and to help facilitate experiential training and development.

During 2020, vacancy rates in eastern seaboard markets have increased, as a result of new supply and subdued demand. Vacancy rates are likely to stay elevated during 2021 leading to increased incentives and softening of effective rents. We do however expect that there will be businesses that take the opportunity to upgrade their space and seek out accommodation in better quality office buildings. The Group's Office portfolio of high quality, prime grade assets has a weighted average lease expiry of approximately five years is expected to remain resilient given the quality of our assets, our customer relationships, and the diversification of our tenant base.

Logistics
Our Logistics assets continued to deliver strong results for the Group through the period. Increasing penetration of e-commerce and growing investment in supply chain infrastructure is expected to underpin continued demand for prime logistics space. Vacancy rates remain low in the core eastern seaboard markets.

Since 2017, the value of the Logistics portfolio has doubled to $3.0 billion. We have a high quality portfolio, with approximately 45 per cent developed by GPT, demonstrating our focus on product creation. The Group has a Logistics development pipeline with an estimated end value of approximately $1 billion which positions the Group to continue its growth in this sector.

Retail
Over the past 12 months, the Retail portfolio has been impacted by the various government measures implemented to slow the spread of COVID-19, particularly in our Victorian assets. Encouragingly we have evidenced customers quickly returning to more familiar shopping behaviours once measures have eased. Excluding our Melbourne Central asset, customer visitation across the portfolio in December 2020 was at 95 per cent of 2019 levels.

While Melbourne Central's performance has been significantly impacted by pandemic related restrictions over the past 12 months, it remains one of Australia's leading retail assets and was the most productive shopping centre in Australia prior to the onset of COVID-19. We expect that asset performance will recover, however this may take longer than the broader retail portfolio given the centre's CBD location and reliance on office worker, student and tourist related foot traffic.

Economic indicators such as consumer confidence and household savings rates are at their highest levels for many years and a more buoyant housing market should provide support for retail sales growth in 2021. Offsetting this, we are expecting a challenging retail leasing environment as retailers continue to recover from the impacts of COVID-19 and adapt their business models to respond to customer trends.

Funds Management
Our Funds Management platform has maintained significant scale over the period, with $12.9 billion in assets under management. GWOF closed its successful $289 million equity raising in May 2020, with a total of $339 million raised during the year inclusive of DRP. Five new investors were introduced to GPT's funds platform in 2020.

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To further accelerate the Group's growth in the logistics sector, GPT has established a capital partnership with Canadian based QuadReal to invest in prime logistics property in Australia. GPT will provide development and management services to the partnership, with a target of deploying $800 million of capital on a 50:50 basis over the next two to three years, through a combination of acquisitions and developments.

Capital partnering is an important means by which to fulfil our dual strategic priorities of growing the Logistics portfolio and expanding our Funds Management platform, while leveraging the Group's extensive real estate capabilities.

Guidance
GPT remains well positioned, with a strong balance sheet, a high quality portfolio, an experienced management team and a strategy to create long term value for securityholders.

We are optimistic about the outlook for 2021, although we recognise that there is still likely to be a high level of uncertainty in our operating environment for a period. The lifting of COVID-19 restrictions and with the planned rollout of vaccines gaining momentum, we expect potential risk of disruption to operations to reduce over the course of 2021 and particularly in the second half.

Due to the uncertain operating conditions, we are not providing earnings and distribution guidance for 2021 at this time. We will continue to monitor trading conditions, and currently expect to provide 2021 earnings and distribution guidance with the release of our March 2021 Quarter Operational Update.

Risk management
GPT's approach to risk management incorporates culture, people, processes and systems to enable the Group to realise potential opportunities while managing potential adverse effects.

Our commitment to integrated risk management ensures an enterprise-wide approach to the identification, assessment and management of risk, consistent with AS/NZS ISO 31000:2018.

GPT's Risk Management Framework is overseen by the Board and consists of the following key elements:
1. **Risk Policy** – The Risk Policy sets out the Group's approach to risk management, which is reviewed annually by the Sustainability and Risk Committee (a Board sub-committee). The Risk Policy is available on GPT's website.
2. **Risk Appetite** – The Board sets GPT's risk appetite to align with our vision, purpose and strategy. This is articulated in the Group's Risk Appetite Statement, against which all key investment decisions are measured.
3. **Risk Governance** – The Board is supported in its oversight of the Risk Management Framework by the Sustainability and Risk Committee which reviews the effectiveness of the Framework, and by the Audit Committee, the Leadership Team and the Investment Committee.
4. **Risk Culture** – GPT maintains a transparent and accountable culture where risk is actively considered and managed in our day-to-day activities. Risk culture is assessed as part of all internal audits.
5. **Risk Management Processes and Systems** – GPT has robust processes and systems in place for the identification, assessment, treatment, assurance and reporting of risk.

Adapting to COVID-19
The COVID-19 pandemic heightened a number of existing risks for GPT during 2020. We responded proactively at both the governance and operational levels. In all aspects of our approach we have prioritised health and safety, followed government guidance and directives, and been flexible as the situation continues to evolve.

The focus of our risk management response has been in the areas set out below.

Health and Safety
The health and safety of our people, customers, contractors and other users of our assets has been our priority throughout the pandemic. We have consulted widely in our industry and beyond, and implemented best practice safety initiatives across our portfolio. These include cleaning, hygiene and social distancing measures, COVID-19 awareness training, and wellbeing support for our people.

Governance
During 2020, GPT reviewed its Risk Management Framework to ensure it remained effective in the COVID-19 operating environment, where a large number of GPT employees were working remotely and certain operations were required to be performed differently. No change was made to the structure of the framework, however changes have been made to the way it is implemented in order to ensure appropriate risk management during this time. These changes include enhancement of the risk governance structure to include a COVID-19 Response Team and a COVID-19 Working Group, increased frequency of key risk reviews by the Leadership Team, and a review of the 2020 Audit Plan to align with revised key risks. GPT's Risk Appetite has also been reviewed by the Leadership Team and the Board to consider the impact of COVID-19.

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Key risks
The following table sets out GPT's material risks and our actions in response to them. Included in the table is an indication of the change in the level of each risk during the year.

Risks and Opportunities	Our Response	Change in Risk for 2020	Value Creation Inputs Affected
Portfolio Operating and Financial Performance Our portfolio operating and financial performance is influenced by internal and external factors including our investment decisions, market conditions, interest rates, economic factors and potential disruption.	• A portfolio diversified by sector and geography • Structured review of market conditions twice a year, including briefings from economists • Scenario modelling and stress testing of assumptions to inform decisions • A disciplined investment and divestment approval process, including extensive due diligence requirements • A development pipeline to enhance asset returns and maintain asset quality • Active management of our assets, including leasing, to ensure a large and diversified tenant base with limited single tenant exposure • Experienced and capable management, supplemented with external capabilities where appropriate • A structured program of investor engagement	**Increased** Financial pressure on retail and office tenants and ongoing disruption throughout 2020 as a result of COVID-19 has increased risk to GPT's financial performance.	• Our investors • Real estate • Our people • Environment • Our customers, suppliers and communities
Development Development provides the Group with access to new, high quality assets. Delivering assets that exceed our risk adjusted return requirements and meet our sustainability objectives is critical to our success.	• A disciplined acquisition and development approval process, including extensive due diligence requirements • Oversight of developments through regular cross-functional Project Control Group meetings • Scenario modelling and stress testing of assumptions to inform decisions • Experienced management capability • Limits on the proportion of the portfolio under development at any time • Limits on individual contractor exposure • Appropriate minimum leasing pre-commitments to be achieved prior to construction commencement	**No change** GPT's development pipeline remains strong despite the deferral of some retail and office projects in 2020 due to the impacts of COVID-19. Development activity in the Logistics portfolio increased during the year.	• Our investors • Real estate • Our people • Environment • Our customers, suppliers and communities
Capital Management Effective capital management is imperative to meet the Group's ongoing funding requirements and to withstand market volatility.	• Target gearing range of 25 to 35 per cent consistent with a stable investment grade credit ratings in the "A" range • Maintenance of a minimum liquidity buffer in cash and surplus committed credit facilities • Diversified funding sources • Maintenance of a long weighted average debt term, with limits on the maximum amount of debt expiring in any 12 month period • Hedging of interest rates to keep exposure within prescribed limits • Limits on currency exposure • Limits on exposure to counterparties	**No change** Prudent gearing and significant liquidity were maintained throughout 2020.	• Our investors
Health and Safety GPT is committed to promoting and protecting the health, safety and wellbeing of its people, customers, contractors and all users of our assets.	• A culture of safety first and integration of safety risk management across the business • Comprehensive health and safety management systems • Training and education of employees and induction of contractors • Engagement of specialist safety consultants to assist in identifying risks and appropriate mitigation actions • Prompt and thorough investigation of all safety incidents to ascertain root causes and prevent future occurrences. • Participation in knowledge sharing within the industry • Comprehensive Crisis Management and Business Continuity Plans, tested annually	**Increased** COVID-19 presents a risk to the health, safety and wellbeing of our employees, customers, contractors and users of our assets.	• Real estate • Our people • Our customers, suppliers and communities

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Risk and Opportunities	Our Response	Change in Risk for 2020	Value Creation Inputs Affected
People and Culture Our ongoing success depends on our ability to attract, engage and retain a motivated and high-performing workforce to deliver our strategic objectives and an inclusive culture that supports GPT's core values.	• Active adoption and promotion of GPT's Values • A comprehensive employee Code of Conduct, including consequences for non-compliance • Employee Engagement Surveys every 18 to 24 months with action plans to address results • An annual performance management process, setting objectives and accountability • Promotion of an inclusive workplace culture where differences are valued, supported by policies and training • Monitoring of both risk culture and conduct risk • An incentive system with capacity for discretionary adjustments and clawback policy • Benchmarking and setting competitive remuneration • Development and succession planning • Workforce planning	**Increased** COVID-19 has disrupted the way GPT employees work potentially leading to longer term change.	• Our investors • Our people
Environmental and Social Sustainability Delivering sustainable outcomes for investors, customers, communities and the environment, today and for future generations, is essential. GPT understands and recognises that changes to the environment can affect our assets and business operations.	• A portfolio of climate resilient assets that we own, develop and maintain through asset-level investment, divestment and capital expenditure strategies • A world-class Environment and Sustainability Management System, including policies and procedures for managing environmental and social sustainability risks • Participation in the Dow Jones Sustainability Index, Global Real Estate Sustainability Benchmark and other industry benchmarks • Climate related risks and potential financial impacts are assessed within GPT's enterprise-wide Risk Management Framework • Climate change reporting in line with the recommendations of the Task Force on Climate-related Financial Disclosures • Active community engagement via The GPT Foundation, GPT's Reconciliation Action Plan and other targeted programs • A Modern Slavery Statement and program of work in response to Modern Slavery legislation	**Increased** COVID-19 has disrupted our supply chains which may increase the vulnerability of workers in those supply chains.	• Our investors • Real estate • Our people • Environment • Our customers, suppliers and communities
Technology and Cyber Security Our ability to prevent critical outages, ensure ongoing available system access and to respond to major cyber security threats and breaches of our information technology systems is vital to ensure ongoing business continuity and the safety of people and assets.	• A comprehensive technology risk management framework including third party risk management procedures around cyber security • Information Management policy, guidelines and standards • Privacy policy, guidelines and procedures • Compulsory cyber security awareness training twice a year • Annual security testing completed by a specialist external security firm, including penetration testing, phishing exercises and social engineering testing • A comprehensive Cyber Security Incident Response Plan • A Disaster Recovery Plan including annual disaster recovery testing • Technology solutions in place to monitor GPT platforms and provide alerts to anomalous behaviour • Regular updates to technology hardware and software incorporating recommended security patches • External specialist security operations monitoring • Annual cyber risk assessments • An Information Security Risk and Compliance Committee overseeing information security • Alignment to the National Institute of Standards and Technology (NIST) Cyber Security Framework	**Increased** Increased and sustained remote working during the pandemic has increased the risk of cyber-attacks.	• Real estate • Our people • Our customers, suppliers and communities

Risk and Opportunities	Our Response	Change in Risk for 2020	Value Creation Inputs Affected
Compliance and Regulation We ensure compliance with all applicable regulatory requirements through our established policies and frameworks.	• An experienced management team with Legal, Tax, Finance, Compliance and Risk Management expertise • Engagement of external expert advisors as required • An internal and external audit program overseen by the Audit Committee of the Board • Active management of the Group's Compliance Plans, in accordance with the requirements of the Corporations Law • Internal Committees such as a Continuous Disclosure Committee, a Data Privacy Committee and a Cyber Security Governance Committee to monitor key compliance risks • An Anti-money Laundering and Counter-terrorism Financing Policy, a Conflicts Management Policy, a Whistleblower Policy, a Code of Conduct and other internal policies and procedures which are reviewed and enforced • An ongoing program of training which addresses all key compliance requirements • Active involvement in the Property Council of Australia and other industry bodies	**No change**	• Our investors • Real estate • Our people • Environment • Our customers, suppliers and communities

2. TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE

GPT outlines the steps that we are taking to identify, assess and manage climate-related risks and opportunities in the Group's Climate Disclosure Statement (Statement). Summarised below, the Statement has been prepared with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and is available on GPT's website.

Climate change is a global challenge. The science is clear: ongoing carbon emissions are contributing to dangerous levels of climate change, resulting in an increase in the frequency and intensity of climate-related events around the world. Leadership and action to curb emissions is essential. In many countries, including Australia, market expectations and government policy are shifting to address this challenge.

As the owner and manager of a $24.4 billion portfolio of office, logistics and retail properties across Australia, GPT recognises the importance of identifying, managing, and transparently reporting on climate change risks and opportunities that could have a material impact GPT's assets and on the communities in which we operate.

During 2020, GPT completed a number of key actions outlined in our inaugural Climate Disclosure Statement and in doing so, consolidated our position as a market leader in this area. These actions included the carbon neutral certification of the GWOF's operating buildings, setting carbon neutral certification targets for the GPT and GWSCF portfolios, and commencing a program of asset level hazard identification and adaptation planning.

Governance
GPT's approach to managing climate change risk is overseen by the Board and the Sustainability and Risk Committee (SRC). Management report to the SRC on sustainability matters such as climate change risks and opportunities, compliance with GPT's Environmental Management System and the delivery of environmental performance targets.

GPT's Chief Executive Officer and Managing Director (CEO) is accountable for ensuring that the Group is identifying, assessing and managing material risks, including climate change and other sustainability risks, in accordance with GPT's Risk Management Framework. The Chief Risk Officer manages the Sustainability Team, which is responsible for formulating and ensuring implementation of GPT's sustainability initiatives across the Group. The Sustainability Team work closely with business unit managers to achieve this.

Strategy
The proactive identification and management of key risks and opportunities, including those related to climate change, supports the achievement of the Group's strategy.

Our business strategy of owning, managing and developing a diversified, high quality portfolio of property assets principally located in the economically stable and resilient cities of Melbourne, Sydney and Brisbane positions us well to manage stresses and shocks, including those from climate change.

This strategy also supports a long-term approach to investment in quality initiatives that enable us to achieve our sustainability goals, such as tools to inform building design and operations, and climate scenario modelling. This benefits our tenants and our broader stakeholders, and improves the resilience of our assets to the impacts of physical climate risks.

GPT has adopted two global warming scenarios to model the potential future impacts of climate change on our business and the resilience of our strategy. These scenarios are aligned with the Representative Concentration Pathways 2.6 and 8.5, which describe different climate futures depending on the volume of future greenhouse gas emissions.

These scenarios have been used to test GPT’s business strategy and to develop responses that address climate-related risks and opportunities. Through a series of internal workshops facilitated by an external advisor, we determined the risks, opportunities and strategy response by considering potential transitional impacts and potential physical impacts to GPT’s assets or the regions they are located in.

A detailed summary of the scenarios adopted by GPT and the potential impacts identified by this analysis can be found in the Group’s Climate Disclosure Statement.

The resilience of environmental resources and processes is fundamental to our continued ability to conduct our business activities and deliver financial returns now and into a low carbon future. For over a decade, we have improved the energy efficiency of our buildings and reduced their emissions. To date, GPT has cumulatively avoided $249.5 million in energy costs and 1.8 million tonnes of carbon dioxide equivalent (CO_2-e) compared to our 2005 baseline.

In August 2020, we revised our target for all GPT managed assets to be carbon neutral by 2024, bringing the former target date of 2030 forward by six years.

Demonstrating our international leadership, the GWOF portfolio of operating premium and A-grade office buildings completed Carbon Neutral Certification for their operations in December 2020.

Our carbon neutral targets are a key driver of our climate strategy, with our actions guided by the GPT Energy Master Plan.

Risk Management
GPT recognises that effective risk management is fundamental to achieving our strategic and operational objectives. By understanding and effectively managing risk, GPT can create and protect value, providing greater certainty and confidence for investors, employees, partners, and the communities in which we operate.

Applying our enterprise-wide Risk Management Framework, GPT’s Risk Team monitors the operation of risk management processes and assists in the identification, assessment, treatment and monitoring of identified risks. The Risk Team supports the GPT Leadership Team, the GPT Board, the Funds Management Board and their respective committees, in ensuring that the business is managing risk appropriately.

Climate change risk is included on GPT’s Key Risk Dashboard, which is reviewed every six months by the Board Sustainability and Risk Committee and quarterly by the Leadership Team. The Committee also receives quarterly updates on the status of the actions and commitments disclosed in the metrics and targets section set out in GPT’s Climate Disclosure Statement, which is available on GPT’s website: www.gpt.com.au.

GPT’s cross-functional TCFD Reference Group meets regularly to identify and assess the existing climate-related risks and opportunities for each of the climate scenarios we have adopted, and to discuss and capture any new risks and opportunities.

During 2020, GPT conducted a desktop scenario hazard analysis of 61 assets to identify climate-related physical risks based on their location, delivering on a commitment made in our first Climate Disclosure Statement. A detailed summary of this asset-level climate hazard identification assessment can be found in the Group’s Climate Disclosure Statement.

Metrics & Targets
GPT monitors our direct climate change impacts and reports on emissions, energy, water and waste for each property annually. Our Environmental Data Pack includes a portfolio-level summary for all key metrics - electricity, water, fuels, materials, recycling and emissions - since 2005.

GPT obtains external assurance over sustainability performance data including the following climate change metrics: energy consumption and energy production in base building and tenancies, Scope 1 and Scope 2 greenhouse gas emissions, water consumption, waste generated, and materials recycled by grade.

GPT sets annual operational targets for energy, water and waste at an asset level, driven by operational optimisation programs and capital upgrades. Medium to long term operational emissions targets are also set at a portfolio level to inform energy procurement and offsets.

The operation of GPT’s business premises and corporate activities, including travel and consumables, has been on a carbon neutral basis since 2011. GPT obtains external validation of its carbon neutral status through the Australian Government’s Climate Active certification, which covers material Scope 1, 2 and 3 emissions.

Next Steps
In 2021, the Group will continue to incorporate climate change risks and opportunities into our business decision making.

We will complete further detailed analysis of climate scenarios and incorporate results into the Group’s five year strategic plans. Where appropriate, we will develop asset-level climate adaptation plans.

In the coming year, we will further our efforts to forecast the embodied carbon in the construction of new developments and consider ways to reduce it. This work will enable GPT to establish embodied carbon metrics and understand where opportunities exist to set targets in the future.

The Group will continue its ongoing analysis of climate change risks and opportunities, the results of which will continue to be embedded into how GPT does business.

GPT’s Climate Disclosure Statement is available on the GPT website: www.gpt.com.au

3. ENVIRONMENTAL REGULATION

GPT has policies and procedures in place that are designed to ensure that where operations are subject to any particular and significant environmental regulation under a law of Australia (for example property development and property management), those obligations are identified and appropriately addressed. This includes obtaining and complying with conditions of relevant authority consents and approvals and obtaining necessary licences. GPT is not aware of any significant breaches of any environmental regulations under the laws of the Commonwealth of Australia or of a State or Territory of Australia and has not incurred any significant liabilities under any such environmental legislation.

GPT is subject to the reporting requirements of the National Greenhouse and Energy Reporting Act 2007 ("NGER Act"). The NGER Act requires GPT to report its annual greenhouse gas emissions and energy consumption and generation from 1 July to 30 June each year. GPT has implemented systems and processes for the collection and calculation of the data required. The data is assured by EY and submitted to the Australian Government Clean Energy Regulator within the legislative deadline of 31 October each year. GPT has complied with the Regulator's submissions requirements for the period ended 30 June 2020 within the required timeframe.

More information about GPT's participation in the NGER program is available at www.gpt.com.au.

4. EVENTS SUBSEQUENT TO REPORTING DATE

The COVID-19 pandemic has created unprecedented economic and societal impacts and there remains significant uncertainty. In the event the COVID-19 impacts are more severe or prolonged than anticipated, this may have further adverse impacts to asset values and the operating result of the Consolidated Entity. At the reporting date a definitive assessment of the future effects of COVID-19 on the Consolidated Entity cannot be made, as the impact will depend on the magnitude and duration of the economic downturn, with the full range of possible effects unknown.

On 15 February 2021, the Group announced an on-market buy-back of up to 5 per cent of GPT's ordinary securities on issue.

Other than the above, the Directors are not aware of any matter or circumstances occurring since 31 December 2020 that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial years.

5. DIRECTORS AND SECRETARY

Information on Directors

Vickki McFadden – Chairman and Independent Non-Executive Director
Vickki joined the Board in March 2018 and was appointed Chairman in May 2018.

Vickki brings a broad range of skills and experience to the Group gained during a 20 year career spanning investment banking, corporate finance and corporate law, and through her current and previous board level positions.

Vickki holds a Bachelor of Commerce and a Bachelor of Laws. She is a member Chief Executive Women and the Australian Institute of Company Directors.

She was also previously President of the Australian Takeovers Panel, a Non-Executive Director of Myer Family Investments Pty Limited and a Member of the Executive Council and Advisory Board of the UNSW Business School.

Listed Company Directorships (held within the last 3 years):
- Newcrest Mining Limited (since 2016); and
- Tabcorp Holdings Limited (2017-2020).

Other Current Appointments:
- Non-Executive Director Allianz Australia Limited.

Board Committee Memberships:
- Chairman of the Nomination Committee; and
- Member of the Human Resources & Remuneration Committee.

As at the date of this report she holds 112,525 GPT stapled securities.

Bob Johnston – Chief Executive Officer, Managing Director and Executive Director
Bob joined the Board in September 2015.

Bob has over 30 years' experience in the property sector including investment, development, project management and construction in Australia, Asia, the US and UK.

Prior to joining GPT, Bob was the Managing Director of listed Australand Property Group which became Frasers Australand in September 2014.

Bob holds a Bachelor of Engineering (Hons).

Listed Company Directorships (held within the last 3 years):
- Nil.

Other Current Appointments:
- Director of the Property Council of Australia; and
- Chairman of the Property Industry Foundation.

Board Committee Memberships:
- Member of the Nomination Committee.

As at the date of this report he holds 1,689,078 GPT stapled securities.

Tracey Horton AO – Independent Non-Executive Director
Tracey joined the GPT Board in May 2019.

Tracey has held executive and senior management roles with Bain & Company in North America, and in Australia with Poynton and Partners and the Reserve Bank of Australia.

Tracey holds a Bachelor of Economics (Hons) and a Masters of Business Administration (MBA). She is a Fellow of the Australian Institute of Company Directors.

She was also previously a Non-Executive Director of Skilled Group and Automotive Holdings Group, President of the Chamber of Commerce and Industry (WA) and Winthrop Professor and Dean of the University of Western Australia Business School.

Listed Company Directorships (held within the last 3 years):
- Nearmap Ltd (since 2019); and
- Navitas Limited (2012 – 2019).

Other Current Appointments:
- Deputy Chairman Australian Institute of Company Directors National Board;
- Member of the Australian Takeovers Panel;
- Commissioner of Tourism WA; and
- Chair of the Australian Industry and Skills Committee.

Board Committee Memberships:
- Chairman of the Human Resources & Remuneration Committee;
- Member of the Sustainability & Risk Committee; and
- Member of the Nomination Committee.

As at the date of this report she holds 22,525 GPT stapled securities.

Angus McNaughton – Independent Non-Executive Director
Angus joined the Board in November 2018.

Angus brings extensive experience in property investment, development and management and funds investment to the Board.

Angus was previously the CEO and Managing Director of Vicinity Centres, Managing Director Property for Colonial First State Global Asset Management and CEO and Managing Director of ASX-listed Novion Property Group in 2014 which merged with Federation Centres and became known as Vicinity in June 2015.

Angus holds a Bachelor of Management Studies (Hons) and is a Fellow of the Australian Property Institute and a Graduate Member of the Australian Institute of Company Directors.

Listed Company Directorships (held within the last 3 years):
- Nil.

Other Current Appointments:
- Member of the REST Due Diligence Committee.

Board Committee Memberships:
- Member of the Audit Committee;
- Member of the Human Resources & Remuneration Committee; and
- Member of the Nomination Committee.

As at the date of this report he holds 25,088 GPT stapled securities.

Mark Menhinnitt – Independent Non-Executive Director
Mark joined the Board in October 2019.

Mark has significant investment management, construction, development and urban regeneration experience in the real estate and infrastructure sectors, drawn from his 30 year career at Lendlease including as CEO of Lendlease Australia.

Mark holds a Masters of Applied Finance and a Bachelor of Engineering. He is a Graduate Member of the Australian Institute of Company Directors and fellow of the Governance Institute of Australia.

Listed Company Directorships (held within the last 3 years):
- Nil.

Other Current Appointments:
- Chairman and Non-Executive Director of Fluent Property Ltd; and
- Non-Executive Director of Underground Construction Alliance Pty Ltd.

Board Committee Memberships:
- Member of the Human Resources & Remuneration Committee;
- Member of the Sustainability & Risk Committee; and
- Member of the Nomination Committee.

As at the date of this report he holds 30,000 GPT stapled securities.

Michelle Somerville – Independent Non-Executive Director
Michelle joined the Board in December 2015.

Michelle was previously a partner of KPMG for nearly 14 years specialising in external audit and advising Australian and international clients both listed and unlisted primarily in the financial services market in relation to business, finance risk and governance issues.

Michelle holds a Bachelor of Business and a Masters of Applied Finance. She is a Graduate Member of the Australian Institute of Company Directors and a Fellow Chartered Accountant.

She was also previously an independent consultant to the UniSuper Ltd Audit, Risk and Compliance Committee and a Non-Executive Director of Bank Australia Limited, Challenger Retirement and Investment Services Ltd, Save the Children (Australia) and Down Syndrome Australia.

Listed Company Directorships (held within the last 3 years):
- IOOF Holdings Limited (since 2019).

Other Current Appointments:
- Nil.

Board Committee Memberships:
- Chairman of the Audit Committee;
- Member of the Sustainability & Risk Committee; and
- Member of the Nomination Committee.

As at the date of this report she holds 36,663 GPT stapled securities.

Gene Tilbrook – Independent Non-Executive Director
Gene joined the Board in May 2010 and retired on 31 December 2020.

Gene brings extensive experience in finance, corporate, strategy, investments and capital management to the Board.

Gene holds a Bachelor of Science and an MBA. He is a Fellow of the Australian Institute of Company Directors.

Gene was also previously a Non-Executive Director of Aurizon Holdings and Fletcher Building and an Executive Director of Wesfarmers Limited.

Listed Company Directorships (held within the last 3 years):
- Orica Limited (since 2013); and
- Woodside Petroleum Limited (since 2014).

Other Current Appointments:
- Director of the Bell Shakespeare Company.

Board Committee Memberships:
- Chairman of the Sustainability & Risk Committee;
- Member of the Audit Committee; and
- Member of the Nomination Committee.

As at the date of retirement from the Board he holds 51,071 GPT stapled securities.

Robert Whitfield AM – Independent Non-Executive Director
Rob joined the Board in May 2020.

Rob has significant banking and finance experience in senior management roles across the public and private sectors. This includes a 30 year career with Westpac Banking Corporation where he held various senior management positions, including Chief Executive Officer of the Institutional Bank, Chief Risk Officer, Group Treasurer and Chairman of the Asia Advisory Board.

Rob holds a Bachelor of Commerce, a Post-Graduate degree in Banking & Finance and completed the Harvard Advanced Management Program. He is a senior fellow of the Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors.

Rob was also previously Chairman and Director of NSW Treasury Corporation and Secretary of NSW Treasury and NSW Industrial Relations.

Listed Company Directorships (held within the last 3 years):
- Commonwealth Bank Australia Limited (since 2017); and
- Transurban Group (since 2020).

Other Current Appointments:
- Nil.

Board Committee Memberships:
- Member of the Audit Committee;
- Member of the Sustainability & Risk Committee (Chairman from 1 January 2021); and
- Member of the Nomination Committee.

As at the date of this report he holds nil GPT stapled securities.

DIRECTORS' REPORT
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James Coyne – General Counsel and Company Secretary
James is responsible for the legal, compliance and company secretarial activities of GPT. He was appointed as the General Counsel and Company Secretary of GPT in 2004. His previous experience includes company secretarial and legal roles in construction, infrastructure, and the real estate funds management industry (listed and unlisted).

Lisa Bau – Senior Legal Counsel and Company Secretary
Lisa was appointed as a Company Secretary of GPT in September 2015. Her previous experience includes legal roles in mergers and acquisitions, capital markets, funds management and corporate advisory.

Attendance of Directors at meetings
The number of Board meetings, including meetings of Board Committees, held during the year and the number of those meetings attended by each Director is set out below:

	Board		Audit Committee		Human Resources and Remuneration Committee		Nomination Committee		Sustainability and Risk Committee	
	No. of meetings	Attended	No. of meetings	Attended	No. of meetings	Attended	No. of meetings	Attended	No. of meetings	Attended
Vickki McFadden[1]	19	19	-	-	5	5	2	2	-	-
Bob Johnston[1]	19	19	-	-	-	-	2	2	-	-
Tracey Horton AO	19	19	-	-	5	5	2	2	4	4
Angus McNaughton	19	19	6	6	5	5	2	2	-	-
Mark Menhinnitt	19	19	-	-	3	3	2	2	4	4
Michelle Somerville	19	19	6	6	-	-	2	2	4	4
Gene Tilbrook	19	18	6	6	-	-	2	2	4	4
Robert Whitfield AM	11	11	4	4	-	-	0	0	3	3

(1) Vickki McFadden and Bob Johnston attended all meetings of the Committees as non-members. All Directors may attend any Committee meeting.

6. OTHER DISCLOSURES

Indemnification and insurance of directors, officers and auditor
GPT provides a Deed of Indemnity and Access (Deed) in favour of each of the Directors and Officers of GPT and its subsidiary companies and each person who acts or has acted as a representative of GPT serving as an officer of another entity at the request of GPT. The Deed indemnifies these persons on a full indemnity basis to the extent permitted by law for losses, liabilities, costs and charges incurred as a Director or Officer of GPT, its subsidiaries or such other entities.

Subject to specified exclusions, the liabilities insured are for costs that may be incurred in defending civil or criminal proceedings that may be brought against Directors and Officers in their capacity as Directors and Officers of GPT, its subsidiary companies or such other entities, and other payments arising from liabilities incurred by the Directors and Officers in connection with such proceedings.

GPT has agreed to indemnify the auditors out of the assets of GPT if GPT has breached the agreement under which the auditors are appointed.

During the financial year, GPT paid insurance premiums to insure the Directors and Officers of GPT and its subsidiary companies. The terms of the contract prohibit the disclosure of the premiums paid.

Non-audit services
During the year PricewaterhouseCoopers, GPT's auditor, has performed other services in addition to their statutory duties. Details of the amounts paid to the auditor, which includes amounts paid for non-audit services and other assurance services, are set out in note 22 to the financial statements.

The Directors have considered the non-audit services and other assurance services provided by the auditor during the financial year. In accordance with advice received from the Audit Committee, the Directors are satisfied that the provision of non-audit services by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- the Audit Committee reviewed the non-audit services and other assurance services to ensure that they did not impact upon the integrity and objectivity of the auditor;
- the Board's own review conducted in conjunction with the Audit Committee concluded that the auditor independence was not compromised, having regard to the Board's policy with respect to the engagement of GPT's auditor; and
- the fact that none of the non-audit services provided by PricewaterhouseCoopers during the financial year had the characteristics of management, decision-making, self-review, advocacy or joint sharing of risks.

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 28 and forms part of the Directors' Report.

Rounding of amounts
The amounts contained in this report and in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated (where rounding is applicable) under the option available to the Consolidated Entity under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Consolidated Entity is an entity to which the Instrument applies.

7. REMUNERATION REPORT

Introduction from the Chairman of the Human Resources and Remuneration Committee

On behalf of the Human Resources and Remuneration Committee (HRRC) of the Board, I am pleased to present the 2020 Remuneration Report for the GPT Group.

During 2020, guided by our 'Safety First - Everyone, Always' value, the HRRC played an active role in understanding the impact of the COVID-19 pandemic on the wellbeing of our people and management's response to the resulting challenges. Areas of focus included monitoring the results of Employee Pulse Surveys undertaken throughout the year, and employee use of support mechanisms including the Employee Assistance Program, mental health days and access to domestic and family violence support. I am proud of how our people responded to these and other operational challenges posed by the pandemic throughout the year. A summary of the organisation's response in that regard is available on pages 3-6 of the Annual Report.

As the pandemic escalated in Q1, 2020 and having regard to the impact on the Group's financial performance and the experience of investors and customers, the Committee endorsed management's recommendation to withdraw both the Short Term Incentive Compensation (STIC) and Long Term Incentive (LTI) schemes for the year. Other measures implemented to enable a reduction in Group discretionary spend included reducing headcount and placing a temporary hold on all recruitment. Management also withdrew other employee ownership schemes, including the General Employee Security Ownership Plan (GESOP) and Broad Based Employee Ownership Plan (BBESOP) for the 2020 performance period. The HRRC has recently approved the reinstatement of the STIC and LTI and the employee ownership programs for 2021 following more stable market conditions.

Despite the impacts of the pandemic on the Group's financial performance, the Leadership Team and GPT employees have worked incredibly hard to deliver strong operational performance against our non-financial strategic objectives. An assessment of performance is available in the Group Scorecard on pages 21-22. As the STIC and LTI schemes were withdrawn, no payments were made with regard to the non-financial strategic objectives.

Prior to the pandemic, an annual review of employee base pay was implemented effective 1 January 2020, with an overall increase of 2.31 per cent. For 2021, the Committee approved a modest budget to implement a base pay review. Senior executives who are eligible to participate in the LTI plan will not receive base salary increases in 2021. This decision was made with respect to GPT's remuneration principles of aligning to investor outcomes and Group financial performance within the competitive landscape.

Following benchmarking, no adjustments were made to Non-Executive Director fees for 2020 or 2021 other than an increase of 4.65 per cent in the Chairman's fee to bring remuneration closer to market.

From a governance perspective, the HRRC reviewed the Committee Charter, Minimum Security Holding and Clawback Policies to ensure they remain contemporary and fit for purpose. Looking ahead, we remain focussed on continuing to provide a remuneration platform that strikes an appropriate balance between retaining and motivating our people to deliver superior performance while aligning reward outcomes to the securityholder experience. We welcome feedback and comments from investors and stakeholders regarding this Remuneration Report.

Tracey Horton

Tracey Horton
Chairman of the Human Resources and Remuneration Committee

This information provided in this Report has been audited in accordance with section 308(3C) of the *Corporations Act 2001*.

Sydney
15 February 2021

Remuneration Framework

GPT's remuneration framework is designed to support the Group's strategy and reward our people for its successful execution and performance. The remuneration principles are the foundation of the framework, and the diagram below describes the typical delivery for remuneration and rewards. The framework also provides a basis for the Board to exercise discretion when determining remuneration outcomes. The framework's application was evident when Management recommended, and the Board endorsed that the STIC and LTI Plans be withdrawn for 2020.

Our Vision	Our Purpose
To be the most respected property company in Australia in the eyes of our investors, people, customers and communities	To create value for investors by providing high quality real estate spaces that enable people to excel and our customers and communities to prosper in a sustainable way

How We Create Value

Growing and predictable earnings	Thriving places	Empowered people	Sustainable environment	Prospering customers, suppliers and communities

GPT's Remuneration Principles

Attract and retain high calibre executives and employees	Align to investor outcomes and behaviour consistent with GPT values	Determine with reference to Group and individual financial and non-financial performance	Drive focus and encourage our people to think and act like an owner

Executive Remuneration Components[1]

The timeline below outlines how remuneration is delivered, noting that the 2020 STIC and LTI plans were withdrawn.

Component	Year 1	Year 2	Year 3	Year 4
Fixed Remuneration	Salary and statutory superannuation			
STIC	1 year performance period	▲	■	
2020 STIC withdrawn	» Y1 STIC performance period commences	» Y1 STIC performance tested » Y1 STIC award delivered in Q1, Y2 - 50% cash / 50% deferred equity (vesting 31 Dec Y2)[3]		
LTI	●			⬟
2020-2022 LTI withdrawn	» Y1 LTI performance period commences » Performance rights for Y1 LTI granted in Q1, Y1[2] using prior Dec 30-day VWAP			» Y1–Y3 LTI performance tested » Securities immediately vest, unless holding lock nominated[4]
	Q1, Y1 / 31 Dec, Y1	Q1, Y2 / 31 Dec, Y2	31 Dec, Y3	Q1, Y4

● Performance rights granted
■ Securities vest
▲ Performance tested, deferred equity granted and cash award paid
⬟ Performance tested, eligible performance rights convert to securities

Other Employee Ownership Schemes[5]

GESOP
- For STIC eligible individuals who are ineligible for LTI
- Equal to 10% of STIC outcome (less tax)
- Delivered in GPT securities around the same time as the cash STIC payment and must be held for at least one year

BBESOP
- For individuals ineligible for STIC or LTI
- GPT must achieve at least Target outcome on annual FFO growth per security for the plan to operate
- Awarded as either:
  - $1,000 cash (less tax) or
  - a grant of $1,000 worth of GPT securities which must be held until the earlier of 3 years from the allocation date or cessation of employment

[1] Eligibility to participate in the STIC, LTI, GESOP and BBESOP schemes is generally limited to individuals who are employed on a permanent basis, satisfy the minimum service criteria applicable under each scheme, have not given or received notice of cessation of employment and are not subject to any formal performance management process.
[2] The CEO's performance rights are granted following the relevant resolution's approval at the Annual General Meeting.
[3] Where deferred securities are awarded, the number allocated is determined by dividing 50% of the value of the total STIC by the 30-day VWAP immediately before the end of the performance period. The value of the award on the conversion date may vary as a result of security price having increased or decreased since that point in time. Any award for non LTI eligible employees is delivered as 100% cash.
[4] Participants may elect at the commencement of the LTI plan to apply additional dealing restrictions of up to a maximum of 4 years post vesting. A taxing point will arise in the financial year securities vest and become unrestricted.
[5] Management also withdrew these plans in respect of the 2020 performance period.

DIRECTORS' REPORT
For the year ended 31 December 2020

GPT's Values and Culture

GPT provides an environment where our people can realise their potential and consistently deliver high performance. Our diverse workforce benefits from a dynamic and flexible work environment, advanced systems, mobile technology and a lean management structure to achieve efficient and productive outcomes. These key elements that drive value are underpinned by GPT's shared sense of purpose – to create value for investors by providing high quality real estate spaces that enable people to excel and our customers and communities to prosper in a sustainable way – and a culture that emphasises the following core values:

- SAFETY FIRST – EVERYONE, ALWAYS
- DELIVER TODAY, CREATE TOMORROW
- VALUE DIFFERENCES, PLAY AS A TEAM
- SPEAK UP
- RAISE THE BAR

2020 presented an uncertain and challenging operating environment for the business and its stakeholders. The resilience, dedication and collective effort of our people to respond to the challenges of the pandemic brought the strength of GPT's organisational values and culture to the fore. Key areas of focus throughout the year, monitored by the Human Resources and Remuneration Committee via a quarterly review of the Culture Dashboard included:

Focus Area	Commentary
Safety	Safety is the number one priority for every employee, underpinned by our 'Safety First – Everyone, Always' value. We all play a part in ensuring that our colleagues, stakeholders and visitors to our assets go home safely. We implemented initiatives to continue to embed our safety first culture including a refresh of our Safety Policy, and the launch of a consolidated Safety Procedures Manual and the delivery of a Safety Leadership program with 97 per cent employee participation. An ongoing focus on employee wellbeing was of paramount importance during the pandemic. We provided virtual opportunities for employees to enhance their wellbeing across the four dimensions of our Wellness@GPT program - Mind, Body, Purpose, Place - with a particular focus on mental fitness and resilience. Managing for Team Wellness sessions also equipped people managers to support their teams. The Board and management closely monitored utilisation of the Employee Assistance Program, mental health days and access to domestic and family violence support on a de-identified basis.
Engagement	GPT has an energised and enabled high calibre workforce, characterised by strong levels of employee engagement. Engaged, energised and enabled employees are more likely to deliver superior business outcomes. We provide a consultative work environment where employee views are sought, respected, and where appropriate, acted upon. Employee Pulse Surveys were conducted throughout the year, which allowed us to gauge our people's wellbeing and satisfaction with their altered work arrangements, including working from home or working in reduced or split on-site teams due to physical distancing restrictions. The results were used to identify priorities and opportunities to provide additional support to our people and assist them in their continued performance and development.
Equal Opportunity	GPT is committed to creating a diverse and inclusive workplace by providing equal opportunity in all aspects of employment. GPT is an inclusive employer where differences such as sexuality, sex, gender identity, race, beliefs, age or abilities are valued. The Board and management recognise that a diverse workforce reflects GPT's diverse customer base and generates diversity in thought that enhances decision-making processes and Group performance. In February 2020, GPT received its third consecutive Workplace Gender Equality Agency (WGEA) Employer of Choice citation, recognising GPT's performance in this area as among Australia's best employers. Sponsorship of the Property Council of Australia 500 Women in Property program continued as did GPT's commitment to the CareerTrackers Indigenous Internship Program. The Group was also pleased to be named as a Bronze employer for LGBTIQ+ inclusion in the Australian Workplace Equality Index Small Employer category.
Behaviour and Consequences	GPT is proud of our reputation for applying the highest ethical and moral standards in all dealings. The Code of Conduct (the Code) describes the standard of behaviour expected of all employees, and aligns to GPT's vision to be the most respected property company in Australia. Directors monitor breaches concerning the Code and Equal Employment Opportunity and Workplace Behaviour Policy, complaints received and any warnings issued during the reporting period. GPT regularly reinforces its expectations of employees via compulsory training and direct communications from management.
Risk Culture	GPT's approach to risk management incorporates culture, people, processes and systems to enable the organisation to realise potential opportunities whilst managing possible unintended adverse effects. GPT seeks to maintain a transparent and accountable culture where all employees are encouraged to actively consider, discuss and respond to risk as part of their daily activities. Directors monitor a broad number of organisational risk culture indicators, including metrics measuring internal audits, compliance, unauthorised breaches of the Risk Appetite Statement, and reports to the Whistleblower Officer.

Key Management Personnel

GPT's Remuneration Report discloses information regarding our Key Management Personnel (KMP). KMPs are the individuals responsible for planning, controlling and managing the GPT Group (being the Non-Executive Directors, CEO, Chief Financial Officer (CFO), and the Chief Operating Officer (COO)).

Employment Terms

The information regarding the STIC and LTI participation for the CEO and other Executive KMPs below reflects their maximum level of opportunity. As detailed on page 16 both plans were withdrawn in respect of the 2020 performance period and correspondingly no award will be made under either plan.

1. Employment terms – Chief Executive Officer and Managing Director

Term	Conditions
Contract duration	Open ended.
Termination by Executive	6 months' notice. GPT may elect to make a payment in lieu of notice.
Remuneration Package	Bob Johnston's remuneration arrangements are as follows: • **Fixed Remuneration**: $1,460,000. • **STIC**: $0 to $1,825,000 (i.e. 0% to 125% of base pay) based on performance, equally weighted against financial and non-financial objectives with any award also subject to the Group achieving FFO performance targets set by the Board at the beginning of each performance period. 50% of the award paid in cash and 50% delivered as deferred GPT securities [6]. The securities component vests one year after the conclusion of the performance year. • **LTI**: A grant of performance rights with the face value at time of grant of $2,190,000 (i.e. 150% of base pay) with vesting outcomes dependent on performance and continued service, and delivered in GPT securities.
Termination by Company for cause	No notice requirement or termination benefits (other than accrued entitlements).
Termination by Company (other)	12 months' notice. Treatment of unvested STIC and LTI will be at the Board's discretion under the terms of the relevant plans and GPT policy.
Post-employment restraints	6 months non-compete, and 12 months non-solicitation of GPT employees.
External Directorships	Bob Johnston is a Director on the Boards of the Property Industry Foundation (PIF) and the Property Council of Australia (PCA). He does not receive remuneration for these roles.

2. Employment terms – Executive KMP

Term	Conditions
Contract duration	Open ended.
Termination by Executive	3 months' notice. GPT may elect to make a payment in lieu of notice.
Remuneration Package	Anastasia Clarke and Mark Fookes' remuneration arrangements are as follows: • **Fixed Remuneration**: outlined in table below. • **STIC**: 0% to 100% of base pay based on performance, equally weighted against financial and non-financial objectives with any award also subject to the Group achieving FFO performance targets set by the Board at the beginning of each performance period. 50% of the award paid in cash and 50% delivered as deferred GPT securities [7]. The securities component vests one year after the conclusion of the performance year. • **LTI**: A grant of performance rights with the face value at time of grant equivalent to 100% of base pay with vesting outcomes dependent on performance and continued service, and delivered in GPT securities.

Component	Anastasia Clarke	Mark Fookes
Fixed remuneration	$875,000	$840,000
STIC	$0 to $875,000	$0 to $840,000
LTI	$0 to $875,000	$0 to $840,000

Term	Conditions
Termination by Company for cause	No notice requirement or termination benefits (other than accrued entitlements).
Termination by Company (other)	3 months' notice. Severance payments may be made subject to GPT policy and capped at the three year average of the executive's annual base (fixed) pay. Treatment of unvested STIC and LTI will be at the Board's discretion under the terms of the relevant plans and GPT policy.
Post-employment restraints	12 months non-solicitation of GPT employees.

[6] The percentages vary dependent on the movement of the GPT security price during the performance period. See footnote 3 on page 17.
[7] The percentages may vary per footnote 6 above.

DIRECTORS' REPORT
For the year ended 31 December 2020

3. Compensation mix at maximum STIC and LTI outcomes

The percentage of each component of variable or 'at risk' remuneration is calculated with reference to maximum or stretch potential opportunity as set out in the Remuneration Packages detailed in Tables 1 and 2 of the Employment Terms section. It does not reflect the actual remuneration paid during the period.

Executive KMP	Fixed remuneration	Variable or "at risk" remuneration	
	Base pay	STIC	LTI
Bob Johnston Chief Executive Officer and Managing Director	26.7%	33.33%	40.0%
Anastasia Clarke Chief Financial Officer	33.4%	33.3%	33.3%
Mark Fookes Chief Operating Officer	33.4%	33.3%	33.3%

4. Executive Compensation

As outlined throughout this Remuneration Report, in response to the pandemic's impact on the Group's financial performance and investors and investors and customers' experience, Management recommended and the Board concurred that the Group's STIC and LTI plan for the year be withdrawn. Therefore, fixed remuneration (consisting of base pay and statutory remuneration) as detailed in Tables 1 and 2 of the Employment Terms section was the only form of compensation delivered to executives (and other employees) in 2020.

Group Financial Performance and Incentive Outcomes

1. Five year Group financial performance

		2020	2019	2018	2017	2016
Total Securityholder Return (TSR)[8]	%	**(17.7)**	9.6	9.6	6.6	10.1
Total Return	%	**(2.4)**	8.7	15.8	15.2	15.5
NTA[9] per security	$	**5.57**	5.80	5.58	5.04	4.59
FFO per security	cents	**28.48**	32.68	31.84	30.77	29.88
FFO per security growth	%	**(12.9)**	2.6	3.5	3.0	5.6
Security price at end of calendar year	$	**4.50**	5.60	5.34	5.11	5.03

[8] TSR is calculated as the percentage growth in GPT's security price from the last trading date of the previous financial year to the last trading date of the current financial year, together with the value of distributions received during the year, assuming that all of those distributions are reinvested into new securities. For LTI purposes, the average security price for the last 30 trading days is utilised in the calculation of the TSR.
[9] Includes all right-of-use assets of GPT Group.

2. Summary of Group Scorecard Objectives and Performance Outcomes

As outlined in the Letter from the Committee Chairman on page 16 of this report, in early 2020 Management recommended and the Committee concurred that the Group's FY20 STIC program be withdrawn.

Notwithstanding that no STIC was paid for 2020, the Group assessed the performance against the scorecard and this assessment is summarised in the table below.

Category	Performance measure	Achievement	Commentary
Safety and People	• Develop Safety Leadership Program and ensure more than 75 per cent of employees undertake training in 2020	▲	Safety Leadership program launched and the target for completion of Safety Leadership training was exceeded with 97 per cent of employees having completed this by year end.
	• Culture Dashboard tracking at or above target		Indicators on the Culture Dashboard are tracking at or above our target position. Pulse surveys of employees indicated that 86 per cent agreed that the measures GPT had put in place to support them during the pandemic had helped them to navigate through this period more easily than may have otherwise been the case.
	• Progressing diversity and inclusion objectives including achievement of 40:40:20 gender balance at all levels of the organisation, and First Nations representation among employees at 2.2 per cent		40:40:20 gender balance was achieved at the Board and among the overall Management and Professional cohorts. GPT also received its third consecutive Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality citation in February 2020, and increased the percentage of females in the top quartile from 46 per cent in 2019 to 48 per cent in 2020. The Group was also recognised as a Bronze employer for LGBTIQ+ inclusion in the Australian Workplace Equality Index Small Employer category. Regrettably, our ability to enhance First Nations representation was impacted by the deferral of recruitment in response to pandemic.
Financial	• FFO and distribution growth per security target of at least 3.5 per cent	⬢	Prior to March, GPT was well placed to achieve its FFO growth target. Management responded to the economic disruption created by COVID-19 by immediately implementing measures to reduce operating costs, and defer all unnecessary expenditure and recruitment. Negotiations with tenants regarding rental relief in accordance with the commercial tenancies Code of Conduct became a primary area of focus, as well as the implementation of a customer engagement plan for a successful COVID safe return to our assets. Throughout the period, prudent gearing and significant liquidity was maintained and limited near term debt maturities achieved.
Strategy	• Portfolio occupancy greater than 96.5 per cent at year end	▲	Achieved 98.4 per cent occupancy for combined Retail, Office and Logistics portfolio.
	• Increase the Group's exposure to the Logistics sector through appropriate acquisitions and developments		Four logistics developments were completed in the period and successfully leased. A further four logistics developments were commenced or committed to and $205 million of logistics assets were acquired.
	• Practical completion of 32 Smith, Parramatta and Queen & Collins Office developments in line with development targets		Both developments were delayed as a result of COVID-19 disruptions. 32 Smith achieved practical completion in January 2021 and Queen & Collins is expected to achieve practical completion in the first half of 2021.
	• Secure a new capital partnership		Secured an $800 million Logistics capital partnership with QuadReal.
	• Raise at least $300 million of new equity for GWOF		Completed capital raising securing $289 million of $300 million target for GWOF. This result was considered a success in the context of the prevailing market conditions.

KEY ● Stretch ★ Between Target and Stretch ▲ Target ● Between Threshold and Target ■ Threshold ⬢ Below threshold

Category	Performance measure	Achievement	Commentary
Environment and Social Responsibility	• Achieve carbon neutral certification for GWOF portfolio. Implement strategy for GPT managed portfolio to achieve Carbon Neutral status by 2024	▲	GWOF portfolio certified as carbon neutral in 2020, Strategy approved for GPT managed portfolio to reach this target by 2024.
	• Reduction in operational emissions, energy, waste and water consumption. Increase recycling level of waste		Targets to reduce emissions, energy and water consumption and increase waste recycling achieved.
	• Develop and publish the Group's first Modern Slavery Policy by Dec 2020		Modern Slavery Statement published and initiatives to demonstrate ongoing progress identified.
	• Achieve 2020 commitments in the Group's Stretch Reconciliation Plan (2018-21)		97.0 per cent of RAP action items were progressed or completed during the year, including: – Launch of First Nations Engagement Strategy; – More than 60 per cent participation rate in voluntary employee online learning module; – All active development projects included First Nations consultation; and – NAIDOC and National Reconciliation week campaigns held at each GPT Retail and Office asset.

KEY ● Stretch ★ Between Target and Stretch ▲ Target ⬟ Between Threshold and Target ■ Threshold ⬢ Below threshold

3. 2020 STIC outcomes by Executive KMP

The 2020 STIC outcomes for the KMP are below. STIC outcomes for the balance of the eligible employees[10] are ordinarily determined in March post the issue of the Remuneration Report however no awards will be made to any employee in respect of the 2020 performance period.

Executive KMP	Position	Actual STIC awarded	Actual STIC awarded as a % of maximum STIC	% of maximum STIC award forfeited	Cash component	Equity component (# of GPT securities)[11]
Bob Johnston	Chief Executive Officer and Managing Director	$0	0%	100%	$0	0
Anastasia Clarke	Chief Financial Officer	$0	0%	100%	$0	0
Mark Fookes	Chief Operating Officer	$0	0%	100%	$0	0

[10] i.e. excluding the KMP.
[11] Had the 2020 STIC plan been operative the number of deferred GPT securities granted would be calculated by dividing 50% of the Actual STIC awarded by GPT's 30-day VWAP of $4.6576 immediately before the end of the performance period vesting subject to service on 31 December 2021.

DIRECTORS' REPORT
For the year ended 31 December 2020

4. Group performance measures for LTI Plans currently relevant

LTI	LTI performance measurement period	Performance measure	Performance measure hurdle	Weighting	Results	Vesting % by performance measure	Overall Plan Vesting Outcome (%)
2018	2018-20	Relative TSR versus ASX200 AREIT Accumulation Index (including GPT)	10% of PR vest at Index performance, up to 100% at Index plus 10% (pro rata vesting in between)	50%	TSR result was beneath the Index by 19.11%	0%	-
		Total Return	10% of PR vest at 8.5% Total Return, up to 100% at 10.0% Total Return (pro-rata vesting in between)	50%	Compound TR result of 7.10% is beneath threshold	0%	
2019	2019-21	Relative TSR versus ASX200 AREIT Accumulation Index (including GPT)	10% of PR vest at Index performance, up to 100% at Index plus 10% (pro rata vesting in between)	50%	N/A	N/A	N/A
		Total Return	10% of PR vest at 8.5% Total Return, up to 100% at 10.0% Total Return (pro-rata vesting in between)	50%	N/A	N/A	
2020	2020-22	Relative TSR versus ASX200 AREIT Accumulation Index (including GPT)	10% of PR vest at Index performance, up to 100% at Index plus 10% (pro rata vesting in between)	50%	2020-22 LTI WITHDRAWN		
		Total Return	10% of PR vest at 7.5% Total Return, up to 100% at 9.0% Total Return (pro-rata vesting in between)	50%			

5. 2018-2020 LTI outcomes by Executive KMP

Senior Executive	Position	Performance rights granted	Performance rights vested	Performance rights lapsed
Bob Johnston	Chief Executive Officer and Managing Director	420,467	-	420,467
Anastasia Clarke	Chief Financial Officer	153,595	-	153,595
Mark Fookes	Chief Operating Officer	157,435	-	157,435

6. LTI outcomes – fair value and maximum value recognised in future years [12]

Executive KMP	Plan	Grant date	Fair value per performance right[13]	Performance rights granted as at 31 Dec 20	Vesting date	Maximum value to be recognised in future years
Bob Johnston	2020	-	-	-	-	-
Chief Executive Officer and Managing Director	2019	24 May 2019	$3.18	413,551	31 Dec 21	$118,759
Anastasia Clarke	2020	-	-	-	-	-
Chief Financial Officer	2019	2 April 2019	$3.94	160,511	31 Dec 21	$72,008
Mark Fookes	2020	-	-	-	-	-
Chief Operating Officer	2019	2 April 2019	$3.94	156,734	31 Dec 21	$70,313

[12] For the avoidance of doubt, the GPT incentive plans (i.e. STIC and LTI) use face value grants of performance rights based on the VWAP of GPT securities for specified periods; reference to fair value per performance right is included in this table to comply with accounting standards.
[13] Reflects fair value per performance right as at the grant date.

7. Reported remuneration – Executive KMP – Actual Amounts Received [14]

		Fixed pay		Variable or "at risk" [15]			
Executive KMP	**Plan**	**Base pay**	**Superannuation**	**Other [16]**	**STIC**	**LTI**	**Total**
Bob Johnston	2020	$1,438,709	$21,348	$7,061	$0	$0	$1,467,118
Chief Executive Officer and Managing Director	2019	$1,439,233	$20,767	$8,455	$1,314,232	$1,556,288	$4,338,975
Anastasia Clarke	2020	$853,709	$21,348	$3,840	$0	$0	$878,897
Chief Financial Officer	2019	$829,233	$20,767	$4,985	$683,828	$542,260	$2,081,073
Mark Fookes	2020	$818,709	$21,348	$7,279	$0	$0	$847,336
Chief Operating Officer	2019	$809,233	$20,767	$10,050	$651,774	$592,872	$2,084,696
Total	2020	$3,111,127	$64,044	$18,180	$0	$0	$3,193,351
	2019	$3,077,699	$62,301	$23,490	$2,649,834	$2,691,420	$8,504,744

8. Reported remuneration – Executive KMP – AIFRS Accounting [17]

		Fixed pay		Variable or "at risk" [18]			
Executive KMP	**Plan**	**Base pay**	**Superannuation**	**Other**	**STIC**	**LTI**	**Total**
Bob Johnston	2020	$1,468,141	$21,348	$7,061	$338,592	$189,658	$2,024,800
Chief Executive Officer and Managing Director	2019	$1,418,885	$20,767	$8,455	$1,302,460	$1,038,467	$3,789,034
Anastasia Clarke	2020	$867,590	$21,348	$3,840	$161,843	$104,161	$1,158,782
Chief Financial Officer	2019	$860,899	$20,767	$4,985	$658,420	$405,098	$1,950,169
Mark Fookes	2020	$852,887	$21,348	$7,279	$154,255	$103,261	$1,139,030
Chief Operating Officer	2019	$827,474	$20,767	$10,050	$636,642	$419,781	$1,914,714
Total	2020	$3,188,618	$64,044	$18,180	$654,690	$397,080	$4,322,612
	2019	$3,107,258	$62,301	$23,490	$2,597,522	$1,863,346	$7,653,917

9. GPT security ownership – Executive KMP as at 31 December 2020

		Employee Security Schemes (ESS)						
Executive KMP	**GPT Holdings (start of period) [19]**	**2020 DSTIC**	**2018-20 LTI**	**TOTAL ESS for 2020**	**Purchase /(Sales) during period [20]**	**GPT Holdings (end of period) [21]**	**Gross Value of GPT Holdings [22]**	**MSHR Guideline [23]**
Bob Johnston Chief Executive Officer and Managing Director	1,689,078	Nil	Nil	Nil	Nil	1,689,078	$7,867,050	$2,190,000
Anastasia Clarke Chief Financial Officer	389,581	Nil	Nil	Nil	(154,153)	235,428	$1,096,529	$875,000
Mark Fookes Chief Operating Officer	1,222,362	Nil	Nil	Nil	Nil	1,222,362	$5,693,273	$840,000

[14] This table discloses the cash and other benefit amounts actually received by GPT's executive KMP, as distinct from the accounting expense. As a result, it does not align to Australian Accounting Standards.
[15] Gross dollar values for the equity components have been calculated by multiplying the number of securities by GPT's 2019 Q4 VWAP ($6.0209). Future awards under this plan will be calculated with reference to the 30-day VWAP immediately before the end of the relevant performance period.
[16] Other may include death and total/permanent disability insurance premiums, service awards, GPT superannuation plan administration fees, professional memberships, subscriptions and/or other benefits.
[17] This table provides a breakdown of remuneration for executive KMP in accordance with statutory requirements and Australian accounting standards.
[18] This column records the amount of the fair value of the awards under the various STIC and LTI plans expensed in the relevant financial years, and does not represent actual awards made to executives or the face value grant method.
[19] GPT Holdings (start of period) include GPT securities obtained as sign on grants (Mr Johnston only), DSTIC up to and including 2019, LTI plans up to and including the 2017-19 LTI plan and private holdings.
[20] Movement in GPT security holdings as a result of the sale of vested, unrestricted security holdings and/or the sale or purchase of additional private holdings on the individuals own account during the 2020 calendar year.
[21] GPT Holdings (end of period) is the sum of GPT Holdings (start of the period) plus DSTIC and LTI securities obtained under ESS and adjusted for any purchases or sales during the period. Note that some of the securities do not become actual holdings for the individual until after the conclusion of the performance year when Group results are known which allow the conversion of performance rights under the various plan terms.
[22] The GPT Holdings (end of period) multiplied by GPT's December 2020 30-day VWAP of $4.6576 to derive a dollar value.
[23] GPT's Minimum Security Holding Requirement (MSHR) guideline requires the CEO to acquire and maintain a holding equal to 150% of base salary. For other KMP and Leadership Team members the holding requirement is equal to 100% of base salary. Individuals have four years from commencement of employment to achieve the MSHR before it is assessed for the first time.

10. GPT performance rights – Executive KMP

	Performance rights	
Executive KMP	**Performance rights that lapsed in 2020** [24]	**Performance rights still on foot at 31 Dec 20** [25]
Bob Johnston Chief Executive Officer and Managing Director	420,467	413,551
Anastasia Clarke Chief Financial Officer	153,595	160,511
Mark Fookes Chief Operating Officer	157,435	156,734

Governance

Who are the members of the Committee?	The Committee consists of the following four Non-Executive Directors: • Tracey Horton AO (HRRC Chairman) • Vickki McFadden • Angus McNaughton • Mark Menhinnitt
What is the scope of work of the Committee?	The Committee operates in accordance with the HRRC Charter and undertakes the following activities on behalf of the Board: • Oversee the management of culture • Consider and recommend any changes to the remuneration framework to the Board for approval • Oversee the implementation of key policies and practices in support of GPT's remuneration framework and from time to time, review their appropriateness • Periodically review and make recommendations to the Board for approval in relation to the remuneration for Non-Executive Directors • Review annually and make recommendations to the Board for approval in relation to the remuneration package for the CEO and any other executive Director. In consultation with the CEO, review and approve remuneration packages for the Leadership Team (excluding the CEO) and approve the annual salary review budget for all other employees • Recommend to the Board for approval the key performance indicators for the CEO and having regard to the performance assessment undertaken by the Chairman of the Board, recommend to the Board incentive plan outcomes for the CEO to the Board for approval. • Review the annual Remuneration Report and make recommendations to the Board for its inclusion in the Annual Report • Review and monitor the succession plans for the Leadership Team (excluding the CEO, which is a responsibility of the Nomination Committee [26]) • Review and approve GPT's diversity & inclusion strategy, and oversee the implementation of key processes and procedures in support of this and report progress to the Board • Monitor and oversee talent development and employee engagement initiatives, and oversee the implementation of processes and procedures to support the implementation of those initiatives.

[24] The sum of performance rights that were awarded to a participant in the 2018-2020 LTI that did not vest at the end of the performance period, and as a result, lapsed and/or performance rights that may have been granted under the 2020 DSTIC that also lapsed had that plan been operative.

[25] The total of unvested performance rights currently on foot excluding any GPT securities or performance rights that may have lapsed up to 31 December 2020. This represents the current maximum number of additional GPT securities to which the individual may become entitled subject to satisfying the applicable performance measures in the 2019-2021 LTI plan on foot. plan. As such, these performance rights represent the incentive opportunity over future years, are subject to performance and hence "at risk", and as a result, may never vest.

[26] The full Board are members of the Nomination Committee and no additional fees are paid for membership. Further information about the role and responsibility of committees is set out in their respective Charters, which are available on GPT's website: www.gpt.com.au.

DIRECTORS' REPORT
For the year ended 31 December 2020

Remuneration – Non-Executive Directors

What are the key elements of the Non-Executive Director Remuneration Policy?

- The Board determines the remuneration structure for Non-Executive Directors based on recommendations from the Human Resources and Remuneration Committee.
- Non-Executive Directors are paid one fee for participation as a Director in all GPT related companies (principally GPT RE Limited, the Responsible Entity of General Property Trust and GPT Management Holdings Limited).
- Non-Executive Director remuneration is composed of three main elements:
  - Main Board fees;
  - Committee fees; and
  - Superannuation contributions at the statutory superannuation guarantee contribution rate.
- Non-Executive Directors do not participate in any short or long term incentive arrangements and are not entitled to any retirement benefits other than compulsory superannuation.
- Non-Executive Directors are subject to the Group's Minimum Security Holding Policy as detailed on page 27 of this Report.
- Non-Executive Director remuneration is set by reference to comparable entities listed on the ASX (having regard to GPT's industry sector and market capitalisation).
- External independent advice on remuneration levels for Non-Executive Directors is sought annually. In the event that a review results in changes, the new Board and Committee fees are effective from 1 January in the applicable year and advised in the ensuing Remuneration Report.
- Fees (including superannuation) paid to Non-Executive Directors are subject to an aggregate limit of $1,800,000 per annum, which was approved by GPT securityholders at the Annual General Meeting on 5 May 2015. As an Executive Director, Mr Johnston does not receive fees from this pool as he is remunerated as one of GPT's senior executives.

1. Board and committee fees [27] [28]

		Board Fee	Audit Committee	Sustainability and Risk Committee	Human Resources and Remuneration Committee
Chairman	**2020**	**$450,000**	**$40,000**	**$34,000**	**$34,000**
	2019	$430,000	$40,000	$34,000	$34,000
Members	**2020**	**$170,000**	**$20,000**	**$17,000**	**$17,000**
	2019	$170,000	$20,000	$17,000	$17,000

2. Reported remuneration – Non-Executive Directors – AIFRS accounting [29, 30]

		Fixed pay			Total
Non-Executive Director - Current		**Fees**	**Superannuation**	**Other [31]**	
Vickki McFadden	**2020**	**$428,652**	**$21,348**	**-**	**$450,000**
Chairman	2019	$409,233	$20,767	-	$430,000
Tracey Horton AO [32]	**2020**	**$201,826**	**$19,173**	**-**	**$220,999**
	2019	$132,695	$12,606	-	$145,301
Mark Menhinnitt [33]	**2020**	**$184,453**	**$17,523**	**-**	**$201,976**
	2019	$38,813	$3,687	-	$42,500
Angus McNaughton	**2020**	**$189,041**	**$17,959**	**-**	**$207,000**
	2019	$192,124	$18,252	-	$210,376
Michelle Somerville	**2020**	**$207,306**	**$19,694**	**-**	**$227,000**
	2019	$207,306	$19,694	-	$227,000
Gene Tilbrook	**2020**	**$204,566**	**$19,434**	**$859**	**$224,859**
	2019	$197,750	$18,786	$1,377	$217,913
Robert Whitfield AM [34]	**2020**	**$97,729**	**$9,284**	**-**	**$107,013**
	2019	-	-	-	-

[27] In addition to the fees noted in the table, all Non-Executive Directors receive reimbursement for reasonable travel, accommodation and other expenses incurred while undertaking GPT business.
[28] Fees for Non-Executive Directors are inclusive of superannuation.
[29] This table provides a breakdown of remuneration for Non-Executive Directors in accordance with statutory requirements and Australian accounting standards.
[30] No termination benefits were paid during the financial year.
[31] Other may include death and total/permanent disability insurance premiums and/or GPT superannuation plan administration fees.
[32] Ms Horton joined GPT on 1 May 2019, and was appointed Chairman of the Human Resources and Remuneration Committee from 16 May 2019.
[33] Mr Menhinnitt joined GPT on 1 October 2019.
[34] Mr Whitfield joined GPT on 14 May 2020.

DIRECTORS' REPORT
For the year ended 31 December 2020

Non-Executive Director – Former		Fixed pay			Total
		Fees	Superannuation	Other [35]	
Swe Guan Lim [36]	**2020**	-	-	-	-
	2019	$189,041	$17,959	$507	$207,507
Eileen Doyle [37]	**2020**	-	-	-	-
	2019	$76,843	$7,300	-	$84,143
Total	**2020**	**$1,513,573**	**$124,415**	**$859**	**$1,638,847**
	2019	$1,443,805	$119,051	$1,884	$1,564,740

3. Non-Executive Director – GPT security holdings

Non-Executive Director	Private holdings (# of securities)			Minimum security holding requirement (MSHR)		
	Balance 31 Dec 19	Purchase /(Sale)	Balance 31 Dec 20	MSHR assessment [38]	MSHR guideline [39]	MSHR assessment date
Vickki McFadden	52,525	60,000	112,525	$527,976	$450,000	March 2022
Tracey Horton	7,525	15,000	22,525	$121,358	$170,000	May 2023
Angus McNaughton	8,196	16,892	25,088	$149,898	$170,000	November 2022
Mark Menhinnitt	15,000	15,000	30,000	$164,475	$170,000	October 2023
Michelle Somerville	36,663	-	36,663	$179,936	$170,000	December 2020
Gene Tilbrook	51,071	-	51,071	$237,868	$170,000	May 2020
Robert Whitfield [40]	-	-	-	-	$170,000	May 2024

Remuneration Advisors

During the year, advisors did not provide any remuneration recommendations in relation to KMPs, as defined in Section 9B of the *Corporations Act 2001*.

Clawback and Malus

GPT's Clawback Policy provides the Board with the discretion to modify remuneration outcomes as a result of adverse circumstances that arise or become known after remuneration has been granted, paid or vested. Individuals who participate in the STIC and LTI are subject to these awards being adjusted, cancelled or clawed back if a trigger event occurs. No trigger events occurred in 2020, and the Board did not enact the Clawback Policy during the reporting period.

Minimum Security Holding Requirement

GPT's Minimum Security Holding Policy requires Non-Executive Directors, the CEO, other KMPs and members of the Leadership Team to build (initially over four years from appointment) and maintain a minimum holding of GPT securities. The guideline requires the CEO to maintain a holding equal to 150% of base salary. For Non-Executive Directors, other KMP and Leadership Team members, the MSHR is equal to 100% of base salary or fees.

The Directors' Report, including the Remuneration Report, is signed in accordance with a resolution of the Directors of the GPT Group.

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

Sydney
15 February 2021

[35] See footnote 30, above.
[36] Mr Lim retired from the GPT Board on 31 December 2019.
[37] Ms Doyle retired from the GPT Board on 15 May 2019.
[38] The MSHR is assessed by the higher of cost or the current market value (derived by multiplying the number of holdings at the end of the period by GPT's December 2020 30-day VWAP of ($4.6576).
[39] The MSHR for Non-Executive Directors is equal to 100% of base fees. Individuals have four years from commencement of employment to achieve MSHR before it is assessed for the first time.
[40] Mr Whitfield was appointed to the Board in May 2020.

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Auditor's Independence Declaration

As lead auditor for the audit of GPT Management Holdings Limited for the year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of GPT Management Holdings Limited and the entities it controlled during the period.

S. Horl

Susan Horlin
Partner
PricewaterhouseCoopers

Sydney
15 February 2021

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FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	Note	31 Dec 20 $'000	31 Dec 19 $'000
Revenue			
Fund management fees		**83,647**	86,497
Property management fees		**36,374**	44,331
Development management fees		**19,693**	23,014
Management costs recharged		**29,621**	30,608
		169,335	184,450
Other income			
Share of after tax profit/(loss) of equity accounted investments	2(c)	**4,480**	(93)
Interest revenue		**226**	539
Proceeds from sale of inventory		**1,196**	96,670
		5,902	97,116
Total revenue and other income		**175,237**	281,566
Expenses			
Remuneration expenses		**84,432**	116,341
Cost of sale of inventory		**990**	92,193
Property expenses and outgoings		**3,659**	4,048
Repairs and maintenance		**5,299**	5,135
Professional fees		**6,091**	5,453
Depreciation of right-of-use asset		**9,448**	7,714
Depreciation		**3,597**	2,023
Amortisation		**5,172**	4,955
Revaluation of financial arrangements		**94,497**	10,407
Impairment expense/(reversal)		**6,786**	(12,898)
Finance costs		**3,592**	2,822
Other expenses		**8,812**	7,483
Total expenses		**232,375**	245,676
(Loss)/profit before income tax		**(57,138)**	35,890
Income tax expense	10(a)	**10,122**	11,855
(Loss)/profit after income tax from continuing operations		**(67,260)**	24,035
Loss from discontinued operations	25(b)	**-**	(10,050)
Net (loss)/profit for the year		**(67,260)**	13,985
Other comprehensive income from discontinued operations			
Items that may be reclassified to profit and loss			
Net foreign exchange translation adjustments	11(b)	**(17)**	(5)
Total comprehensive (loss)/profit for the year		**(67,277)**	13,980
Net (loss)/profit attributable to:			
- Members of the Company		**(69,552)**	13,744
- Non-controlling interest		**2,292**	241
Total comprehensive (loss)/income attributable to:			
- Members of the Company		**(69,569)**	13,739
- Non-controlling interest		**2,292**	241
Earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted (loss)/earnings per share (cents per share) from continuing operations	12(a)	**(3.57)**	1.27
Basic and diluted (loss)/earnings per share (cents per share) - Total	12(a)	**(3.57)**	0.74

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	Note	31 Dec 20 $'000	31 Dec 19 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**22,968**	21,677
Trade receivables	3	**46,316**	46,497
Other receivables		**1,685**	160
Current tax asset	10(c)	**-**	2,163
Inventories	5	**61,412**	9,403
Prepayments		**6,435**	3,220
Total current assets		**138,816**	83,120
Non-current assets			
Intangible assets	4	**41,457**	35,344
Property, plant and equipment	6	**10,605**	10,492
Inventories	5	**64,078**	108,615
Equity accounted investments	2	**26,011**	21,367
Right-of-use assets		**45,850**	59,533
Deferred tax asset	10(d)	**10,595**	19,576
Other assets	7	**4,693**	8,673
Total non-current assets		**203,289**	263,600
Total assets		**342,105**	346,720
LIABILITIES			
Current liabilities			
Payables	8	**15,107**	36,168
Current tax liability	10(c)	**2,000**	-
Provisions	9	**17,579**	29,474
Borrowings	14	**5,005**	23,875
Lease liabilities		**8,761**	8,040
Total current liabilities		**48,452**	97,557
Non-current liabilities			
Borrowings	14	**192,923**	61,654
Provisions	9	**3,250**	11,870
Lease liabilities		**46,576**	55,344
Total non-current liabilities		**242,749**	128,868
Total liabilities		**291,201**	226,425
Net assets		**50,904**	120,295
EQUITY			
Contributed equity	11(a)	**331,974**	331,974
Reserves	11(b)	**17,982**	20,144
Accumulated losses	11(c)	**(317,625)**	(248,104)
Total equity attributable to Company members		**32,331**	104,014
Non-controlling interests		**18,573**	16,281
Total equity		**50,904**	120,295

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

		Company				Non-controlling interests			
	Note	**Contributed equity $'000**	**Reserves $'000**	**Accumulated losses $'000**	**Total $'000**	**Contributed equity $'000**	**Accumulated losses $'000**	**Total $'000**	**Total equity $'000**
Equity attributable to Company Members									
At 1 January 2019		325,855	19,794	(261,848)	83,801	21,172	(5,132)	16,040	99,841
Foreign currency translation reserve	11(b)	-	(5)	-	(5)	-	-	-	(5)
Other comprehensive income for the year		-	(5)	-	(5)	-	-	-	(5)
Profit for the year	11(c)	-	-	13,744	13,744	-	241	241	13,985
Total comprehensive income for the year		-	(5)	13,744	13,739	-	241	241	13,980
Transactions with Members in their capacity as Members									
Issue of securities	11(a)	6,119	-	-	6,119	-	-	-	6,119
Movement in employee incentive security scheme reserve net of tax	11(b)	-	355	-	355	-	-	-	355
At 31 December 2019		331,974	20,144	(248,104)	104,014	21,172	(4,891)	16,281	120,295
Equity attributable to Company Members									
At 1 January 2020		**331,974**	**20,144**	**(248,104)**	**104,014**	**21,172**	**(4,891)**	**16,281**	**120,295**
Foreign currency translation reserve	11(b)	**-**	**(17)**	**-**	**(17)**	**-**	**-**	**-**	**(17)**
Other comprehensive income for the year		**-**	**(17)**	**-**	**(17)**	**-**	**-**	**-**	**(17)**
(Loss)/Profit for the year	11(c)	**-**	**-**	**(69,552)**	**(69,552)**	**-**	**2,292**	**2,292**	**(67,260)**
Total comprehensive income for the year		**-**	**(17)**	**(69,552)**	**(69,569)**	**-**	**2,292**	**2,292**	**(67,277)**
Transactions with Members in their capacity as Members									
Movement in employee incentive security scheme reserve net of tax	11(b)	**-**	**(2,114)**	**-**	**(2,114)**	**-**	**-**	**-**	**(2,114)**
Reclassification of employee incentive security scheme reserve to accumulated losses	11(b)	**-**	**(31)**	**31**	**-**	**-**	**-**	**-**	**-**
At 31 December 2020		**331,974**	**17,982**	**(317,625)**	**32,331**	**21,172**	**(2,599)**	**18,573**	**50,904**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	31 Dec 20 $'000	31 Dec 19 $'000
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		**184,108**	202,261
Payments in the course of operations (inclusive of GST)		**(164,404)**	(161,384)
Proceeds from the sale of inventories		**1,196**	96,670
Payments for inventories		**(7,866)**	(14,065)
Distributions received from equity accounted investments		**-**	81
Interest received		**193**	539
Finance costs paid		**(2,156)**	(2,463)
Income taxes received/(paid)		**1,299**	(10,227)
Net cash inflows from operating activities	16	**12,370**	111,412
Cash flows from investing activities			
Payments for property, plant and equipment		**(3,539)**	(1,013)
Payments for intangibles		**(14,665)**	(13,508)
Payment for equity accounted investments		**-**	(1)
Net cash outflows from investing activities		**(18,204)**	(14,522)
Cash flows from financing activities			
Proceeds from issue of securities net of transaction costs		**-**	6,119
Repayment of related party borrowings		**(198,640)**	(252,406)
Proceeds from related party borrowings		**213,462**	167,119
Repayments of borrowings		**(169)**	(10,975)
Proceeds from borrowings		**509**	3,009
Principal elements of lease payments		**(8,037)**	(7,338)
Net cash inflows/(outflows) from financing activities		**7,125**	(94,472)
Net cash increase in cash and cash equivalents		**1,291**	2,418
Cash and cash equivalents at the beginning of the year		**21,677**	19,259
Cash and cash equivalents at the end of the year		**22,968**	21,677

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

These are the consolidated financial statements of GPT Management Holdings Limited and its controlled entities (the Consolidated Entity).

The notes to these financial statements have been organised into sections to help users find and understand the information they need to know. Additional information has also been provided where it is helpful to understand the Consolidated Entity's performance.

The notes to the financial statements are organised into the following sections:
Note 1 - Result for the year: focuses on results and performance of the Consolidated Entity.
Notes 2 to 10 - Operating assets and liabilities: provides information on the assets and liabilities used to generate the Consolidated Entity's trading performance.
Notes 11 to 15 - Capital structure: outlines how the Consolidated Entity manages its capital structure and various financial risks.
Notes 16 to 28 - Other disclosure items: provides information on other items that must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements.

Key judgements, estimates and assumptions
In applying the Consolidated Entity's accounting policies, management has made a number of judgements, estimates and assumptions regarding future events.

The Consolidated Entity has assessed key judgements and estimates in light of COVID-19 and adjusted the underlying assumptions accordingly. Items marked with (*) contain judgements and estimates which have been significantly impacted by COVID-19.

The following judgements and estimates have the potential to have a material impact on the financial statements:

Area of judgements and estimates	Assumptions underlying	Note
Management rights with indefinite life	Impairment trigger and recoverable amounts	4
IT development and software*	Impairment trigger and recoverable amounts	4
Inventories	Lower of cost and net realisable value	5
Property, plant and equipment	Useful life	6
Provisions	Estimates of future obligations and probability of outflow	9
Deferred tax assets	Recoverability	10
Security based payments*	Fair value	20
Related party borrowings at fair value	Fair value	24
Investment in financial assets	Fair value	24
Investment in equity accounted investments	Assessment of control versus disclosure guidance	27(c)
Lease liabilities	Lease term and incremental borrowing rate	27(d)(viii)
Right-of-use assets*	Impairment trigger and recoverable amounts	27(d)(viii)

RESULT FOR THE YEAR

1. SEGMENT INFORMATION

The chief operating decision makers monitor the performance of the business in a manner consistent with that of the financial report. Refer to the Consolidated Statement of Comprehensive Income for the segment financial performance and the Consolidated Statement of Financial Position for the total assets and liabilities.

OPERATING ASSETS AND LIABILITIES

2. EQUITY ACCOUNTED INVESTMENTS

	Note	**31 Dec 20 $'000**	31 Dec 19 $'000
Investments in joint ventures	(i)	**16,010**	11,366
Investments in associates	(ii)	**10,001**	10,001
Total equity accounted investments		**26,011**	21,367

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

(a) Details of equity accounted investments

Name	Principal activity	Ownership interest			
		31 Dec 20	31 Dec 19	**31 Dec 20**	31 Dec 19
		%	%	**$'000**	$'000
(i) Joint ventures					
Lendlease GPT (Rouse Hill) Pty Limited [1]	Property development	**50.00**	50.00	**16,010**	11,366
Total investment in joint ventures				**16,010**	11,366
(ii) Associates					
DPT Operator No. 1 Pty Limited	Management	**91.67**	91.67	**-**	-
DPT Operator No. 2 Pty Limited	Management	**91.67**	91.67	**1**	1
GPT Funds Management Limited	Funds management	**100.00**	100.00	**10,000**	10,000
Total investment in associates				**10,001**	10,001

(1) The entity has a 30 June balance date. The Consolidated Entity has a 50 per cent interest in Lendlease GPT (Rouse Hill) Pty Limited, a joint venture developing residential and commercial land at Rouse Hill, in partnership with Landcom and the NSW Department of Planning. The Consolidated Entity's interest is held through a subsidiary that is 52 per cent owned by the Consolidated Entity and 48 per cent owned by the Trust.

(b) Summarised financial information for joint ventures and associates
The information disclosed reflects the amounts presented in the financial results of the relevant joint ventures and associates and not the Consolidated Entity's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	31 Dec 20	31 Dec 19
	$'000	$'000
Cash and cash equivalents[1]	**21,342**	17,915
Other assets	**18**	146
Property investments and loans	**25,023**	14,792
Total assets	**46,383**	32,853
Liabilities	**4,887**	908
Total liabilities	**4,887**	908
Net assets	**41,496**	31,945
Consolidated entity's share of net assets	**25,748**	20,973
Additional ownership costs	**263**	394
Total equity accounted investment	**26,011**	21,367

(1) Dec 2020: $10,000,000 relates to the investment in associates (Dec 2019: $10,000,000).

(c) Share of after tax profit of equity accounted investments

	31 Dec 20	31 Dec 19
	$'000	$'000
Revenue	**23,303**	144
Expenses	**(9,600)**	(413)
Profit/(loss) before income tax expense	**13,703**	(269)
Income tax (expense)/credit	**(4,151)**	84
Profit/(loss) after income tax expense	**9,552**	(185)
Share of after tax profit/(loss) of joint ventures and associates	**4,776**	(93)
Additional ownership costs	**(296)**	-
Share of after tax profit/(loss) of equity accounted investments	**4,480**	(93)

(d) Reconciliation of the carrying amount of investments in joint ventures and associates

	31 Dec 20 $'000	31 Dec 19 $'000
Opening balance at the beginning of the year	**21,367**	21,423
Acquisitions	**-**	1
Write down of investment on acquisition	**-**	(1)
Share of after tax profit/(loss) of joint ventures and associates	**4,776**	(93)
Distributions received/receivable	**-**	(103)
Closing balance at the end of the year	**26,143**	21,227
Additional ownership costs	**(132)**	140
Carrying amount of equity accounted investments	**26,011**	21,367

3. TRADE RECEIVABLES

	31 Dec 20 $'000	31 Dec 19 $'000
Trade receivables(1)	**26,909**	28,634
Less: impairment of trade receivables	**(219)**	(32)
	26,690	28,602
Accrued income	**529**	518
Related party receivables(2)	**19,097**	17,377
Trade receivables	**46,316**	46,497

(1) The trade receivables balance includes amounts receivable from GWOF and GWSCF. See note 21 for more details on related party transactions.
(2) The related party receivables are from the Trust and have been agreed on commercial terms and conditions.

The table below shows the ageing analysis of the Consolidated Entity's receivables.

	31 Dec 20						31 Dec 19					
	Not Due $'000	0-30 days $'000	31-60 days $'000	61-90 days $'000	90+ days $'000	Total $'000	Not Due $'000	0-30 days $'000	31-60 days $'000	61-90 days $'000	90+ days $'000	Total $'000
Trade receivables	**-**	**45,094**	**630**	**175**	**636**	**46,535**	-	42,278	3,567	112	572	46,529
Impairment of trade receivables	**-**	**-**	**-**	**-**	**(219)**	**(219)**	-	-	-	-	(32)	(32)
Total trade receivables	**-**	**45,094**	**630**	**175**	**417**	**46,316**	-	42,278	3,567	112	540	46,497

Loans and receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less any allowance under the 'expected credit loss' (ECL) model. The Consolidated Entity holds these financial assets in order to collect the contractual cash flows and the contractual terms are solely payments of outstanding principal and interest on the principal amount outstanding.

All loans and receivables with maturities greater than 12 months after the balance date are classified as non-current assets.

Recoverability of loans and receivables
At each reporting date, the Consolidated Entity assesses whether financial assets carried at amortised cost are 'credit-impaired'. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset is expected to occur.

The Consolidated Entity recognises loss allowances at an amount equal to lifetime ECL on trade and other receivables. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the trade receivable and are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Consolidated Entity expects to receive).

The Consolidated Entity analyses the age of outstanding receivable balances and applies historical default percentages adjusted for other current observable data as a means to estimate lifetime ECL. Other current observable data may include:
- forecasts of economic conditions such as unemployment, interest rates, gross domestic product and inflation; and
- financial difficulties of a counterparty or probability that a counterparty will enter bankruptcy.

COVID-19 has resulted in the Consolidated Entity reviewing its methodology to determine an estimated lifetime ECL in the current period, with historical default percentages no longer the most appropriate means of predicting future default events.

The Consolidated Entity has assessed the likelihood of defaults and debt forgiveness and there have been no changes to the ECL provision as a result of the COVID-19 pandemic.

Debts that are known to be uncollectable are written off when identified.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

4. INTANGIBLE ASSETS

	Management rights $'000	IT development and software $'000	Total $'000
Cost			
At 1 January 2019	55,825	64,338	120,163
Additions	-	14,754	14,754
Transfers	-	901	901
Write-off	-	(4,720)	(4,720)
At 31 December 2019	55,825	75,273	131,098
Additions	**-**	**13,581**	**13,581**
Transfers	**-**	**(17)**	**(17)**
Write-off	**(3,783)**	**(13,257)**	**(17,040)**
At 31 December 2020	**52,042**	**75,580**	**127,621**
Accumulated amortisation and impairment			
At 1 January 2019	(45,558)	(47,806)	(93,364)
Amortisation	(48)	(4,907)	(4,955)
Impairment	-	(2,155)	(2,155)
Write-off	-	4,720	4,720
At 31 December 2019	(45,606)	(50,148)	(95,754)
Amortisation	**(34)**	**(5,138)**	**(5,172)**
Impairment	**-**	**(2,279)**	**(2,279)**
Write-off	**3,783**	**13,257**	**17,040**
At 31 December 2020	**(41,857)**	**(44,308)**	**(86,165)**
Carrying amounts			
At 31 December 2019	10,219	25,125	35,344
At 31 December 2020	**10,185**	**31,272**	**41,457**

Management rights
Management rights include property management and development management rights. Rights are initially measured at cost and rights with a definite life are subsequently amortised over their useful life.

For the management rights of Highpoint Shopping Centre, management considers the useful life as indefinite as there is no fixed term included in the management agreement. Therefore, the Consolidated Entity tests for impairment at balance date. Assets are impaired if the carrying value exceeds their recoverable amount. The recoverable amount is determined using a discounted cashflow. A 13% pre-tax discount rate and 2.8% growth rate have been applied to these asset specific cash flow projections.

During the year management tested all inputs in the fair value assessment of the management rights and have adjusted these inputs where they have been impacted by the COVID-19 pandemic. Based on this assessment management believes that the fair value of the management rights remains appropriate and no impairment is required.

IT development and software
Costs incurred in developing systems and acquiring software and licenses that will contribute future financial benefits are capitalised until the software is capable of operating in the manner intended by management. These include external direct costs of materials and services and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straightline basis over the length of time over which the benefits are expected to be received, generally ranging from 5 to 10 years.

IT development and software are assessed for impairment at each reporting date by evaluating if any impairment triggers exist. Where impairment triggers exist, management calculate the recoverable amount. The asset will be impaired if the carrying amount exceeds the recoverable amount. Critical judgements are made by management in setting appropriate impairment triggers and assumptions used to determine the recoverable amount.

Management has reviewed the impairment indicators for the year, including the COVID-19 pandemic and have recorded an impairment where appropriate. Impairment has arisen as a result of capital management strategies employed as part of management's response to the COVID-19 pandemic where software development projects have either been cancelled or delayed. Management believe the carrying value reflects the recoverable amount.

5. INVENTORIES

	31 Dec 20 $'000	31 Dec 19 $'000
Development properties	**61,412**	9,403
Current inventories	**61,412**	9,403
Development properties	**64,078**	108,615
Non-current inventories	**64,078**	108,615
Total inventories	**125,490**	118,018

Development properties held as inventory to be sold are stated at the lower of cost and net realisable value (NRV).

Cost
Cost includes the cost of acquisition, development, finance costs and all other costs directly related to specific projects including an allocation of direct overhead expenses. Post completion of the development, finance costs and other holding charges are expensed as incurred.

NRV
The NRV is the estimated selling price in the ordinary course of business less estimated costs to sell. At each reporting date, management reviews these estimates by taking into consideration:

- the most reliable evidence; and
- any events which confirm conditions existing at the year end and cause any fluctuations of selling price and costs to sell.

The amount of any inventories write down is recognised as an impairment expense in the Consolidated Statement of Comprehensive Income.

The Consolidated Entity completed net realisable value assessments for each development for the year taking into account the impacts of the COVID-19 pandemic on these estimates and has compared the results to the cost of each development. As a result impairment expense of $159,000 has been recognised in relation to Metroplex and $123,000 recognised in relation to 121 Foundation Road, Truganina.

6. PROPERTY, PLANT AND EQUIPMENT

	31 Dec 20 $'000	31 Dec 19 $'000
Computers		
At cost	**19,541**	16,013
Less: accumulated depreciation	**(14,539)**	(13,570)
Total computers	**5,002**	2,443
Office fixtures and fittings		
At cost	**16,563**	16,381
Less: accumulated depreciation	**(10,960)**	(8,332)
Total office fixtures and fittings	**5,603**	8,049
Total property, plant and equipment	**10,605**	10,492

Reconciliations of the carrying amount of property, plant and equipment at the beginning and end of the financial year are set out below:

	Computers $'000	Office fixtures & fittings $'000	Total $'000
At 1 January 2019			
Opening carrying value	2,694	9,967	12,661
Additions	79	676	755
Transfers	926	(1,827)	(901)
Depreciation	(1,256)	(767)	(2,023)
At 31 December 2019	2,443	8,049	10,492
At 1 January 2020			
Opening carrying value	**2,443**	**8,049**	**10,492**
Additions	**3,547**	**172**	**3,719**
Disposals	**(26)**	**-**	**(26)**
Transfers	**7**	**10**	**17**
Depreciation	**(969)**	**(2,628)**	**(3,597)**
At 31 December 2020	**5,002**	**5,603**	**10,605**

The value of property, plant and equipment is measured as the cost of the asset less depreciation and impairment. The cost of the asset includes acquisition costs and any costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation
Items of property, plant and equipment are depreciated on a straightline basis over their useful lives. The estimated useful life is between 3 and 40 years.

During the year there was a change in the estimated useful life of the property, plant and equipment assets related to the MLC Head Office fitout. As the MLC asset related to this fitout is no longer owned by the Group, management has determined that the end of the lease period, being 31 August 2025, is a more appropriate guide to determining the useful life for these assets. An adjustment has therefore been performed for all relevant assets with a useful life to 31 August 2025. This has resulted in an adjustment to depreciation of $1,832,000 in the year ended 31 December 2020 and will result in higher depreciation expense totalling $881,000 over the five years to 2025.

Impairment
The Consolidated Entity tests property, plant and equipment for impairment where there is an indicator that the asset may be impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The Consolidated Entity has assessed the property plant and equipment for impairment indicators in light of the COVID-19 pandemic and do not believe there are any indicators that suggest the assets may be impaired.

Disposals
Gains and losses on disposals are determined by comparing proceeds from disposals with the carrying amount of the property, plant and equipment and are included in the Consolidated Statement of Comprehensive Income in the year of disposal.

7. OTHER ASSETS

	31 Dec 20 $'000	31 Dec 19 $'000
Lease incentive asset	**364**	416
Investment in financial asset	**-**	4,394
Other asset	**4,329**	3,863
Total other assets	**4,693**	8,673

8. PAYABLES

	31 Dec 20 $'000	31 Dec 19 $'000
Trade payables	**2,089**	2,982
Accruals	**9,983**	26,271
Other payables	**3,035**	6,915
Total payables	**15,107**	36,168

Trade payables and accruals represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year which are unpaid. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

9. PROVISIONS

	31 Dec 20 $'000	31 Dec 19 $'000
Current provisions		
Employee benefits	**15,206**	26,034
Other	**2,373**	3,440
Total current provisions	**17,579**	29,474
Non-current provisions		
Employee benefits	**1,466**	10,148
Other	**1,784**	1,722
Total non-current provisions	**3,250**	11,870
Total provisions	**20,829**	41,344

	Employee benefits $'000	Other $'000	Total $'000
At 1 January 2019	41,565	5,899	47,464
Arising during the year	20,533	2,626	23,158
Utilised during the year	(25,916)	(3,363)	(29,278)
At 31 December 2019	36,182	5,162	41,344
At 1 January 2020	**36,182**	**5,162**	**41,344**
Arising during the year	**9,024**	**831**	**9,855**
Utilised during the year	**(28,534)**	**(1,836)**	**(30,370)**
At 31 December 2020	**16,672**	**4,157**	**20,829**

Provisions are recognised when:

- the Consolidated Entity has a present obligation (legal or constructive) as a result of a past event;
- it is probable that resources will be expended to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation.

Provision for employee benefits
The provision for employee benefits represents annual leave, long service leave and parental leave entitlements accrued for employees. The employee benefit liability expected to be settled within twelve months after the end of the reporting period is recognised in current liabilities. The non-current provision relates to entitlements, including long service leave, which are due to be payable after more than twelve months from the balance sheet date. It is measured as the present value of expected future payments for the service provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at balance date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Employee benefit on-costs are recognised together with the employee benefits and included in employee benefit liabilities.

10. TAXATION

(a) Income tax expense

	31 Dec 20 Tax effect $'000	31 Dec 19 Tax effect $'000
Current income tax expense	**2,864**	8,827
Deferred income tax expense	**7,258**	3,028
Income tax expense in the Consolidated Statement of Comprehensive Income	**10,122**	11,855
Income tax expense attributable to:		
Profit from continuing operations	**10,122**	11,855
Aggregate income tax expense	**10,122**	11,855

(b) Reconciliation of income tax expense to prima facie tax payable

	31 Dec 20 Gross $'000	**31 Dec 20 Tax effect $'000**	31 Dec 19 Gross $'000	31 Dec 19 Tax effect $'000
(Loss)/profit from continuing operations before income tax expense	**(57,138)**	**(17,141)**	35,890	10,767
Loss from discontinued operations before income tax expense	**-**	**-**	(10,050)	(3,015)
(Loss)/profit which is subject to taxation at 30% tax rate	**(57,138)**	**(17,141)**	25,840	7,752
Tax effect of amounts not deductible/assessable in calculating income tax expense:				
Non-deductible revaluation items	**94,497**	**28,349**	20,407	6,122
Reversal of impairment	**-**	**-**	(5,603)	(1,681)
Equity accounted (profits)/losses from joint ventures in the Company	**(4,480)**	**(1,344)**	107	32
Profit used to calculate effective tax rate	**32,879**	**9,864**	40,751	12,225
Other non deductible/(non assessable) items	**860**	**258**	(1,234)	(370)
Income tax expense	**33,739**	**10,122**	39,517	11,855
Effective tax rate		**31%**		29%

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(c) Current tax (liability)/asset

	31 Dec 20 $'000	31 Dec 19 $'000
Opening balance at the beginning of the year	**2,163**	763
Income tax expense	**(10,122)**	(11,855)
Tax (refunds from)/payments made to tax authorities	**(1,299)**	10,227
Other deferred tax asset charged to income	**(1,652)**	1,496
Movements in employee benefits	**10,557**	350
Movement in provisions and accruals	**76**	849
Movement in reserves	**(1,723)**	333
Closing balance at the end of the year	**(2,000)**	2,163

(d) Deferred tax asset

	31 Dec 20 $'000	31 Dec 19 $'000
Employee benefits	**4,999**	15,556
Provisions and accruals	**1,938**	2,014
Right-of-use assets	**(13,401)**	(17,256)
Lease liabilities	**16,601**	18,808
Other	**458**	454
Net deferred tax asset	**10,595**	19,576
Movement in temporary differences during the year		
Opening balance at the beginning of the year	**19,576**	21,091
Adoption of AASB 16	**-**	1,180
Income tax credit	**(7,258)**	(3,028)
Movement in reserves	**(1,723)**	333
Closing balance at the end of the year	**10,595**	19,576

Adoption of Voluntary Tax Transparency Code
The Board of Taxation has released a voluntary Tax Transparency Code (TTC). The TTC sets out a recommended set of principles and minimum standards regarding the disclosure of tax information for businesses. The Consolidated Entity is committed to the TTC. The non-IFRS income tax disclosures above and in note 10(b) include the recommended additional disclosures.

The Australian Accounting Standards Board have issued a Draft Appendix to the TTC outlining the method to calculate the effective tax rate as shown in the table above, using:
- accounting profit before tax adjusted to exclude transactions which are not reflected in the calculation of income tax expense; and
- tax expense adjusted to exclude carry forward tax losses that have been recognised and prior year under/overstatements.

Income tax expense
Income tax expense for the financial year is the tax payable on the current year’s taxable income. This is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred income tax liabilities and assets – recognition
Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carried forward unused tax assets and unused tax losses, to the extent it is probable that taxable profit will be available to utilise them. The carrying amount of deferred income tax assets is reviewed and reduced to the extent that it is no longer probable that sufficient taxable profit will be available.

Deferred income tax assets and liabilities – measurement
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.
Deferred income tax is provided on temporary differences at the reporting date between accounting carrying amounts and the tax cost bases of assets and liabilities, other than for the following:
- Where taxable temporary differences relate to investments in subsidiaries, associates and interests in joint ventures:
  - Deferred tax liabilities are not recognised if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
  - Deferred tax assets are not recognised if it is not probable that the temporary differences will reverse in the foreseeable future and taxable profit will not be available to utilise the temporary differences.

Tax relating to equity items
Income taxes relating to items recognised directly in equity are recognised in equity and not in Consolidated Statement of Comprehensive Income.

CAPITAL STRUCTURE

11. EQUITY AND RESERVES

(a) Contributed equity

	Number	$'000
Ordinary stapled securities		
Opening securities on issue at 1 January 2019	1,804,890,426	325,855
Securities issued - institutional placement[1]	131,795,717	5,735
Securities issued - Security Purchase Plan[1]	11,243,173	479
Transaction costs	-	(95)
Closing securities on issue at 31 December 2019	1,947,929,316	331,974
Opening securities on issue at 1 January 2020	**1,947,929,316**	**331,974**
Closing securities on issue at 31 December 2020	**1,947,929,316**	**331,974**

(1) On 19 June 2019, GPT undertook an institutional placement at an offer price of $6.07 per stapled security and a Security Purchase Plan at an offer price of $5.94. A total of $866.8 million was raised with total transaction costs of $13.2 million.

Ordinary securities are classified as equity and recognised at the fair value of the consideration received by the Consolidated Entity. Any transaction costs arising on the issue and buy back of ordinary securities are recognised directly in equity as a reduction, net of tax, of the proceeds received.

(b) Reserves

	Foreign Currency Translation Reserve $'000	Employee Incentive Scheme Reserve $'000	Total Reserve $'000
Balance at 1 January 2019	18,173	1,621	19,794
Net foreign exchange translation adjustments	(5)	-	(5)
Employee incentive schemes expense, net of tax	-	(306)	(306)
Tax on incentives valued at reporting date	-	333	333
Vesting of securities	-	328	328
Balance at 31 December 2019	18,168	1,976	20,144
Balance at 1 January 2020	**18,168**	**1,976**	**20,144**
Net foreign exchange translation adjustments	**(17)**	**-**	**(17)**
Reclassification to accumulated losses	**-**	**(31)**	**(31)**
Employee incentive schemes expense, net of tax	**-**	**1,394**	**1,394**
Tax on incentives valued at reporting date	**-**	**(1,723)**	**(1,723)**
Vesting of securities	**-**	**(1,785)**	**(1,785)**
Balance at 31 December 2020	**18,151**	**(169)**	**17,982**

Nature and purpose of reserves

Foreign currency translation reserve

The reserve is used to record exchange differences arising on translation of foreign controlled entities and associated funding of foreign controlled entities. The movement in the reserve is recognised in the net profit when the investment in the foreign controlled entity is disposed.

Employee incentive scheme reserve

The reserve is used to recognise the fair value of equity-settled security-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 20 for further details of security based payments.

(c) Accumulated losses

	Company $'000	Non-controlling interest $'000	Total $'000
Balance at 1 January 2019	(261,848)	(5,132)	(266,980)
Net profit for the year	13,744	241	13,985
Balance at 31 December 2019	(248,104)	(4,891)	(252,995)
Balance at 1 January 2020	**(248,104)**	**(4,891)**	**(252,995)**
Net (loss)/profit for the year	**(69,552)**	**2,292**	**(67,260)**
Reclassification from employee incentive security scheme	**31**	**-**	**31**
Balance at 31 December 2020	**(317,625)**	**(2,599)**	**(320,224)**

12. EARNINGS PER SHARE

(a) Basic and diluted earnings per share

	31 Dec 20 Cents	31 Dec 19 Cents
Basic and diluted (loss)/earnings per share - profit from continuing operations	**(3.57)**	1.27
Basic and diluted loss per share - loss from discontinued operations	**-**	(0.53)
Total basic and diluted (loss)/earnings per share	**(3.57)**	0.74

(b) The (loss)/profit used in the calculation of the basic and diluted earnings per share is as follows:

(Loss)/profit reconciliation - basic and diluted	**31 Dec 20 $'000**	31 Dec 19 $'000
(Loss)/profit from continuing operations	**(69,552)**	23,794
Loss from discontinued operations	**-**	(10,050)
Profit attributed to external non-controlling interest	**2,292**	241
	(67,260)	13,985

(c) WANOS

The earnings and weighted average number of ordinary shares (WANOS) used in the calculations of basic and diluted earnings per ordinary share are as follows:

	31 Dec 20 Number of shares '000s	31 Dec 19 Number of shares '000s
WANOS used as denominator in calculating basic earnings per ordinary share	**1,947,929**	1,878,125
Performance security rights (weighted average basis)[1]	**3**	1,845
WANOS used as denominator in calculating diluted earnings per ordinary share	**1,947,932**	1,879,970

(1) Performance security rights granted under the Long Term Incentive plan are only included in dilutive earnings per ordinary share where the performance hurdles are met as at the year end.

Calculation of earnings per share

Basic earnings per share is calculated as net profit or loss attributable to ordinary shareholders of the Company, divided by the weighted average number of ordinary shares outstanding during the financial year which is adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share is calculated as net profit or loss attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares and dilutive potential ordinary securities. Where there is no difference between basic earnings per share and diluted earnings per share, the term basic and diluted earnings per ordinary share is used.

13. DIVIDENDS PAID AND PAYABLE

No dividends have been paid or declared for the 2020 financial year (2019: nil).

14. BORROWINGS

	31 Dec 20 Carrying amount(1) $'000	31 Dec 20 Fair value(2) $'000	31 Dec 19 Carrying amount(1) $'000	31 Dec 19 Fair value(2) $'000
Current borrowings at amortised cost - secured	**5,005**	**5,010**	4,651	4,670
Current related party borrowings from GPT Trust at amortised cost	**-**	**-**	19,224	19,224
Current borrowings	**5,005**	**5,010**	23,875	23,894
Non-current borrowings from joint ventures at amortised cost	**9,000**	**9,000**	-	-
Non-current related party borrowings from GPT Trust at amortised cost	**113,656**	**113,656**	61,654	61,654
Non-current related party borrowings from GPT Trust at fair value	**70,267**	**70,267**	-	-
Non-current borrowings	**192,923**	**192,923**	61,654	61,654
Total borrowings	**197,928**	**197,933**	85,529	85,548

(1) Including unamortised establishment costs.
(2) For the majority of borrowings, the carrying amount approximates its fair value. The fair value of fixed rate interest-bearing borrowings is estimated by discounting the future contractual cash flows at the current market interest rate curve. Excluding unamortised establishment costs.

The related party borrowings from GPT Trust at fair value are subject to limited recourse based on available funds determined by the repayment fund calculation. During the year, management revised the fair value calculation by forecasting a best estimate of future repayments. The repayments have been discounted at a risk adjusted rate appropriate to the Consolidated Entity to determine the fair value. This has resulted in $70,267,000 being recognised on the face of the Consolidated Statement of Financial Position. Refer to note 24 for further information on the fair value calculations.

GPT Trust has suspended interest in connection with the above loans from 3 September 2015. The lender has the option to reinstate interest. The loans are accounted for as non-revolving interest free borrowings that are revalued each reporting date in accordance with accounting standards.

Borrowings other than interest free loans are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Under this method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the Consolidated Statement of Comprehensive Income over the expected life of the borrowings.

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

When the terms of a financial liability are modified, AASB 9 requires an entity to perform an assessment to determine whether the modified terms are substantially different from the existing financial liability. Where a modification is substantial, it will be accounted for as an extinguishment of the original financial liability and a recognition of a new financial liability. Where the modification does not result in extinguishment, the difference between the existing carrying amount of the financial liability and the modified cash flows discounted at the original effective interest rate is recognised in the Consolidated Statement of Comprehensive Income as gain/loss on modification of financial liability. There were no modified terms relevant to the Consolidated Entity's intercompany loans for the year ended 31 December 2020.

The maturity profile of borrowings is provided below:

	Total facility(1) $'000	Used facility(1) $'000	Unused facility $'000
Due within one year	5,640	5,010	630
Due between one and five years	131,700	69,519	62,181
Due after five years	477,918	449,055	28,863
	615,258	**523,584**	**91,674**
Cash and cash equivalents			**22,968**
Total financing resources available at the end of the half year			**114,642**

(1) Excludes unamortised establishment costs and fair value adjustments.

Cash and cash equivalents includes cash on hand, cash at bank and short term money market deposits.

The borrowings set out in the maturity tables above include the full outstanding balance of the loans that have been revalued on the face of the Consolidated Statement of Financial Position.

15. FINANCIAL RISK MANAGEMENT

The Board approve the Consolidated Entity's treasury policy which:

- establishes a framework for the management of risks inherent to the capital structure;
- defines the role of the Consolidated Entity's treasury; and
- sets out the policies, limits, monitoring and reporting requirements for cash, borrowings, liquidity, credit risk, foreign exchange and interest rate instruments.

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(a) Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Consolidated Entity's primary interest rate risk arises from interest bearing borrowings. The table below provides a summary of the Consolidated Entity's gross interest rate risk exposure as at 31 December 2020 on interest bearing borrowings together with the net effect of interest rate risk management transactions. This excludes unamortised establishment costs.

	Gross exposure		**Net exposure**	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Floating rate interest-bearing borrowings	**118,661**	85,529	**118,661**	85,529
	118,661	85,529	**118,661**	85,529

The impact on interest expense and interest revenue of a 0.25 per cent increase or decrease in market interest rates is shown below.

A 0.25 per cent increase or decrease is used for consistency of reporting interest rate risk across the Consolidated Entity and represents management's assessment of the potential change in interest rates.

	2020	**2020**	2019	2019
	(+0.25%)	**(-0.25%)**	(+1%)	(-1%)
	$'000	**$'000**	$'000	$'000
Impact on Statement of Comprehensive Income				
Impact on interest revenue increase/(decrease)	**57**	**(57)**	217	(217)
Impact on interest expense (increase)/decrease	**(297)**	**297**	(855)	855
	(240)	**240**	(638)	638

(b) Liquidity risk
Liquidity risk is the risk that the Consolidated Entity, as a result of its operations:
- will not have sufficient funds to settle a transaction on the due date;
- will be forced to sell financial assets at a value which is less than what they are worth; or
- may be unable to settle or recover a financial asset at all.

The Consolidated Entity manages liquidity risk by:
- maintaining sufficient cash;
- maintaining an adequate amount of committed credit facilities;
- maintaining a minimum liquidity buffer in cash and surplus committed facilities for the forward rolling twelve month period; and
- maintaining the ability to close out market positions.

The table below shows an analysis of the undiscounted contractual maturities of liabilities which forms part of the Consolidated Entity's assessment of liquidity risk.

			31 Dec 20		
	1 year or less	**Over 1 year to 2 years**	**Over 2 years to 5 years**	**Over 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Liabilities					
Non-derivatives					
Payables	**15,107**	**-**	**-**	**-**	**15,107**
Lease liability	**8,761**	**9,493**	**28,877**	**8,206**	**55,337**
Borrowings(1)	**5,010**	**-**	**69,519**	**449,055**	**523,584**
Projected interest cost from borrowings	**2,967**	**3,341**	**7,761**	**122**	**14,191**
Total liabilities	**31,845**	**12,834**	**106,157**	**457,383**	**608,219**
Less cash and equivalents	**22,968**	**-**	**-**	**-**	**22,968**
Total liquidity exposure	**8,877**	**12,834**	**106,157**	**457,383**	**585,251**

(1) Excluding unamortised establishment costs and fair value adjustments.

	31 Dec 19				
	1 year or less	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Liabilities					
Non-derivatives					
Payables	36,168	-	-	-	36,168
Lease liability	8,040	8,762	29,941	16,641	63,384
Borrowings(1)	23,894	-	32,822	448,749	505,465
Projected interest cost from borrowings	2,507	1,783	5,413	996	10,699
Total liabilities	70,609	10,545	68,176	466,386	615,716
Less cash and equivalents	21,677	-	-	-	21,677
Total liquidity exposure	48,932	10,545	68,176	466,386	594,039

(1) Excluding unamortised establishment costs and fair value adjustments.

The borrowings set out in the maturity tables above include the full outstanding balance of the loans that have been revalued on the face of the Consolidated Statement of Financial Position.

(c) Refinancing risk
Refinancing risk is the risk that credit is unavailable or available at unfavourable interest rates and credit market conditions result in an unacceptable increase in the Consolidated Entity's interest cost. Refinancing risk arises when the Consolidated Entity is required to obtain debt to fund existing and new debt positions. The Consolidated Entity manages this risk by spreading sources, counterparties and maturities of borrowings in order to minimise debt concentration risk, allow averaging of credit margins over time and reducing refinance amounts.

As at 31 December 2020, the Consolidated Entity's exposure to refinancing risk can be monitored by the spreading of its contractual maturities on borrowings in the liquidity risk table above or with the information in note 14.

(d) Foreign exchange risk
Foreign exchange risk refers to the risk that the value of a financial commitment, asset or liability will fluctuate due to changes in foreign exchange rates. The Consolidated Entity's foreign exchange risk arises primarily from:
- firm commitments of highly probable forecast transactions for receipts and payments settled in foreign currencies or with prices dependent on foreign currencies; and
- investments in foreign assets.

Sensitivity to foreign exchange is deemed insignificant.

(e) Credit risk
Credit risk is the risk that a contracting entity will not complete its obligations under a contractual agreement, resulting in a financial loss to the Consolidated Entity. The Consolidated Entity has exposure to credit risk on all financial assets included on their Consolidated Statement of Financial Position.

The Consolidated Entity manages this risk by:
- establishing credit limits for financial institutions and monitoring credit exposures for customers to ensure that the Consolidated Entity only trades and invests with approved counterparties;
- providing loans to joint ventures, associates and third parties, only where the Consolidated Entity is comfortable with the underlying property exposure within that entity;
- regularly monitoring loans and receivables balances;
- regularly monitoring the performance of its associates, joint ventures and third parties; and
- obtaining collateral as security (where appropriate).

Receivables are reviewed regularly throughout the year.

The maximum exposure to credit risk as at 31 December 2020 is the carrying amounts of financial assets recognised on the Consolidated Statement of Financial Position. For more information, refer to note 3.

OTHER DISCLOSURE ITEMS

16. CASH FLOW INFORMATION

(a) Cash flows from operating activities

Reconciliation of net (loss)/profit after income tax to net cash inflows from operating activities:

	31 Dec 20 $'000	31 Dec 19 $'000
Net (loss)/profit for the year	**(67,260)**	13,985
Share of after tax (profit)/loss of equity accounted investments (net of distributions)	**(4,480)**	93
Impairment expense/(reversal)	**6,786**	(12,898)
Non-cash employee benefits - security based payments	**(3,426)**	10,445
Fair value movement of investment in Trust	**230**	407
Interest capitalised	**(1,802)**	(4,448)
Amortisation of rental abatement	**199**	300
Depreciation expense	**3,597**	2,023
Depreciation of right-of-use assets	**9,448**	7,714
Amortisation expense	**5,172**	4,955
Amortisation of deferred acquisition costs	**-**	545
Non-cash finance costs	**5,039**	4,555
Revaluation of financial arrangements	**94,267**	20,000
Profit on sale of inventory	**(206)**	(4,477)
Payments for inventories	**(7,866)**	(14,065)
Proceeds from inventories	**1,196**	96,670
Decrease/(increase) in operating assets	**12,761**	(662)
Decrease in operating liabilities	**(40,036)**	(12,889)
Other	**(1,249)**	(841)
Net cash inflows from operating activities	**12,370**	**111,412**

(b) Net debt reconciliation

Reconciliation of net debt movements during the year:

	Lease liability $'000	Borrowings(2) $'000	Less: Cash $'000	Net Debt $'000
At 1 January 2019	-	154,618	19,259	
Cash inflows/(outflows)	(7,338)	(73,253)	2,418	
Other non-cash movements(1)	70,722	4,164	-	
At 31 December 2019	63,384	85,529	21,677	127,236
At 1 January 2020	**63,384**	**85,529**	**21,677**	
Cash inflows/(outflows)	**(8,037)**	**39,162**	**1,291**	
Other non-cash movements	**(10)**	**73,237**	**-**	
At 31 December 2020	**55,337**	**197,928**	**22,968**	**230,297**

(1) Lease liability includes opening balance adjustment on adoption of AASB 16, new leases, modifications and financing costs.
(2) Dec 2020: Excludes $24,000,000 in repayments of unsecured borrowings provided by the Trust held at fair value (Dec 2019: $20,000,000).

17. COMMITMENTS

(a) Capital expenditure commitments

Capital expenditure commitments at 31 December 2020 were $1,256,000 (Dec 2019: $3,924,000).

Commitments arise from the purchase of plant and equipment and intangibles, which have been contracted for at balance date but not recognised on the Consolidated Statement of Financial Position.

(b) Commitments relating to equity accounted investments

	31 Dec 20 $'000	31 Dec 19 $'000
Capital expenditure commitments	**32**	334
Total joint venture and associates commitments	**32**	334

The capital expenditure commitments in the Consolidated Entity's equity accounted investments at 31 December 2020 relate to Lendlease GPT (Rouse Hill) Pty Limited (Dec 2019: Lendlease GPT (Rouse Hill) Pty Limited).

18. LEASE RECEIVABLES

Lease amounts to be received not recognised in the financial statements at balance date are as follows:

	31 Dec 20	31 Dec 19
	$'000	$'000
Less than 1 year	**1,538**	-
2 years	**1,614**	-
3 years	**251**	-
4 years	**-**	-
5 years	**-**	-
Due after 5 years	**-**	-
Total operating lease receivables	**3,403**	-

19. CONTINGENT LIABILITIES

A contingent liability is a liability that is not sufficiently certain to qualify for recognition as a provision where uncertainty may exist regarding the outcome of future events.

GPT Management Holdings Ltd has provided guarantees over GPT RE Limited as responsible entity of the Trust's obligations under the note purchase and guarantee agreements in relation to US Private Placement issuances totalling US$1,205,000,000 and A$65,000,000 until July 2034.

Apart from the matter referred to above, there are no other material contingent liabilities at reporting date.

20. SECURITY BASED PAYMENTS

GPT currently has four employee security schemes – the General Employee Security Ownership Plan (GESOP), the Broad Based Employee Security Ownership Plan (BBESOP), the Deferred Short Term Incentive Plan (DSTI) and the Long Term Incentive (LTI) Scheme. No rights were granted in relation to these plans during the year.

(a) GESOP
The Board believes in creating ways for employees to build an ownership stake in the business. As a result, the Board introduced the GESOP in March 2010 for individuals who do not participate in the LTI.

Under the plan individuals who participate receive an additional benefit equivalent to 10 per cent of their short term incentives (STIC) which is (after the deduction of income tax) invested in GPT securities to be held for a minimum of one year. The cost of this benefit is recognised as an expense during the year.

(b) BBESOP
Under the plan individuals who are not eligible to participate in any other employee security scheme may receive $1,000 worth of GPT securities or $1,000 cash if GPT achieves at least target level performance. Securities must be held for the earlier of three years or the end of employment. The cost of this benefit is recognised as an expense during the year.

(c) DSTI
Since 2014, STIC is delivered to the senior executives as 50 per cent in cash and 50 per cent in GPT stapled securities (a deferred component). The deferred component is initially awarded in the form of performance rights, with the rights converting to restricted GPT stapled securities to the extent the performance conditions are met. For the 2016 and any subsequent plans, all the awarded stapled securities will vest one year after conversion, subject to continued employment up to the vesting date.

(d) LTI
At the 2009 Annual General Meeting (AGM), GPT securityholders approved the introduction of a LTI plan based on performance rights. Any subsequent amendments to the LTI plan have been approved by GPT securityholders.

The LTI plan covers each three year period. Awards under the LTI to eligible participants are in the form of performance rights which convert to GPT stapled securities for nil consideration if specified performance conditions for the applicable three year period are satisfied. Please refer to the Remuneration Report for detail on the performance conditions.

The Board determines those executives eligible to participate in the plan and, for each participating executive, grants a number of performance rights calculated as a percentage of their base salary divided by GPT's volume weighted average price (VWAP) for the final quarter of the year preceding the plan launch.

Fair value of performance rights issued under DSTI and LTI
The fair value of the performance rights is recognised as an employee benefit expense with a corresponding increase in the employee security scheme reserve in equity and employee benefits provision. Fair value is measured at each reporting period, recognised over the period from the grant date of the performance rights to the vesting date. Non-market vesting conditions are included in assumptions about the number of rights that are expected to be vested. At each reporting date, GPT revises its estimate of the number of performance rights that are expected to be exercisable and the employee benefit expense recognised each reporting period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the Consolidated Statement of Comprehensive Income with a corresponding adjustment to equity and employee benefits provision.

Management has assessed the number of rights that are expected to vest for the 2018 and 2019 LTI plans in relation to non-market vesting conditions (Total Return) as a result of the impacts of the COVID-19 pandemic and determined that no rights are expected to vest. This has decreased from December 2019 where the 2018 plan was expected to vest at 100% and the 2019 plan was expected to vest at 50% for non-market conditions, resulting in the reversal of prior period amortisation in the current year.

Fair value of the performance rights issued under LTI is determined using the Monte Carlo simulation and the Black Scholes methodologies. Fair value of the performance rights issued under DSTI is determined using the security price. The following key inputs are taken into account:

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	2019 LTI	2019 DSTI
Fair value of rights at valuation date	$2.37	$4.50
Security price at valuation date	$4.50	$4.50
Total Securityholder Return	(8.1%)	N/A
Grant dates	2 April 2019	2 April 2019
Expected vesting dates	31 December 2021	31 December 2020
Security Price at the grant date	$6.09	$6.09
Expected life	3 years (1 year remaining)	2 years (0 years remaining)
Distribution yield	5.4%	5.4%
Risk free interest rate	0.0%	N/A
Volatilty [(1)]	32.0%	N/A

(1) The volatility is based on the historic volatility of the security.

(e) Summary table of all employee security schemes

	Number of rights		
	DSTI	LTI	Total
Rights outstanding at 1 January 2019	1,221,672	7,847,089	9,068,761
Rights granted during 2019	1,254,814	2,647,673	3,902,487
Rights forfeited during 2019	(466,861)	(887,611)	(1,354,472)
Rights converted to GPT stapled securities during 2019[(1)]	(774,921)	(2,146,497)	(2,921,418)
Rights outstanding at 31 December 2019	1,234,704	7,460,654	8,695,358
Rights outstanding at 1 January 2020	**1,234,704**	**7,460,654**	**8,695,358**
Rights forfeited during 2020	**(365,633)**	**(1,231,237)**	**(1,596,870)**
Rights converted to GPT stapled securities during 2020[(2)]	**(869,071)**	**(1,540,959)**	**(2,410,030)**
Rights outstanding at 31 December 2020	**-**	**4,688,458**	**4,688,458**

(1) Rights under the 2018 DSTI plan were converted to GPT stapled securities on 19 March 2019 and rights under the 2016 LTI Plan were converted to GPT stapled securities on 14 February 2019.
(2) Rights under the 2019 DSTI plan were converted to GPT stapled securities on 19 March 2020 and rights under the 2017 LTI Plan were converted to GPT stapled securities on 13 February 2020.

	Number of stapled securities		
	GESOP	BBESOP	Total
Securities outstanding at 1 January 2019	62,609	114,764	177,373
Securities granted during 2019	48,472	30,429	78,901
Securities vested during 2019	(70,161)	(48,055)	(118,216)
Securities outstanding at 31 December 2019	40,920	97,138	138,058
Securities outstanding at 1 January 2020	**40,920**	**97,138**	**138,058**
Securities granted during 2020	**53,226**	**46,330**	**99,556**
Securities vested during 2020	**(44,153)**	**(51,119)**	**(95,272)**
Securities outstanding at 31 December 2020	**49,993**	**92,349**	**142,342**

21. RELATED PARTY TRANSACTIONS

GPT Management Holdings Limited is the ultimate parent entity. The Consolidated Entity is stapled to the Trust and the Group financial statements include the results of the stapled entity as a whole.

Equity interests in joint ventures and associates are set out in note 2. Payables and loans with the Trust are set out in note 8 and note 14 respectively.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

Key management personnel
Key management personnel compensation was as follows:

	31 Dec 20	31 Dec 19
	$	$
Short term employee benefits	**5,375,266**	7,173,959
Post employment benefits	**188,460**	181,352
Long term incentive award accrual	**397,080**	1,863,346
Total key management personnel compensation	**5,960,806**	9,218,657

Information regarding individual Directors' and Senior Executives' remuneration is provided in the Remuneration Report.

There have been no other transactions with key management personnel during the year.

Transactions with related parties

	31 Dec 20	31 Dec 19
	$	$
Transactions with General Property Trust (Trust):		
Revenue and expenses		
Fund management fees from Trust	**21,706,560**	23,374,999
Property management fees from Trust	**12,300,271**	14,855,934
Development management fees from Trust	**14,153,001**	18,464,865
Management costs recharged from Trust	**6,506,559**	7,086,164
Property rent and outgoings paid to Trust	**(2,061,288)**	(2,831,741)
Interest expense payable to Trust	**(2,959,164)**	(4,935,270)
Receivables		
Current receivables	**19,097,158**	17,376,670
Other non-current asset receivable	**3,100,922**	3,075,000
Borrowings		
Borrowings from Trust - secured	**14,325,027**	34,028,416
Borrowings from Trust - unsecured	**99,331,164**	46,849,106
Other transactions		
Revaluation of arrangements with Trust - continued and discontinued operations	**94,267,000**	20,000,000
Sale of inventory to Trust	**-**	38,100,000
Transactions with employees		
Contributions to superannuation funds on behalf of employees	**(6,643,689)**	(6,520,992)
Transactions with GWOF and GWSCF:		
Revenue		
Responsible Entity fees	**61,101,769**	61,869,565
Asset management fees	**12,958,674**	16,643,525
Development management fees	**7,220,995**	6,831,465
Directors fees recharged	**659,320**	659,320
Management costs recharged	**6,094,614**	5,581,166
Payroll costs recharged	**8,390,465**	9,765,827
Expense		
Rent expenses	**(4,496,179)**	(4,275,776)
Receivables and payables		
Current receivable outstanding	**7,845,236**	5,582,448
Current fund management fee receivable	**15,016,499**	17,383,913

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

22. AUDITORS REMUNERATION

	31 Dec 20 $	31 Dec 19 $
Audit services		
PricewaterhouseCoopers Australia		
Statutory audit and review of financial reports	**318,361**	377,996
Total remuneration for audit services	**318,361**	377,996
Other assurance services		
PricewaterhouseCoopers Australia		
Regulatory and contractually required audits	**109,076**	105,897
Other assurance services	**100,000**	-
Total remuneration for other assurance service	**209,076**	105,897
Total remuneration for audit and assurance service	**527,437**	483,893
Non-audit related services		
PricewaterhouseCoopers Australia		
Other services	**18,000**	-
Total remuneration for non-audit related services	**18,000**	-
Total auditor's remuneration	**545,437**	483,893

23. PARENT ENTITY FINANCIAL INFORMATION

	Parent entity	
	31 Dec 20 $'000	31 Dec 19 $'000
ASSETS		
Total current assets	**388,238**	398,869
Total non-current assets	**189,813**	211,546
Total assets	**578,051**	610,415
LIABILITIES		
Total current liabilities	**215,820**	250,238
Total non-current liabilities	**82,675**	67,215
Total liabilities	**298,495**	317,453
Net assets	**279,556**	292,962
EQUITY		
Contributed equity	**331,974**	331,974
Reserves	**2,567**	4,780
Accumulated losses	**(54,985)**	(43,792)
Total equity	**279,556**	292,962
Profit attributable to members of the parent entity	**(11,193)**	11,716
Total comprehensive income for the year attributable to members of the parent entity	**(11,193)**	11,716

Capital expenditure commitments
The parent entity has $774,000 capital expenditure commitments at 31 December 2020 (Dec 2019: $3,327,000).

Parent entity financial information
The financial information for the parent entity of the Consolidated Entity, GPT Management Holdings Limited, has been prepared on the same basis as the consolidated financial statements, except where set out below.

Investments in subsidiaries, associates and joint ventures
Investments in subsidiaries, associates and joint ventures are accounted for at cost in the financial statements of the parent entity. Distributions received from subsidiaries, associates and joint ventures are recognised in the parent entity's profit or loss rather than being deducted from the carrying amount of these investments.

24. FAIR VALUE DISCLOSURES

Information about how the fair value of financial instruments is calculated and other information required by the accounting standards, including the valuation process and critical assumptions underlying the valuations are disclosed below.

(a) Fair value measurement, valuation techniques and inputs

Class of assets / liabilities	Fair value hierarchy	Valuation technique	Classification under AASB 9	Inputs used to measure fair value	Range of unobservable inputs 31 Dec 20	31 Dec 19
Investment in financial assets	Level 1	Market price	Fair value through the profit and loss	Market price	Not applicable - observable input	
Interest free loans from the Trust	Level 3	Discounted cash flow	Fair value through the profit and loss	Discount rate	6.13%	-

The different levels of the fair value hierarchy have been defined as follows:
Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

25. DISCONTINUED OPERATIONS AND AVAILABLE FOR SALE FINANCIAL ASSETS

(a) Discontinued operations
At 31 December 2020, there is one discontinued operation: Funds Management – Europe portfolio. At 31 December 2019, there were two discontinued operations: Funds Management – Europe portfolio and Hotel/Tourism portfolio.

Funds Management - Europe
Relates to equity investments in wholly owned foreign subsidiaries (a legacy of GPT's ownership of GPT Halverton).

Hotel/Tourism
This portfolio ceased to be classified as discontinued operations in 2020.

(b) Details of financial performance and cash flow information relating to discontinued operations
The table below sets out the financial performance and cash flow information for the discontinued operations that continue to be owned by the Consolidated Entity at reporting date.

	31 Dec 20 $'000	31 Dec 19 $'000
Revenue	-	-
Expenses	-	(10,050)
Loss before income tax	-	(10,050)
Income tax	-	-
Loss after income tax of discontinued operations	-	(10,050)
Net cash outflow from operating activities	-	-
Net decrease in cash from discontinued operations	-	-

Discontinued operation
A discontinued operation is a part of the Consolidated Entity's business that:
- it has disposed of or has classified as held for sale and that represents a major line of its business or geographical area of operations; or
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately on the face of the Consolidated Statement of Comprehensive Income and the assets and liabilities are presented separately on the face of the Consolidated Statement of Financial Position.

26. REVISION OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

During the year the Consolidated Entity identified an error in the 31 December 2019 financial statements relating to the fair value of the 2017 LTI performance rights.

This has been corrected by restating each of the affected financial statement items for the prior period as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Extract)	31 Dec 19 Prior year $'000	Increase / (Decrease) $'000	31 Dec 19 Restated $'000
Expenses			
Remuneration expenses	122,655	(6,314)	116,341
Total expenses	**251,990**	**(6,314)**	**245,676**
Profit before income tax	**29,576**	**6,314**	**35,890**
Income tax expense	9,961	1,894	11,855
Net profit for the year	**9,565**	**4,420**	**13,985**
Total comprehensive profit for the year	**9,560**	**4,420**	**13,980**
Earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted earnings per share (cents per share) from continuing operations	1.03	0.24	1.27
Basic and diluted earnings per share (cents per share) - Total	0.50	0.24	0.74

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Extract)	31 Dec 19 Prior year $'000	Increase / (Decrease) $'000	31 Dec 19 Restated $'000
ASSETS			
Non-current assets			
Deferred tax asset	21,524	(1,948)	19,576
Total non-current assets	**265,548**	**(1,948)**	**263,600**
Total assets	**348,668**	**(1,948)**	**346,720**
LIABILITIES			
Current liabilities			
Provisions	35,743	(6,269)	29,474
Total current liabilities	**103,826**	**(6,269)**	**97,557**
Total liabilities	**232,694**	**(6,269)**	**226,425**
Net assets	**115,974**	**4,321**	**120,295**
EQUITY			
Reserves	20,243	(99)	20,144
Accumulated losses	(252,524)	4,420	(248,104)
Total equity attributable to Company members	**99,693**	**4,321**	**104,014**
Total equity	**115,974**	**4,321**	**120,295**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Extract)	31 Dec 19 Prior year $'000	Increase / (Decrease) $'000	31 Dec 19 Restated $'000
Equity Atrributable to Company Members			
Company Accumlated Losses			
Profit for the year	9,324	4,420	13,744
Total comprehensive income for the year	**9,324**	**4,420**	**13,744**
Company Total			
Profit for the year	9,324	4,420	13,744
Total comprehensive income for the year	**9,319**	**4,420**	**13,739**
Total Equity			
Profit for the year	9,565	4,420	13,985
Total comprehensive income for the year	**9,560**	**4,420**	**13,980**
Transactions with Members in their capacity as Members			
Company Reserves			
Movement in employee incentive security scheme reserve net of tax	454	(99)	355
At 31 December 2019	**20,243**	**(99)**	**20,144**
Company Accumlated Losses			
At 31 December 2019	**(252,524)**	**4,420**	**(248,104)**
Company Total			
Movement in employee incentive security scheme reserve net of tax	454	(99)	355
At 31 December 2019	**99,693**	**4,321**	**104,014**
Total Equity			
Movement in employee incentive security scheme reserve net of tax	454	(99)	355
At 31 December 2019	**115,974**	**4,321**	**120,295**

There is no change to the 31 December 2019 comparative amounts shown in the Consolidated Statement of Cashflows.

27. ACCOUNTING POLICIES

(a) Basis of preparation
The general purpose financial report has been prepared:
- in accordance with the requirements of the Company's constitution, *Corporations Act 2001*, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board and International Financial Reporting Standards;
- on a going concern basis. The Consolidated Entity has prepared an assessment of its ability to continue as a going concern, taking into account all available information for a period of 12 months from the date of these financial statements. As set out in note 14, the Consolidated Entity has access to $114,642,000 in cash and undrawn loan facilities and future cashflow assessments have been made, taking into consideration appropriate probability-weighted factors. The Consolidated Entity is confident in the belief that it will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial statements. (Refer to section (b) for further information);
- under the historical cost convention, as modified by the revaluation for financial assets and liabilities at fair value through the Consolidated Statement of Comprehensive Income;
- using consistent accounting policies and adjustments to bring into line any dissimilar accounting policies being adopted by the controlled entities, associates or joint ventures; and
- in Australian dollars with all values rounded to the nearest thousand dollars, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise stated.

Comparatives in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position and notes to the financial statements have been restated to the current year presentation. There was no effect on the profit for the year.

The financial report was approved by the Board of Directors on 15 February 2021.

(b) Going Concern
The Consolidated Entity's financial position is highly dependent on the financial position of GPT given that the Consolidated Entity is funded through intercompany loans from GPT.

Due to the uncertainty created by COVID-19, GPT has performed additional procedures in relation to assessing going concern. GPT is of the opinion that it is able to meet its liabilities and commitments as and when they fall due for at least a period of 12 months from the reporting date. In reaching this position, GPT has taken into account the following factors:
- Available liquidity, through cash and undrawn facilities of $1,790.1 million (after allowing for refinancing of $514.0 million of outstanding commercial paper as at 31 December 2020);
- Weighted average debt expiry of 7.8 years, with $5.0 million of debt (excluding commercial paper outstanding) due between the date of this report and 31 December 2021;
- Interest rate hedging level of 75 per cent over the next 12 months;
- Primary covenant gearing of 25.1 per cent, compared to a covenant level of 50.0 per cent;
- Interest cover ratio at 31 December 2020 of 6.4 times, compared to a covenant level of 2.0 times; and

- Sensitivity analysis has been conducted which indicate that GPT will continue to comply with its covenants, including adequate levels of headroom for both the gearing and interest cover ratios, and that GPT will have adequate cash flows to remain solvent.

(c) Basis of consolidation

Controlled entities

The consolidated financial statements of the Consolidated Entity report the assets, liabilities and results of all controlled entities for the financial year.

Controlled entities are all entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Controlled entities are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of controlled entities is accounted for using the acquisition method of accounting. All intercompany balances and transactions, income, expenses, profits and losses resulting from intra-group transactions have been eliminated.

Associates

Associates are entities over which the Consolidated Entity has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights.

GPT Funds Management Limited (GPTFM), which is wholly owned by the Company is the Responsible Entity (RE) of the Funds. The Board of GPTFM comprises six Directors, of which GPT can only appoint two. As a result, the Company has significant influence over GPTFM and accordingly accounts for it as an associate using the equity method.

GPT RE Limited (GPTRE), which is wholly owned by the Company owns 91.67 per cent of Darling Park Operator No.1 Pty Limited and Darling Park Operator No.2 Pty Limited, the Trustees of Darling Park Trust and Darling Park Trust No.2. These entities are governed by a Unitholder Committee. The Unitholder and Joint Venture Agreement stipulates that each unit holder has one member, with voting rights in proportion to their unitholding and all resolutions must be passed unanimously. As a result, management has determined that the Company has significant influence over these entities and accordingly accounts for them as an associate using the equity accounted method.

Investments in associates are accounted for using the equity method. Under this method, the Consolidated Entity's investment in associates is carried in the Consolidated Statement of Financial Position at cost plus post acquisition changes in the Consolidated Entity's share of net assets. The Consolidated Entity's share of the associates' result is reflected in the Consolidated Statement of Comprehensive Income. Where the Consolidated Entity's share of losses in associates equals or exceeds its interest in the associate, including any other unsecured long term receivables, the Consolidated Entity does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate.

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. The Consolidated Entity has assessed the nature of its joint arrangements and determined it has joint ventures only.

Joint ventures

Investments in joint ventures are accounted for in the Consolidated Statement of Financial Position using the equity method which is the same method adopted for associates.

(d) Other accounting policies

Significant accounting policies that summarise the recognition and measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

Other accounting policies include:

(i) Revenue

Revenue from contracts with customers

Revenue is recognised over time if:
- the customer simultaneously receives and consumes the benefits as the entity performs;
- the customer controls the asset as the entity creates or enhances it; or
- the seller's performance does not create an asset for which the seller has an alternative use and there is a right to payment for performance to date.

Where the above criteria is not met, revenue is recognised at a point in time.

The following table summarises the revenue recognition policies.

Type of revenue	Description	Recognised
Fund management fees	The Consolidated Entity provides fund management services to GPT Wholesale Office Fund (GWOF) and GPT Wholesale Shopping Centre Fund (GWSCF) (the Funds) in accordance with the Funds constitutions. The services are utilised on an ongoing basis and revenue is calculated and recognised in accordance with the relevant constitution. The fees are invoiced on a quarterly basis and consideration is payable within 21 days of the quarter end.	Over time
Fee income - property management fees	The Consolidated Entity provides property management services to the owners of property assets in accordance with property services agreements. The services are utilised on an ongoing basis and revenue is calculated and recognised in accordance with the specific agreement. The fees are invoiced monthly with variable payment terms depending on the individual agreements. Should an adjustment, as calculated in accordance with the property services agreement be required, this is recognised in the Consolidated Statement of Comprehensive Income within the same reporting period.	Over time
Fee income - property management leasing fees - over time	Under some property management agreements, the Consolidated Entity provides a lease management service to the owners. These services are delivered on an ongoing basis and revenue is recognised monthly, calculated in accordance with the property management agreement. The fees are invoiced monthly with variable payment terms depending on the individual agreements.	Over time
Fee income - property management leasing fees - point in time	Under some property management agreements, the Consolidated Entity provides leasing management services to the owners. The revenue is recognised when the specific service is delivered (e.g. on lease execution) and consideration is due 30 days from invoice date.	Point in time
Development management fees	The Consolidated Entity provides development management services to the owners of property assets in accordance with development management agreements. Revenue is calculated and recognised in accordance with the specific agreement. The fees are invoiced on a monthly basis, in arrears, and consideration is due 30 days from invoice date.	Over time/Point in time
Development revenue	The Consolidated Entity provides development management services to the owners of property assets in accordance with development management agreements. Revenue is calculated in accordance with the specific agreement and invoiced in accordance with the contract terms. Consideration is due from the customer based on the specific terms agreed in the contract and is recognised when the Consolidated Entity has control of the benefit.	Point in time
Sale of inventory	Proceeds from the sale of inventory are recognised by the Consolidated Entity in accordance with a specific contract entered into with another party for the delivery of inventory. Revenue is calculated in accordance with the contract. Consideration is payable in accordance with the contract. Revenue is recognised when control has been transferred to the buyer.	Point in time

(ii) Other revenue
Rental revenue is recognised on a straightline basis over the lease term. When the Consolidated Entity provides lease incentives to tenants, any costs are recognised on a straightline basis over the lease term.

Revenue from dividends and distributions are recognised when they are declared.

Interest income is recognised on an accruals basis using the effective interest method.

(iii) Government grants
The Consolidated Entity has received $8,764,500 under the Federal Government's Jobkeeper program. This has been accounted for as a government grant under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*. The standard provides the option to present these amounts as income or as a reduction in employee benefits expense. The Consolidated Entity has elected to present these amounts as a reduction in employee benefits expense as this best reflects the underlying substance of the transaction for the Consolidated Entity.

(iv) Expenses
Property expenses and outgoings which include rates, taxes and other property outgoings, are recognised on an accruals basis.

(v) Finance costs
Finance costs include interest, amortisation of discounts or premiums relating to borrowings and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Finance costs are expensed as incurred unless they relate to a qualifying asset.

A qualifying asset is an asset under development which generally takes a substantial period of time to bring to its intended use or sale. Finance costs incurred for the acquisition and construction of a qualifying asset are capitalised to the cost of the asset until completion of the asset. Where funds are borrowed specifically for a development project, finance costs associated with the development facility are capitalised. Where funds are used from group borrowings, finance costs are capitalised using the relevant capitalisation rate taking into account the Group's weighted average cost of debt.

(vi) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the GPT entities are measured using the currency of the primary economic environment in which they operate (‘the functional currency’).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

Foreign operations

Non-monetary items that are measured in terms of historical cost are converted using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences of non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

Exchange differences arising on monetary items that form part of the net investment in a foreign operation are taken against a foreign currency translation reserve on consolidation.

Where forward foreign exchange contracts are entered into to cover any anticipated excesses of revenue less expenses within foreign joint ventures, they are converted at the ruling rates of exchange at the reporting period. The resulting foreign exchange gains and losses are taken to the Consolidated Statement of Comprehensive Income.

(vii) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST (or equivalent tax in overseas locations) except where the GST incurred on purchase of goods and services is not recoverable from the tax authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated inclusive of the amount of GST. The net amount of GST receivable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis in the Consolidated Statement of Cash Flows. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(viii) Leases

Payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in the Consolidated Statement of Comprehensive Income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Consolidated Entity’s incremental borrowing rate is used. The incremental borrowing rate is calculated by interpolating or extrapolating secondary market yields on the Group’s domestic medium term notes (MTNs) for a term equivalent to the lease. If there are no MTNs that mature within a reasonable proximity of the lease term, indicative pricing of where the Group can price a new debt capital market issue for a comparative term will be used in the calculation.
Lease liabilities are subsequently measured by:

- increasing the carrying amount to reflect interest on the lease liabilities;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

Interest on the lease liabilities and any variable lease payments not included in the measurement of the lease liabilities are recognised in the Consolidated Statement of Comprehensive Income in the period in which they relate. Interest on lease liabilities included in finance costs in the Consolidated Statement of Comprehensive Income totalled $1,997,000 for the year.

There have been no changes to the lease term or incremental borrowing rate used for the measurement of lease liabilities in light of the COVID-19 pandemic.

Right-of-use assets are measured at cost less depreciation and impairment and adjusted for any remeasurement of the lease liability. The cost of the asset include:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Additions to the right-of-use assets during the year were nil.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Consolidated Entity determines the lease term as the non-cancellable period of a lease together with both:

- the periods covered by an option to extend the lease if it is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Management considers all the facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. Management has considered this assessment and no significant events or changes in circumstances are deemed necessary.

The Consolidated Entity tests right-of-use assets for impairment where there is an indicator that the asset may be impaired. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

The Consolidated Entity has assessed the right-of-use assets for impairment indicators in light of the COVID-19 pandemic and has calculated the recoverable amount where indicators exist. This has resulted in impairment expense of $4,224,512 for the year.

The Consolidated Entity's right-of-use assets are all property leases.

(ix) Deferred acquisition costs

Deferred acquisition costs associated with the property management business are costs that are directly related to and incremental to earning property management fee income. These costs are recorded as an asset and are amortised in the income statement on the same basis as the recognition of property management fee revenue.

(e) New and amended accounting standards and interpretations adopted from 1 January 2020

There are no significant changes to the Consolidated Entity's financial performance and position as a result of the adoption of the new and amended accounting standards and interpretations effective for annual reporting periods beginning on or after 1 January 2020.

(f) New accounting standards and interpretations issued but not yet adopted

There are no new standards or amendments to standards relevant to the Consolidated Entity.

28. EVENTS SUBSEQUENT TO REPORTING DATE

The COVID-19 pandemic has created unprecedented economic and societal impacts and there remains significant uncertainty. In the event the COVID-19 impacts are more severe or prolonged than anticipated, this may have further adverse impacts to asset values and the operating result of the Consolidated Entity. At the reporting date a definitive assessment of the future effects of COVID-19 on the Consolidated Entity cannot be made, as the impact will depend on the magnitude and duration of the economic downturn, with the full range of possible effects unknown.

On 15 February 2021, the Group announced an on-market buy-back of up to 5 per cent of GPT's ordinary securities on issue.

Other than the above, the Directors are not aware of any matter or circumstances occurring since 31 December 2020 that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial years.

DIRECTORS' DECLARATION

Year ended 31 December 2020

In the directors of GPT Management Holdings Limited's opinion:

(a) the consolidated financial statements and notes set out on pages 29 to 57 are in accordance with the *Corporations Act 2001*, including:
- complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and

(b) the consolidated financial statements and notes comply with International Financial Reporting Standards as disclosed in note 27 to the financial statements.

(c) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer as required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with the resolution of the directors.

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

GPT Management Holdings Limited

Sydney
15 February 2021

pwc

Independent auditor's report

To the members of GPT Management Holdings Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of GPT Management Holdings Limited (the Company) and its controlled entities (together the Consolidated Entity) is 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 2020 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Consolidated Entity financial report comprises:

- the Consolidated Statement of Financial Position as at 31 December 2020
- the Consolidated Statement of Comprehensive Income for the year then ended
- the Consolidated Statement of Changes in Equity for the year then ended
- the Consolidated Statement of Cash Flows for the year then ended
- the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information
- the Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

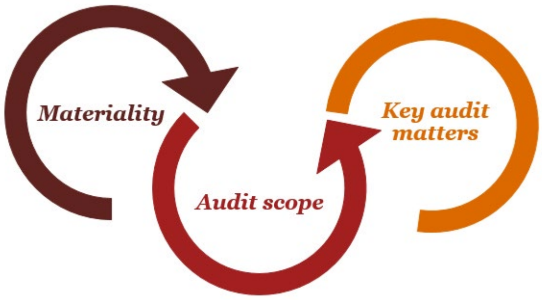
Independence

We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

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

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



Materiality	***Audit scope***	***Key audit matters***
• For the purpose of our audit we used overall Consolidated Entity materiality of $1.75 million, which represents approximately 1% of the Consolidated Entity's total revenue and other income. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose the Consolidated Entity's total revenue and other income as the Consolidated Entity generates income from funds management, property management and development management fees, whilst expenses within the Consolidated Entity are recharged to General Property Trust which can be altered based on the recharge model utilised. • We selected a 1% threshold based on our professional judgement, noting it is also within the range of commonly acceptable revenue related thresholds.	• The audit scope covered the Consolidated Entity which includes GPT Management Holdings Limited and its controlled entities. • Our audit focused on where the Consolidated Entity made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit Committee: - Revenue recognition - Carrying value of inventories • These are further described in the *Key audit matters* section of our report.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Revenue recognition *$169.3 million* *Refer Consolidated Statement of Comprehensive Income* The Consolidated Entity earns revenue through its role as a fund and property manager. It also earns development revenue through the development of property, either for third parties, or directly on its own account for ultimate sale. Total revenue for the year ended 31 December 2020 comprised the following: • Fund management fees • Property management fees • Management costs recharged • Development management fees We considered this a key audit matter due to the magnitude of revenue and there being multiple revenue streams increasing the complexity of recognition.	For each revenue stream, we developed an understanding of how revenue is calculated and the process by which revenue is recognised and recorded. We also identified the key controls including bank account reconciliations. For fund and property management fees, we inspected a sample of agreements to develop an understanding of the basis for which revenue is earned. We recalculated a sample of the fees by applying the fee percentage per agreement to the relevant benchmark, such as funds' gross asset value or property revenue. For management costs recharged during the year, we discussed with management the terms under which costs are recharged by the Consolidated Entity to assets it manages. Additionally: • We developed an understanding of the budgeting process and obtained evidence of management review of the 2020 related budget. • We reconciled the approved management cost recharge budget to the general ledger. • We agreed payroll recharge amounts to the audit procedures performed over the Consolidated Entity's remuneration expense. Development management fees are charged on an approved daily rate and actual time spent, or management approved project fees. We inspected GPT Funds Management board minutes to obtain the approved development management day rates. We recalculated a sample of development management fees and agreed relevant inputs of the calculation back to source data, for example time sheet extracts and approved day rates.
Carrying value of inventories *$125.5 million* *Refer to note 5* The Consolidated Entity develops a portfolio of sites for future sale which are classified as inventory. The Consolidated Entity's inventories are held at the lower	For each project we obtained the Consolidated Entity's latest Net Realisable Value (NRV) models. We developed an understanding of how the Consolidated Entity identified the relevant assumptions and sources of data that are appropriate for calculating the NRV.

of the cost and net realisable value for each inventory project.

The cost of the inventory includes the cost of acquisition, development, capitalised finance costs and all other costs directly related to specific projects including an allocation of direct overhead expenses.

We considered the carrying value of inventories a key audit matter given the significant judgement required by the Consolidated Entity in estimating future selling prices and the costs to complete. These judgements may have a material impact on the calculation of net realisable value and therefore in determining whether the value of a project should be written down or have a previous impairment reversed.

We performed the following procedures, amongst others:

- Discussed project specifics with management, for example the life cycle of the project, key project risks and the impact of COVID-19 and how it has been reflected in the NRV models.
- Compared the estimated selling prices to market sales data in similar locations or to recent sales in the project.
- Compared the forecasted costs to complete for the project to the relevant construction advice (if applicable).
- Compared the carrying value to the NRV to identify projects with potential impairments.
- Traced each inventory acquisition and disposal to the supporting settlement statement, contract and cash support.
- Traced a sample of capital expenditure additions to supporting documentation and tested whether they were valid costs that could be capitalised in accordance with the requirements of Australian Accounting Standards.
- Tested the operating effectiveness of the control surrounding the Valuation Committee's review of Inventory valuations.
- Assessed the reasonableness of the disclosures relating to inventories in the Consolidated Entity's financial report against the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 16 to 27 of the Directors' report for the year ended 31 December 2020.

In our opinion, the remuneration report of GPT Management Holdings Limited for the year ended 31 December 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

PricewaterhouseCoopers

PricewaterhouseCoopers

S. Horlin

Susan Horlin
Partner

Sydney
15 February 2021