ASX ANNOUNCEMENT

15 February 2021

The GPT Group 2020 Annual Report

GPT Group provides its 2020 Annual Report which is authorised for release by the GPT Group Board.

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The GPT Group

Annual Report 2020

Introduction

Welcome to The GPT Group 2020 Annual Report.

The Group has changed its corporate reporting this year to describe how we create value for investors and other stakeholders. GPT's Annual Report is prepared with reference to the International Integrated Reporting Framework to communicate our strategy and our ability to create value over the short, medium and long term. We also report on our performance and progress in financial, environmental, social and governance matters.

GPT welcomes feedback from investors and stakeholders on this integrated Annual Report, as we continue to refine and enhance our corporate reporting.

In this report references to 'GPT', 'Group', 'we', 'us' and 'our' refer to The GPT Group, unless otherwise stated. Information in this Annual Report is stated as at 31 December 2020 unless otherwise indicated. References in this report to a 'year', '2020' and 'FY20' refer to the financial year ended 31 December 2020 unless otherwise stated. All values are expressed in Australian currency unless otherwise indicated. Key statistics for the Retail and Office divisions include The GPT Group's weighted interest in the GPT Wholesale Shopping Centre Fund (GWSCF) and the GPT Wholesale Office Fund (GWOF) respectively.

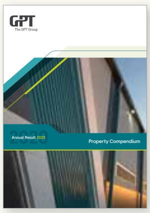
Reporting suite

The 2020 Annual Report is the primary document in our reporting suite. It summarises the value created by GPT's business activities together with the annual financial report for the Group. Further information is available in our broader reporting suite, which includes:

Results Presentation and Data Pack

A summary of GPT's operating and financial performance and key developments in our business and portfolio, accompanied by a data supplement released every six months.

Property Compendium



Consolidated information about the assets in the Group's property portfolio.

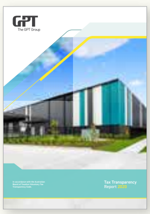
Climate Disclosure Statement

A statement of the steps we are taking to identify, assess and manage climate change risks and opportunities, prepared in accordance with TCFD recommendations.

Corporate Governance Statement

A statement of how GPT addresses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

Tax Transparency Report



A report in accordance with the voluntary Tax Transparency Code as part of the Group's commitment to tax transparency.

Sustainability Report

A detailed report of our sustainability policies, priorities and progress along with future targets, released annually. (To be released March 2021.)

Cover image: One One One Eagle Street, Brisbane

GPT acknowledges the Traditional Custodians of the lands on which our business and assets operate, and recognise their ongoing connection to land, waters and community. We pay our respects to First Nations Elders past, present and emerging.

Contents

Navigating this report

The below icons are used throughout this report to indicate where an activity affects or contributes to how GPT creates value.

Value we create

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

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.

Our vision

To be the most respected property company in Australia in the eyes of our investors, people, customers and communities.

Our 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.

Our values

Each day, our core values guide our employees as they work to deliver on our purpose.

Safety First – Everyone, Always
We care about people above everything else.

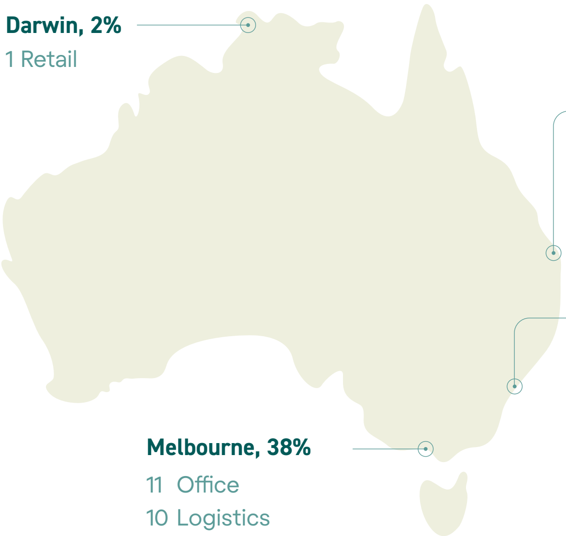
Deliver Today, Create Tomorrow
We focus on the present and the future to deliver consistent, dependable performance.

Value Differences, Play as a Team
We embrace our diverse backgrounds, experiences and perspectives, working together for the best outcome.

Raise the Bar
We think big, take initiative, share ideas and challenge the status quo.

Speak Up
We are courageous and speak up about things that matter.

Portfolio diversity across locations



3,600+
Tenants

32,000+
Securityholders

~500
Employees

~$8.8b
Market capitalisation

Our portfolio

GPT owns a diversified portfolio of high quality properties across Australia.

Office

- 24 assets
- 1,000,000 sqm NLA
- 360+ tenants[1]
- $5.6 billion GPT owned portfolio
- $12.9 billion assets under management

Logistics

- 41 assets
- 1,140,000 sqm GLA
- 90+ tenants
- $3.0 billion GPT owned portfolio
- $3.0 billion assets under management

Retail

- 12 shopping centres
- 960,000 sqm GLA
- 3,100+ tenants
- $5.5 billion GPT owned portfolio
- $8.5 billion assets under management

77
properties

$24.4b
Assets under management

Portfolio diversity across asset classes

1. Excludes retail tenants.

50 Old Wallgrove Road, Eastern Creek, NSW

Letter to Securityholders

This year, the Group has adopted an integrated reporting approach in our Annual Report to communicate our strategy and ability to create value over the short, medium and long term. This reflects the way the Group incorporates financial, environmental, social and governance matters in its strategic business decisions.

The effects of the COVID-19 pandemic resulted in a challenging year for the Group. We commenced 2020 with strong momentum and the expectation of delivering earnings and distribution growth. However, the onset of COVID-19 rapidly changed the operating landscape and we had to adapt our approach swiftly. The Group responded well to the uncertainty and evolving challenges, maintaining a strong focus on working with our customers to help them operate successfully and safely through the pandemic, whilst continuing to execute on strategy and positioning the business to benefit from the emerging economic recovery.

2020 Annual Result

The impacts of COVID-19 have resulted in both lower net operating income, reflecting the rent relief provided to our tenants, and a material reduction in the valuation of our Retail portfolio.

Notwithstanding the impacts of the pandemic, the Group delivered Funds From Operations (FFO) of $554.7 million for the 12 months to 31 December 2020, down 9.6 per cent on the prior year. The Group recorded a statutory net loss after tax in 2020 of $213.1 million compared to a statutory net profit after tax of $880.0 million in 2019. With the additional securities issued in 2019 as part of the equity raising, FFO per security decreased 12.9 per cent to 28.48 cents. Net tangible assets per security was down 4.0 per cent to $5.57[1] and Total Return for the year was -2.4 per cent, reflecting the property valuation decline.

A second half 2020 distribution of 13.2 cents per security was declared on 15 February 2021, resulting in a full year distribution of 22.5 cents per security. This is down 15.0 per cent compared to the 2019 full year distribution of 26.48 cents per security and reflects the impact of COVID-19 on income and operating cashflows, and the additional securities on issue.

GPT's portfolio of high quality Office assets continued to deliver strong results. Operating net income was $280.2 million, up 1.8 per cent on 2019. The portfolio has a weighted average lease expiry (WALE) in excess of five years and occupancy of 94.9 per cent.[2] Despite government restrictions and subdued leasing conditions, the Group concluded 99,600 square metres of signed leases across the portfolio, with an additional 26,500 square metres under Heads of Agreement. In the second half of the year, leasing volumes improved, with the number of Heads of Agreement executed doubling from the first half of the year. All Office assets were independently revalued as at 31 December 2020, resulting in a valuation decline of 1.2 per cent or $73.8 million over the year and a weighted average capitalisation rate (WACR) of 4.89 per cent.

The Group divested its interest in Farrer Place, Sydney in line with the 30 June 2020 book value of $584.6 million in December 2020.

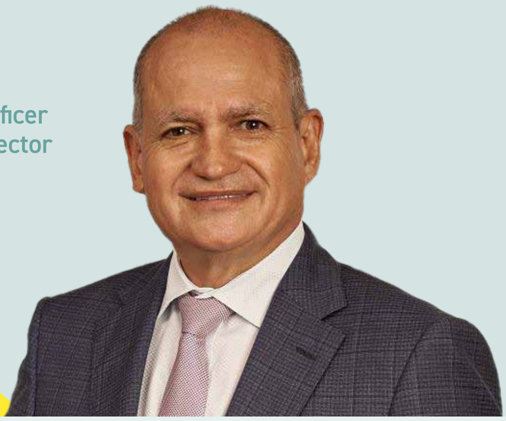
GPT's Logistics portfolio delivered outstanding results in 2020, with operating net income growth of 15.2 per cent to $139.3 million, and comparable income growth of 3.1 per cent. The portfolio has high occupancy of 99.8 per cent and a long WALE of 6.7 years. All Logistics assets were independently revalued[3] as at 31 December 2020, resulting in a valuation uplift of 9.3 per cent or $227.8 million over the year, attributed to strong investor demand for high quality logistics assets. The WACR for the portfolio firmed to 4.84 per cent.

Government restrictions and the mandatory Code of Conduct in response to COVID-19, heavily impacted the performance of shopping centres in 2020. In addition to the impacts of the Code of Conduct, the implications of restrictions imposed in Victoria from July to November 2020, weighed heavily on the Group's Retail portfolio performance.

Approximately 400 leasing deals were completed during the year and Retail portfolio occupancy was 98.0 per cent at 31 December 2020. A higher level of rental collection rates in the second half of the year and the completion of 83 per cent of COVID-19 rental arrangements, strengthened the full year financial result from the portfolio, compared to the first half. Operating net income for the Retail portfolio was $220.8 million for the year down 31.3 per cent, impacted by lower property income primarily due to rental assistance provided to our tenants, and provisions for expected credit losses in the portfolio.

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director



With the exception of Melbourne Central, which is in the heart of the Melbourne CBD, there was a strong rebound of customer visitations to our shopping centres once restrictions were eased and customers were able to return back to our assets. Excluding Melbourne Central, our customer visitation numbers in December 2020 were approximately 95 per cent of December 2019 levels. Solid sales growth was evident following the easing of restrictions, indicating that people were very keen to return to shopping centres.

All Retail assets were independently revalued as at 31 December 2020, resulting in a revaluation decline of 13.7 per cent or $866.5 million over the year. The largest component was the revaluation of Melbourne Central, one of Australia's leading retail destinations, which has unfortunately been impacted by the delayed reopening of the Melbourne CBD and our borders being closed to international tourists and students. The WACR for the portfolio softened to 5.06 per cent.

Our Funds Management business provides access to third party capital and continues to deliver growth for the Group. With $12.9 billion in assets under management, consisting of the GPT Wholesale Office Fund (GWOF) and the GPT Wholesale Shopping Centre Fund (GWSCF), with assets of $9.0 billion and $3.9 billion respectively, the platform has significant scale. Funds Management earnings of $47.2 million was up 1.9 per cent on the prior year.

In response to the high level of uncertainty in the period, the Group reduced or deferred spending on non-essential and discretionary items across the business. Developments planned at Rouse Hill and Melbourne Central have been deferred until such time as market conditions are more favourable, but remain strategic opportunities for the Group. In addition, the 2020 Short Term Incentive Compensation Scheme and the 2020-2022 Long Term Incentive Scheme were withdrawn.

The Group maintained a strong balance sheet position and a prudent approach to capital management during the year given the uncertainty of the economic impact of COVID-19 on our tenants, the timing of the expected recovery and the potential impact on asset valuations. The Board and Management undertook detailed scenario modelling to ensure the Group was well placed to navigate through the unprecedented events. Gearing as at 31 December 2020 was a modest 23.2 per cent, with $1.8 billion of available liquidity held in cash and undrawn bank facilities. The Group maintains strong A/A2 credit ratings from S&P and Moody's respectively.

Executing on strategy to create long term value

Owning and managing a diversified portfolio of high quality real estate in Australia's largest cities is core to our strategy and provides us with the opportunity to benefit from sectors with favourable trends while reshaping our exposure to others.

Our aim is to deliver growing and predictable earnings and maximise total returns for investors over the long term through the successful execution of our strategy. The Group leverages its extensive real estate experience to create value through disciplined investment, development, asset management and funds management.

Portfolio growth in the logistics sector has been a core strategic focus over the past three years and the Group has made strong progress in securing development and investment opportunities in this sector. This has resulted in our Logistics portfolio doubling since 2017 to $3.0 billion, including growth of $542.5 million or 22 per cent in 2020.

Given the structural tailwinds from e-commerce and supply chain transformation, growth in logistics in high-tenant demand locations will continue to be an ongoing focus for the Group. GPT's Logistics development pipeline has an estimated end value of approximately $1 billion.[4]

1. Includes all right-of-use assets of GPT Group.
2. Excludes assets under or held for development.
3. Excludes assets held for sale and acquired during the second half of the year.
4. Estimated end value on completion of underway and pipeline projects at GPT share.

Letter to Securityholders (continued)

In February 2021, we announced a capital partnership with Canadian real estate firm QuadReal Property Group. The 50:50 joint venture has an objective to acquire and develop a high quality portfolio of Australian prime logistics assets, with a targeted investment of $800 million. GPT will provide development and management services to the partnership. This is consistent with our strategy to grow our position in the logistics sector and to expand our Funds Management platform.

The sale of the Group's interest in Farrer Place in Sydney during the year, reinforces our existing balance sheet capacity and ensures that we have ample capacity to grow our exposure to logistics and to pursue other opportunities that may emerge in line with our strategic focus.

We also progressed two Office developments in the period. At 32 Smith, practical completion was achieved in January 2021. The asset is 70 per cent leased including Heads of Agreement and we expect to make further leasing progress in 2021 given it is a new landmark building in the growing Parramatta CBD. Queen & Collins, Melbourne, being redeveloped for GWOF, is expected to reach practical completion in May 2021, and is currently 20 per cent leased including Heads of Agreement.

GPT is advancing six Office projects through planning ahead of the next market cycle, which are expected to have an end value of approximately $3.5 billion[5] on completion.

Climate change and sustainability

Recognising the importance of continued action to address climate change, in August 2020 GPT announced a target to achieve carbon neutral operations across all managed assets by 2024, six years ahead of our original 2030 target.

In December 2020, GWOF achieved its carbon neutral operating portfolio target. Each of GWOF's operating assets were independently certified as carbon neutral using the NABERS verification pathway of the Australian Government's Climate Active for Buildings, in alignment with the International Greenhouse Gas Protocol. The Green Building Council of Australia has recognised this outcome as a first for a national property portfolio within the World Green Building Council network.

GPT recognises the importance of identifying, managing, and transparently reporting on climate change risks and opportunities that could have a material impact on GPT's assets and on the communities in which we operate. Our second Climate Disclosure Statement was released in February 2021 and outlines our progress and priorities in addressing climate-related risk, in accordance with the Task Force on Climate-related Financial Disclosures (TCFD). The statement is available on GPT's website.

GPT's success depends on strong, productive relationships with our tenants, customers, supply chain partners, and local communities. The Group contributes to the community by acting as a responsible business in accordance with our commitments and obligations. We respect and uphold human rights in line with the United Nations Guiding Principles on Business and Human Rights and continue to take action to enhance transparency in this area.

During 2020, we released the Group's Human Rights Statement, which articulates our long-standing commitment to respecting human rights across our operations and in our engagement with third parties. Demonstrating this commitment, GPT's inaugural Modern Slavery Statement was released in December 2020 and articulates the actions we have taken and propose to take to identify and prevent modern slavery taking place within our operations and across our supply chains.

Our ongoing work to promote reconciliation saw the Group progress or complete 97 per cent of the actions from our Stretch Reconciliation Action Plan during 2020, as we offered our communities and our people the opportunity to explore the culture and traditions of First Nations people through our reconciliation commitments and activities.

Safety at GPT

Safety remains a core value and key priority for everyone at GPT. This unequivocal focus on safety extends across our people, tenants, customers, communities and supply partners.

In addition to the launch of a new Safety Procedures Manual during the year following a business-wide review of our safety management systems, 97 per cent of our people participated in a Safety Leadership Program. The program focused on the importance of safety and providing leaders with the skills to lead and influence behaviours and beliefs that are essential for a strong safety culture.

This year with the emergence of COVID-19, GPT participated with key industry bodies to determine common asset level safety standards and practices in accordance with health advice. Additional resources and funds were also deployed to ensure we maintained safe environments across our portfolio and within our premises.

Diversity and inclusion

The Group continued to make progress towards our diversity and inclusion targets during 2020, and we were named an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency (WGEA) for the third consecutive year. GPT was also recognised for the first time as a Bronze Employer for LGBTIQ+ inclusion in the Australian Workplace Equality Index (AWEI) small employer category. The Group's CEO continues to be an active member of the Property Male Champions of Change which focusses on developing strategies to improve inclusion and reduce gender bias.

5. Includes both GPT direct and Funds opportunities.

Corporate governance and Board renewal

Good corporate governance is a central part of GPT's commitment to our securityholders. The Board strives to ensure that GPT meets high standards of governance across our operations.

The Board is committed to maintaining a diversity of skills, experience and attributes amongst its members. The Board continued our proactive process of Board succession and renewal during the year, with the appointment of Robert Whitfield AM and the retirement of Gene Tilbrook.

Rob Whitfield AM joined the Board in May 2020 and brings extensive experience in banking, finance and the public sector, which will be a valuable contribution to the Board, enhancing the Board's skills and experience. Rob will be standing for election at the 2021 Annual General Meeting.

After more than ten years of service, Gene Tilbrook retired from the Board at the end of December 2020. During his tenure, Gene made a substantial and valuable contribution to the Board, particularly in his service on and leadership of the Sustainability and Risk Committee, and as a member of the Nomination and the Audit Committee. We thank Gene for his commitment and valuable contribution to GPT.

We extend our thanks to the Board for their efforts in steering the Group through the unprecedented challenges of 2020, and for their support and guidance to management as the demands on their time, experience and expertise intensified during the year.

2021 outlook

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.

Acknowledging there continues to be a high level of uncertainty in our operating environment, we are optimistic about the outlook for 2021. Following 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, particularly in the second half.

Favourable economic indicators such as strong consumer confidence, robust jobs growth, high household savings rates and a more buoyant housing market are strong indicators of a solid economic recovery.

However, the path of the recovery may be uneven and disrupted by unexpected events and the differing approaches taken by each state government. Melbourne's CBD in particular is currently lagging in its recovery when compared to Sydney and this will have a bearing on the recovery of assets like Melbourne Central. We have strong conviction that Melbourne Central will recover and once again be a key destination.

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.

On behalf of the Board and management, we extend our thanks to our employees for their commitment, hard work and resilience during this challenging year.

Finally, we thank our investors for their continued support of GPT.

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

32 Smith, Parramatta, NSW
(Artist's impression)

Responding to COVID-19

The significant effects of the COVID-19 pandemic have been felt across Australia and around the world for much of 2020. GPT acted swiftly and decisively to understand and respond to the pandemic as it emerged and continued throughout the year.

The health, safety and wellbeing of our people, customers, and the public has been at the forefront of our considerations and decisions, in accordance with our core value of 'Safety first – everyone, always'.

We have adapted our operations to adhere to government and health advice while supporting our people, tenants, customers, and the public who visit our assets. The Group has maintained our strong capital position despite the pandemic's significant economic impact.

Our operations

At the Group level, we reviewed the Risk Management Framework to ensure it remained effective in the changed operating environment, with its implementation adapted to manage risk effectively in these circumstances. We increased the frequency of key risk reviews by the Leadership Team and the Board. A COVID-19 Response Team and COVID-19 Working Group were formed to enhance our risk governance and co-ordinate our actions and communications. Our Business Continuity Plan was enhanced to include a Pandemic Response Guide. A range of operational protocols were established to address new or adjusted activities, such as tenant rent negotiations, health and safety, and cyber security.

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GPT participated with key industry bodies to determine common asset-level safety standards and practices in accordance with health advice and to effectively implement the mandatory Code of Conduct for commercial tenancies as it was legislated by state and territory governments.

At our assets and workplaces, the Group acted quickly to protect our people and support our customers and tenants, introducing physical distancing and hygiene measures in accordance with government directives and health advice. The frequency of cleaning increased across all GPT assets and additional signage was introduced. We helped tenants that were able to continue trading to put in place COVID-safe plans. We have continued to adapt our approach as circumstances have changed to ensure that our assets can operate safely and effectively.

We prepared our shopping centres to be able to ramp up operations safely when restrictions eased, providing customers and retailers with the confidence that our shopping centres were safe places with appropriate measures in place to manage physical distancing. We also provided 'click and collect' services in our centre car parks.

Our office asset teams focused on providing COVID-safe spaces for our tenants to return as government restrictions eased, ranging from new physical distancing signage and increased cleaning across the portfolio, to management of common areas and lifts, and investment in touchless technology and enhanced air conditioning systems.

We communicated closely with our logistics tenants, who continued to operate their facilities as supply chain movements remained essential, particularly for food, pharmaceuticals, and general consumables.

Our financial position

Given the effect of government measures and the uncertainty of the duration of the pandemic, we withdrew guidance for 2020 Funds From Operations (FFO) and distributions on 19 March.

GPT has remained in a strong financial position throughout the year, with prudent gearing, limited near term debt maturities and significant available liquidity. The Group maintains A/A2 credit ratings from S&P and Moody's respectively. Our strong financial position has allowed the Group to continue to progress our strategic priorities while providing the flexibility to manage through the current challenging operating environment.

We increased the frequency of asset valuations to provide investors with an independent assessment of the immediate and longer term effect of the pandemic on the value of our assets. Our directly owned retail assets were valued at the end of May and all investment assets were valued at the end of June and again at the end of December as the pandemic's effects became more apparent.

The Group reduced or deferred spending on non-essential and discretionary items across the business. In addition, the 2020 Short Term Incentive Compensation scheme and the 2020 – 2022 Long Term Incentive scheme were withdrawn. In April, we deferred the commencement of the Rouse Hill Town Centre retail expansion and the Melbourne Central office and retail development until such time as market conditions are more supportive. These initiatives have helped to ensure that we remain in a strong financial position and are well-positioned for the post-pandemic recovery.

In June GPT announced that as a result of the uncertainty created by the effects of the COVID-19 pandemic and the application of the mandatory Code of Conduct, the Group adjusted the timing of the declaration of its distributions to coincide with the release of the Group's financial results in February and August each year. In addition, the Group amended its distribution payout policy to align with free cashflow.

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Our people

Safety is a core value of GPT and so our people were well prepared to respond to the pandemic and in no doubt that their safety, as well as that of our tenants, customers, communities and supply partners, was paramount.

Our people based in our corporate offices were directed to work from home between March and June, with rotational and split teams introduced for those needed on site at our assets. For our Victorian employees, work from home arrangements continued in line with government directives.

Our existing technology infrastructure enabled a seamless transition to remote work with further enhancements implemented rapidly to improve the experience. Our cyber security infrastructure was also strengthened.

A central information hub was established for our people to access all pandemic-related communications, remote work instructions and resources, and information to support their mental health and wellbeing. Specific programs to assist employees with mental fitness and to assist people managers to create resilient teams were undertaken. The Employee Assistance Program (EAP) remained available to all employees and their immediate family members for those seeking confidential counselling support.

We adapted our internal communications rhythm, increasing the frequency of CEO and Leadership Team updates and virtual employee town hall events. Workplace COVID Safety sessions were offered to all employees to provide information about managing the pandemic in our workplace and asset environments. A remote working guide was developed to assist employees in creating a suitable working from home environment.

Our tenants and customers

Announced in April 2020 by the National Cabinet, the Code of Conduct for commercial tenancies required commercial property landlords including GPT to provide cashflow relief, through a combination of rent forgiveness and deferment, to qualifying small to medium enterprises (SMEs) proportionate to their reduction in revenue for the pandemic period. The Code was legislated in all states for a defined six month period, with extensions later mandated in several jurisdictions in response to continued mobility restrictions and challenging economic conditions.

We have engaged with our tenants in a proactive and considered way so that we, and our tenants, emerge from the pandemic in a position to grow our respective businesses. Agreements under the Code are negotiated individually with each tenant on a case by case basis. The process has taken some time to conclude given the complexity of the application of the Code, the nuances of the regulations in each state and the number of tenants involved. The rent relief provided under the Code has impacted the Group's financial result.

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Our supply chain partners

We increased communications with our suppliers to understand how the pandemic was affecting their operations and to support them in ensuring the continuity of supply of products and services to us. We placed strong emphasis on ensuring that our suppliers' employees remained safe, healthy and well during challenging operating circumstances.

GPT recognised that the pandemic may have increased the risk of modern slavery in parts of our supply chain during this year. In response, we worked closely with our suppliers and consulted with industry groups and peers to identify and address potential issues.

Our communities

Through our assets, we offered support to our local communities by sharing wellbeing resources and information through our online platforms, hosting COVID-19 testing centres at some assets in consultation with government and health authorities, and transforming our planned in-person events into activities that could be enjoyed at home.

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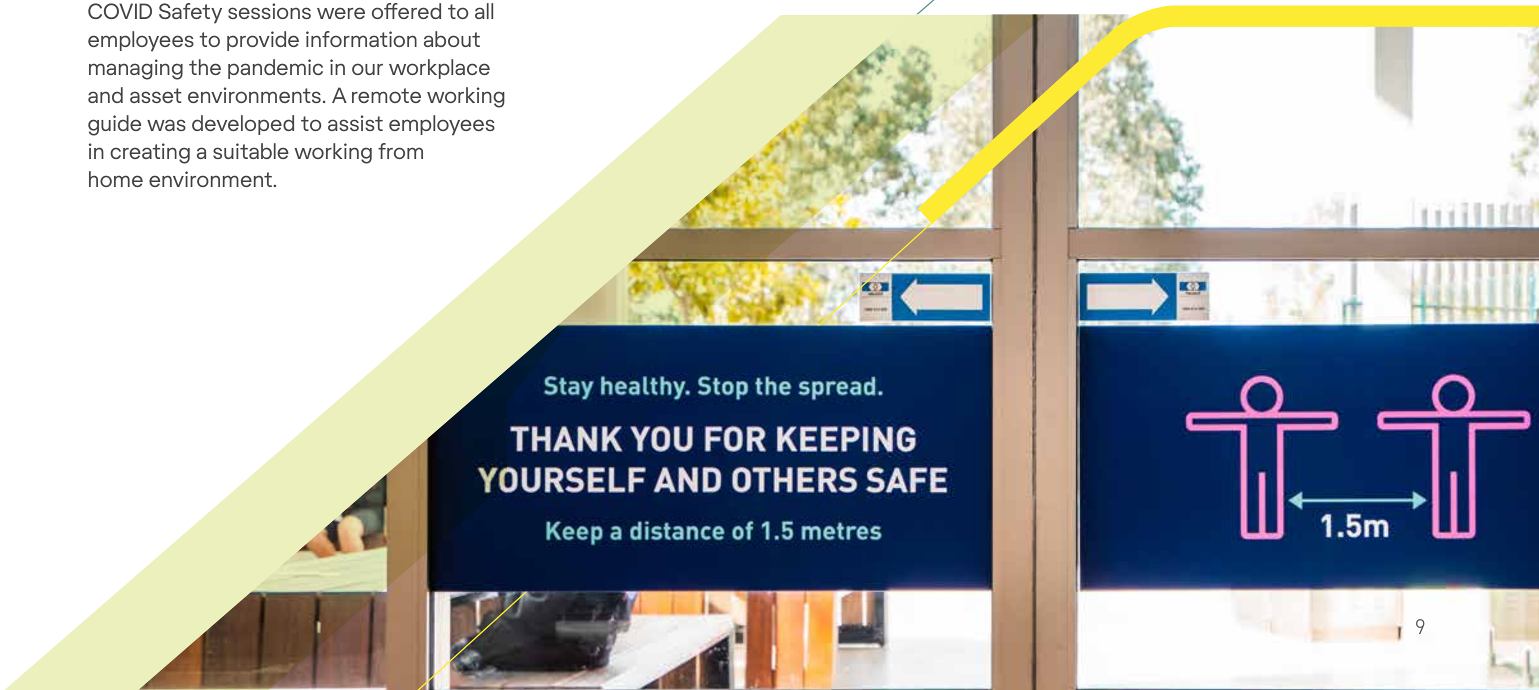


Megatrends

A key consideration in formulating the Group's strategy is the impact of megatrends that continue to shape how people live, work, and play and the spaces businesses need in order to thrive.

Emerging trends provide opportunities and challenges for the Group in creating value over the short, medium and long term. They include matters affecting the economy, environment, technology, society, regulation and politics. The key trends and potential implications currently shaping our strategy and business activities are set out below.[1]

Urbanisation, densification and enabling infrastructure

Population, jobs, and economic growth concentrated in major cities and demographic change are impacting patterns of urban life and economic activity.

Governments are being required to make a significant investment in enabling social and economic infrastructure to improve the liveability and affordability of major cities. This has been curbed during the COVID-19 pandemic but is expected to rebound.

GPT's response

- » Ensure our real estate portfolio is concentrated in markets which will benefit from urbanisation, densification and enabling infrastructure.
- » Continue to allocate capital to markets that are likely to benefit from existing and future infrastructure investment.
- » Consider viability of mixed-use developments to increase the social value of properties within existing site footprints.

Demographic change, evolving communities and inequality

Demographic change is driving needs around health care, retirement, workplace flexibility, and workforce diversity.

Australia's income and wealth inequality is increasing. Millennials and Gen Z now represent almost half our workforce and one out of every three dollars spent, and they have distinctly different spending habits from previous generations.[2]

GPT's response

- » Continue to invest in our properties to evolve our offering and meet the changing preferences of customers and the communities in which we operate.
- » Unlock additional productivity within the Group's workforce via flexible work arrangements, work-anywhere technology, changed expectations regarding workplace attendance, and continued active promotion of diversity and inclusion.

Transformative technology and blurring boundaries

Broad based and rapid technological change, including automation, is transforming and disrupting traditional ways that society and businesses operate, communicate, and interact.

Hypervigilance in cybersecurity will be necessary to ensure operational continuity, customer and broad stakeholder confidence.

GPT's response

- » Leverage technological advances to enhance service offerings for customers at our properties.
- » Remain vigilant across our employees, partners, core systems and operations regarding privacy, data security, and business continuity to earn and retain stakeholder trust as the role of technology changes.
- » Grow our capital allocation in sectors that will benefit from transformative technology, such as logistics.
- » Maintain strong customer, supplier and stakeholder relationships to enable rapid adaptation of operations and supply chains if needed.

1. Sydney Business Insights, Austrade, CSIRO, GPT Strategy Team.
2. Alphabeta strategy x economics paper, "How Millennials Manage Money: Facts on the spending habits of young Australians".

Wembley Business Park, Berrinba, Qld (artist's impression)

Empowering individuals and hyper-connectivity

Technological advances, ubiquitous connectivity, improvements in access to education and health are empowering individuals.

Social media platforms have fundamentally changed the way people communicate, interact, and organise their lives. They have an increasing expectation for experience, personalisation, and customisation, as well as remote access following its widespread adoption during the COVID-19 pandemic.

GPT's response

- » Continue to invest in technology that improves connectivity with our customers, removing friction points and enhancing their experience.
- » Maintain initiatives to continually improve our investment strategy and asset selection criteria to incorporate the ongoing impact of technological advances and evolving customer expectations.
- » Continue to partner with our retailers to evolve our shopping centres to meet the expectations of shoppers for enhanced experience, personalisation and customisation.
- » Work with our office customers to ensure that our buildings remain destinations of choice for their teams to collaborate, team-build and professionally develop based on unparalleled connectivity and purpose-built spaces.

Environment, resource scarcity and resilience

Growing populations and household wealth will increase pressure on environmental resources, including food, water, energy and mineral resources. At the same time, the impacts of human-induced climate change may be rapid and unpredictable.

Climate change, protecting the environment, natural disasters and pandemics are of increasing concern.

GPT's response

- » Progress towards the Group's carbon neutral targets while actively managing the potential risks of climate change.
- » Develop climate resilience strategies as outlined in our Climate Disclosure Statement.
- » Continue to enhance the efficient operations of our properties to use fewer natural resources, produce less waste and fewer emissions, and achieve intensity and efficiency targets.
- » Consider how new technologies, innovations and partnerships can provide new ways of managing and monitoring the environmental impact of our properties and operations.
- » Use external ratings, accreditations and benchmarks to validate that our properties and developments meet or exceed best practice standards.

Economic power shifts, geopolitical risk and unfunded liabilities

Over the coming years we will see a restructuring of the global economy with non-OECD economies expected to account for 57 per cent of the global output by 2030, creating new patterns of trade and investment.[1]

This growth is also giving rise to a new middle class or "mass affluent" with two-thirds of the global middle class to reside in Asia Pacific by 2030.[1] At the same time, the most indebted economies in the world are also the richer ones and retirees are facing underfunded pension plans. During the pandemic, governments and central banks have demonstrated a willingness to take action to ensure economies recover.

GPT's response

- » Continue to focus on financial and capital management with a strong balance sheet, appropriate gearing, and an approach consistent with stable 'A category' credit ratings.
- » Continue to develop the GPT Funds Management platform to access alternative sources of capital, fund growth opportunities and deliver returns for the Group.
- » Position GPT as an attractive investment to a variety of funding sources including domestic and international pension and superannuation funds.
- » Communicate our sector-leading ESG credentials to current and potential investors.
- » Pursue opportunities to assist with supply chain security for Australian businesses focused on localisation.

1. Organisation for Economic Co-operation and Development (OECD) Development Centre, Working Paper No. 285, "The Emerging Middle Class in Developing Countries".

Our Strategy

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.

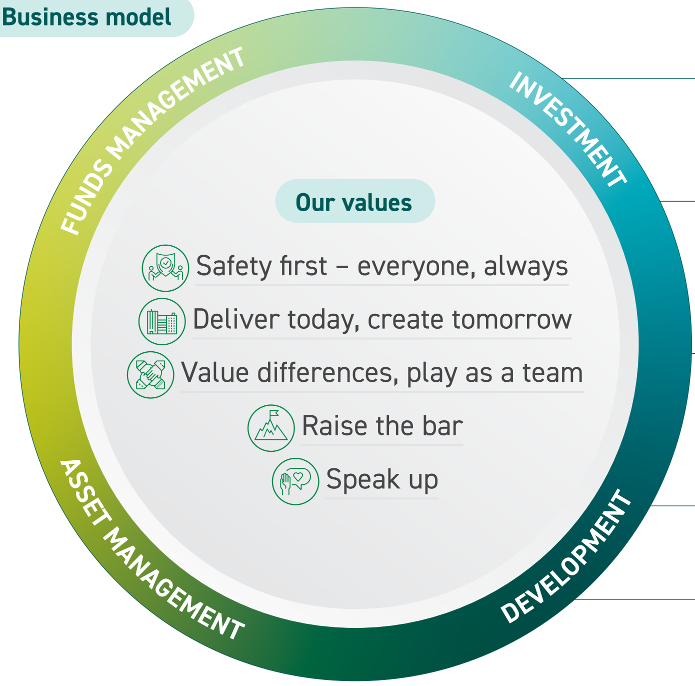
Our strategy is influenced by the megatrends that continue to shape how people live, work and play and the spaces businesses need in order to thrive. Some of these trends accelerated in 2020, presenting both opportunities and challenges.

Owning and managing a diversified portfolio of high quality real estate in Australia's largest cities is core to our strategy and provides us with the opportunity to benefit from sectors with favourable trends while reshaping our exposure to others.

Our strategy leverages our extensive real estate experience to create value through disciplined investment, development, asset management, and funds management.

Portfolio growth in the Logistics sector has been a core focus over the last three years and the Group has made strong progress in securing development and investment opportunities in this sector. This continues to be an ongoing focus given the structural tailwinds from e-commerce and supply chain management.

Business model



Strategic priorities

- Grow our high quality real estate portfolio through developments and acquisitions in Australia's largest property markets
- Exceed customer expectations by leveraging our extensive real estate skills to deliver leading asset management and sustainability performance
- Extend our capital partnerships with investors through unlisted real estate funds and direct mandates to deliver attractive risk adjusted returns over the long term
- Maintain disciplined and prudent capital management

38A Pine Road, Yennora, NSW

21-23 Wirraway Drive, Port Melbourne, Vic

REALISING OPPORTUNITIES IN LOGISTICS

GPT is delivering on our strategy of growing the Logistics portfolio, capitalising on the demand for quality assets and enhancing the Group's portfolio diversity. The Logistics portfolio has grown significantly, from $1.5 billion in December 2017 to $3.0 billion today[1], and now makes up 21 per cent of the Group's investment portfolio. At December 2020 the portfolio is 99.8 per cent occupied with a weighted average lease expiry of 6.7 years.

Growth has been achieved through a combination of acquisitions and developments, along with valuation uplift and capital investments in our assets. Significant growth occurred during 2019 with the acquisition of $212 million of quality leased assets in Sydney and Melbourne, with several offering scope for future development. An equity raising in June 2019 secured additional capital to support the portfolio's continued growth whilst maintaining a strong balance sheet position.

We continued this momentum into 2020 with the portfolio growing 22 per cent in the 12 months. Four developments were completed across Sydney and Brisbane, adding 90,000 square metres to the portfolio. We also acquired $205 million of investment assets in the established Melbourne industrial precincts of Truganina and Port Melbourne.

Over 70 per cent of Logistics income is generated from customers that are ASX listed groups and multi-nationals. Market vacancy remains low, underpinned by trends impacting the sector including e-commerce, supply chain transformation and urbanisation.

The Group's development pipeline, inclusive of projects underway, has an expected end value on completion of approximately $1 billion.

On 15 February 2021, we announced that we had entered into a capital partnership with QuadReal Property Group to jointly acquire and develop a high quality portfolio of Logistics assets in the GPT QuadReal Logistics Trust. This partnership will deliver attractive returns over the long-term and further boost the Group's exposure to the strongly performing logistics sector.

We continue to execute on our Logistics growth strategy, capitalising on development opportunities within our existing landbank and assessing acquisitions to create value for securityholders.

1. As at 31 December 2020.

Our Business Model

There are four core activities in GPT's business model. We invest in, develop and manage Australian real estate assets and funds to create value for our stakeholders.

Investment

Combining our property expertise with our understanding of the economic drivers and market dynamics of each sector enables GPT to capitalise on opportunities, acquiring and divesting properties at the right time to deliver reliable returns for our investors.

Together with our directly held assets, GPT co-invests capital to benefit from the returns that can be derived from high quality core assets in wholesale funds and joint ventures.

Development

Our development capability and pipeline enables the creation of new opportunities and enhances the value of our well located existing properties for the Group and our third party investors.

Our placemaking expertise provides added benefit, ensuring that the properties we design and develop are sustainable and prosperous places for our tenants, customers and communities.

Asset Management

We manage $24.4 billion of commercial properties in the office, logistics and retail sectors. We apply our portfolio and asset management skills to ensure that we attract, secure and retain tenants, delight and satisfy our customers and visitors, operate efficiently and sustainably, and aim to deliver growing and predictable earnings for investors.

Funds Management

Our funds management and partnerships platform manages $12.9 billion of investments focused on the Australian office and retail sectors, leveraging our skills and experience to enhance returns for fund investors and capital partners.

GPT invests alongside fund investors and capital partners to jointly access income and growth opportunities. The funds management platform provides the Group with income through funds management, property management and development management fees.

Rouse Hill Town Centre, NSW

32 Smith, Parramatta, NSW (Artist's impression)

CREATING VALUE THROUGH DEVELOPMENT IN PARRAMATTA

The development of 32 Smith in Parramatta demonstrates the value that GPT's business model creates for our stakeholders.

GPT acquired the site in May 2017 for $31.2 million and secured planning approval for its enhanced use as a commercial building. Our vision aligned with that of Parramatta City Council, the Greater Sydney Commission and the NSW Government to develop Parramatta as Sydney's second CBD.

For investors, 32 Smith provides returns in the growing Parramatta market which is benefiting from current and proposed future transport infrastructure investment.

The building's major tenant was secured in December 2018 as development works began. Construction continued throughout 2020 with the necessary social distancing and other adjustments due to the COVID-19 pandemic being adhered to by the construction team.

We have engaged with the land's Traditional Custodians, the Darug People, throughout the development to respectfully share their culture and history within the precinct. Artworks in the building's indoor and outdoor spaces connect visitors to the nearby Parramatta River, sharing stories of country and culture unique to this part of Parramatta.

32 Smith is designed to operate efficiently. It has been awarded a 6 Star Green Star – Design rating from the Green Building Council of Australia and GPT is targeting a 6 Star NABERS Energy (with Green Power) rating to externally verify the building's energy efficiency when completed.

The building achieved practical completion in January 2021 and is 70 per cent leased including Heads of Agreement. Increased floor area was achieved through the approval of an additional mezzanine floor, with a Heads of Agreement in place. The development is expected to have an end value of more than $330 million and deliver a yield on cost of more than 6.4 per cent.

How We Create Value

Our vision

To be the most respected property company in Australia in the eyes of our investors, people, customers and communities.

Our 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.

To deliver our purpose, GPT uses resources and inputs in our business activities to create value for our stakeholders.

Key inputs into the Group are our investors, real estate, our people, environmental resources, and our customers, suppliers and communities.

Through the application of our business model, GPT creates value in the form of growing and predictable earnings, thriving places, empowered people, a sustainable environment, and prospering customers, suppliers, and communities.

This process of value creation is illustrated in the diagram below.

Inputs

Our investors

Equity and debt investors who provide capital to support strategy execution and growth.

Real estate

Buildings and land that we own, manage and develop.

Our people

The capabilities and effort of the people in our workforce.

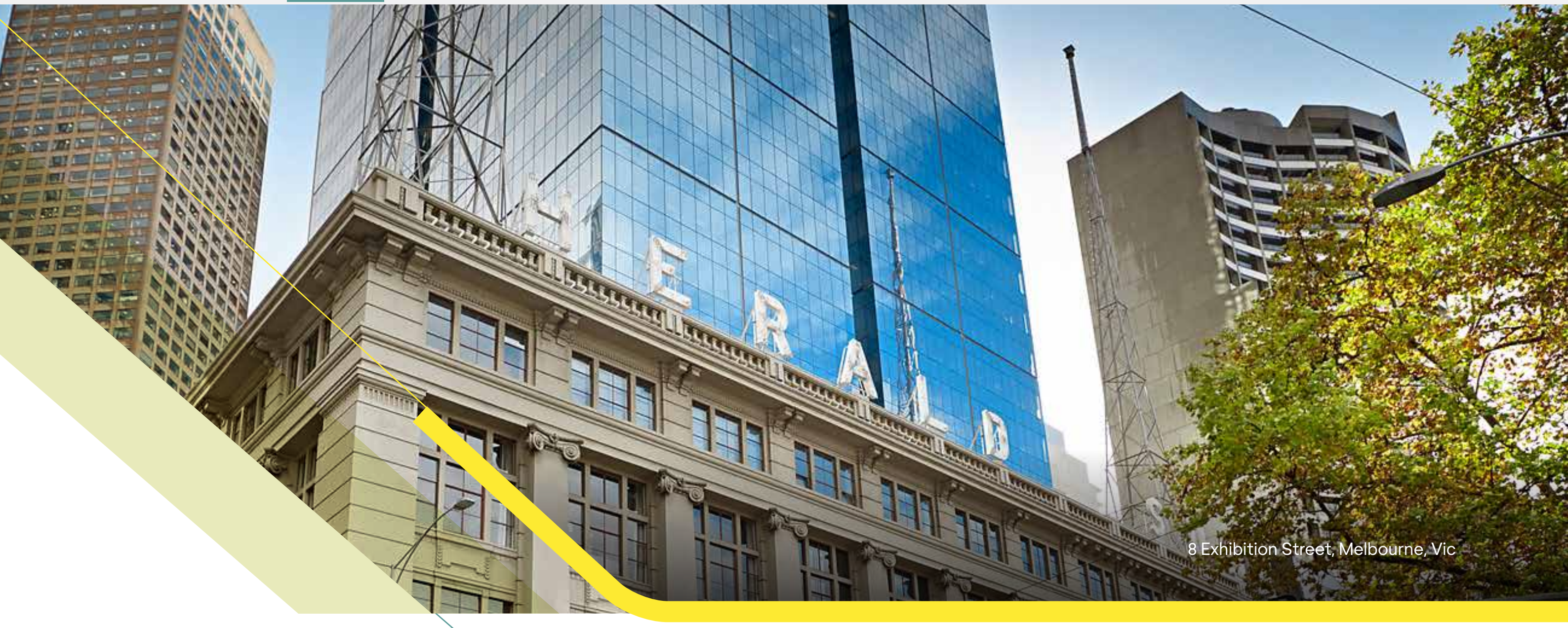
Environment

Natural resources and environments impacted by our business activities.

Our customers, suppliers, and communities

Relationships with customers, suppliers and communities in the locations where we operate.

Business model



8 Exhibition Street, Melbourne, Vic

Value created

Growing and predictable earnings

Our aim is to deliver growing and predictable earnings and maximise total returns for our investors, through the successful execution of our strategy.

MORE ON PAGE 18-19

Thriving places

Our properties are community places where people come together for work, connection and enjoyment.

MORE ON PAGE 20-21

Empowered people

Through their effort and continued development, our skilled, engaged and motivated workforce deliver on our purpose to create value for customers, investors and communities.

MORE ON PAGE 22-23

Sustainable environment

We develop and manage sustainable places that operate efficiently and minimise our impact on the environment.

MORE ON PAGE 24-25

Prospering customers, suppliers and communities

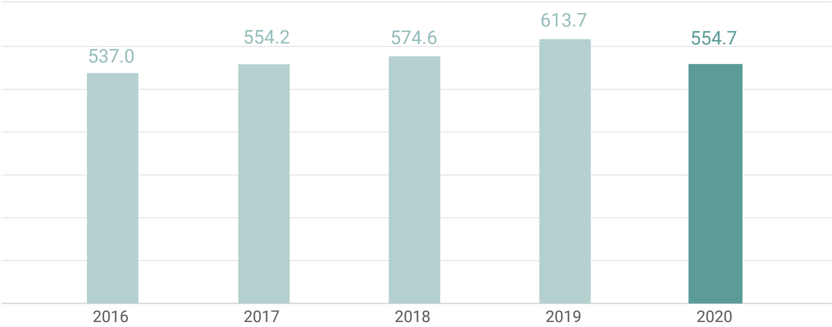
Strong relationships with customers, supply chain partners, and communities enable us to meet their current and emerging needs and ensure our mutual future success.

MORE ON PAGE 26-27

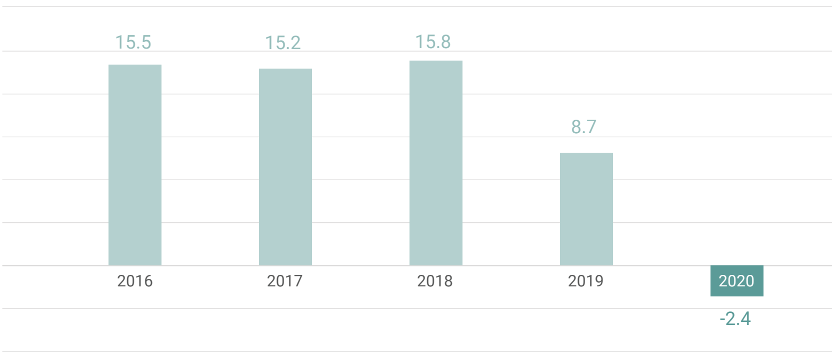
Growing and predictable earnings

Our aim is to deliver growing and predictable earnings and maximise total returns over the long term, through the successful execution of our strategy.

Group Five Year Funds From Operations (FFO) ($M)



Group Five Year Total Return (%)



Creating value

Clearly 2020 has been impacted by the COVID-19 pandemic and the necessary government measures put in place to protect lives.

GPT uses financial resources sourced from our debt and equity investors to fund the Group's investments and developments.

We generate income in the form of rents from our portfolio of diversified properties and fees from our funds management activities. Distributions are based on free cash flow generated. We have a payout policy to distribute between 95 to 105 per cent of free cash flow. In addition to income, the capital growth of our portfolio drives the total return for our investors.

Effective capital management is essential to meeting the Group's ongoing funding requirements and to ensure we generate sustained returns to investors over the long term.

The Group maintains its long term commitment to a target gearing range of 25 to 35 per cent and stable investment grade credit ratings in the "A" range.

Engaging with stakeholders

GPT undertakes regular structured engagement with investors to understand their views on our strategy, performance, financial position, and governance together with their current and emerging focus areas. This provides an opportunity to receive their feedback and to address their questions.

We also participate in external benchmarks and indices to compare our performance with that of our peers.

This investor engagement and benchmarking, alongside regulatory requirements, shapes the nature and extent of information we report.

Related risks and opportunities

» Portfolio operating and financial performance

» Development, and

» Capital management.

2020 performance

$554.7m
Funds from Operations (FFO)

-$213.1m
Statutory loss after tax

28.48¢
FFO per security

-12.9%
FFO per security growth

22.5¢
Free cash flow per security

22.5¢
Distribution per security

$5.57
NTA per security [1]

-2.4%
Total Return

23.2%
Gearing

3.1%
Weighted average cost of debt

7.8 years
Weighted average debt term

A/A2
S&P (stable) / Moody's (stable)

580 George Street, Sydney, NSW

1. Includes all right-of-use assets of GPT Group.

Thriving places

Our properties are community places where people come together for work, connection and enjoyment.

2020 performance

98.4%
Portfolio occupancy

4.7years
Portfolio Weighted Average Lease Expiry

4.95%
Portfolio Weighted Average Capitalisation Rate

Creating value

Our real estate assets – office buildings, logistics facilities and retail shopping centres – are the core of our business and our ability to create value.

Our active management of each asset ensures we meet the needs of our customers, operate efficiently and sustainably, and are enjoyable places to be.

By meeting these needs, our places are desirable destinations where our tenants can succeed and where customers and communities want to visit to work, shop, transit, and socialise.

When the time is right, we develop new assets and enhance existing assets to meet tenant, customer and community needs and grow returns for our investors.

Thriving places are safe and inclusive. Our asset teams are focused on identifying and eliminating safety incidents and risks from our properties and our developments as we strive for our goal of zero injuries. Ensuring our properties, facilities and local events are culturally sensitive and safe for all people boosts community engagement, economic development and asset productivity. This includes recognising the Traditional Custodians of the lands on which we operate.

Places thrive when they are connected to their communities. Our properties are dynamic places where people come together and we apply our planning, design and management expertise to create opportunities for them to connect.

Our properties are workplaces for businesses of all shapes and sizes that contribute to the Australian economy. From family-owned small businesses to major government departments and development construction sites, GPT provides places where thousands of people work each day.

Engaging with stakeholders

GPT engages with our tenants, customers and communities to understand how our properties can enable them to thrive. Our 'voice of the customer' programs provide us with insights into what works well and what could be improved at the places we manage, as do our strong relationships with current and prospective tenants and local community groups.

These insights guide how we develop, operate and enhance our properties so that they thrive – be it by offering relevant events and experiences, providing flexible spaces for start-ups and existing tenants, changing how people move through the local area, or sharing local First Nations history and culture.

Related risks and opportunities

- Portfolio operating and financial performance
- Development
- Health and safety, and
- Environmental and social sustainability.

Charlestown Square, NSW

Charlestown Square, NSW

NAVIGATING THE PANDEMIC, TOGETHER

When government restrictions were implemented in response to the COVID-19 pandemic, GPT swiftly adjusted our operations to accommodate physical distancing for the safety of our customers, tenants and centre teams.

From March 2020 onwards, our asset teams across retail, office and logistics acted quickly to ensure the ongoing health and safety of our people, tenants, customers and communities.

As fewer people visited our shopping centres in accordance with government restrictions, our retail teams quickly transformed our planned in-centre events to instead support our customers during their time at home. We distributed more than 21,000 activity packs for little shoppers across the country during restrictions while ensuring their visits remained safe in line with government and health advice.

We supported our tenants during this period, guided by the Code of Conduct for commercial tenancies. We continue to provide appropriate levels of support with the aim of ensuring that we can all emerge from the pandemic in a sustainable position.

As restrictions eased in some areas, we launched a series of 'Feel Good Fun Fest' in-centre events to encourage customers to come together and return to centres safely. The events and accompanying marketing campaign supported our retailers and customers as they adjusted to the changed retail environment.

Concurrently, we accelerated the development of convenience focused initiatives. New order-ahead drive through and 'click and collect' food services were launched soon after restrictions were implemented, helping our retailers and their customers to stay connected during this time.

Retail Runner, a digital centre-based 'click and collect' service, was also developed for customers seeking quick, contactless shopping options. Retail Runner launched at Rouse Hill Town Centre in early December to assist customers and support tenants in the lead up to Christmas.

Together with our retailers and customers, we celebrated a COVID-safe Christmas with events, sales, and celebrations that safely shared the magic of Christmas with our local communities at the end of a challenging year.

FIND OUT MORE ABOUT OUR RESPONSE TO COVID-19 ON PAGE 8.

Empowered people

Through their effort and continued development, our skilled, engaged and motivated workforce deliver on our purpose to create value for customers, investors and communities.

2020 performance

97%
Employees completed our Safety Leadership Program

48.3%
Females in top quartile

3rd year
Recognised as an Employer of Choice for Gender Equality (WGEA)

Bronze
Employer for LGBTI+ inclusion, small employer (AWEI)

86%
Employees felt GPT helped them to navigate the pandemic more easily

Creating value

Our people are central to GPT's ability to deliver on our strategy and generate value for our stakeholders. Their passion, expertise, and capability drives our business activities and shapes our corporate culture.

Our ability to attract, engage and retain a motivated and empowered workforce is central to our shared success. We foster an inclusive and high performing work environment that provides our people with flexibility and development opportunities.

Our people are empowered when everyone feels represented, so we seek to be a diverse and inclusive workplace that offers opportunities for learning, development and growth to everyone.

Our work environment influences the wellbeing of our people, so we encourage our employees to develop lifelong healthy habits to support their wellbeing and productivity beyond their time at work.

In this environment, our high-calibre, loyal and engaged employees help to generate superior business outcomes. Through their efforts and actions, our people embody our culture and give life to our purpose and values.

Engaging with stakeholders

GPT has a consultative work environment where employee views are sought out, respected, and acted upon where appropriate. Typically, GPT conducts an employee engagement survey every 18 to 24 months and pulse surveys on focused topics during the intervening period. Our results demonstrate strong employee alignment to our vision, purpose, values and strategy. Employee Pulse Surveys were conducted throughout 2020 to gauge our people's wellbeing and satisfaction with their altered work arrangements, and to identify priorities and opportunities to provide additional support.

GPT's participation in external assessments such as the Workplace Gender Equality Agency's Employer of Choice for Gender Equality citation and the Australian Workplace Equality Index for LGBTIQ+ inclusion, help us to measure our progress and identify further actions we can take to ensure our work environment remains inclusive and engaging.

Related risks and opportunities

» People and culture
» Health and safety, and
» Portfolio operating and financial performance.

GPT Sydney office, NSW

ENHANCING OUR SAFETY CULTURE

GPT restated our strong commitment to safety across our assets and operations in 2019, culminating in safety being nominated as one of our core values. This renewed safety focus prepared our teams well to respond to the COVID-19 pandemic knowing that the safety of our people, tenants, customers, communities and supply partners was paramount.

A collaborative business-wide review of our safety management systems culminated in the launch of a new Safety Procedures Manual in May. Training and regular communications ensured that all GPT people are aware of these enhanced safety systems and their role in delivering safer outcomes across our business activities.

Communication remains important as the Group continues to strengthen our safety culture. A monthly safety update shares lessons from recent safety incidents and near misses, celebrates positive safety performance, highlights risk areas, and communicates legislative updates.

Mental health and wellbeing are important aspects of our safety culture. Our Wellness@GPT program continued in 2020, with events such as virtual yoga, virtual trivia, mental fitness webinars, and physical fitness challenges providing opportunities for our people to enhance their wellbeing – particularly while working remotely.

Our regular wellbeing newsletter and communications encourage our people to consider their wellbeing and take action to enhance it, by using sick leave to properly recover from illness, carer's leave to support families working and learning from home, or by using mental health days.

Throughout September and October, the Group delivered a bespoke employee Safety Leadership Program to 97 per cent of our employees. The program focused on effective safety decision making, understanding and developing key safety behaviours, and the part that each person plays in injury prevention as we work to achieve our goal of zero injuries. Employees reported that the program has personalised safety, and highlighted how proactive risk management and the personal ownership of safety support our shared goal of preventing all work-related injuries. The Safety Leadership Program has further enabled our people to improve the effectiveness of the safety conversations that we have internally and with our contractors, tenants, suppliers, and members of the public.

By actively enhancing the safety leadership across the Group, together with our focus on eliminating incidents and measuring safety performance, we continue to demonstrate our 'Safety First' value, putting our people first above everything else.

Sustainable environment

We develop and manage sustainable places that operate efficiently and minimise our impact on the environment.

2020 performance

75%
Reduction in **emissions** intensity from 2005 baseline

54%
Reduction in **energy** intensity from 2005 baseline

62%
Reduction in **water** intensity from 2005 baseline

33%
Closed loop waste recovery in 2020

2nd
Ranked real estate company globally in the DJSI

5 star
GRESB status (maximum)

100%
GWOF's operating assets certified carbon neutral [1]

1. Excludes assets under development and ineligible for NABERS for Offices.

Creating value

We rely on natural resources to develop and operate our properties. Commercial buildings use electricity which can produce emissions. Buildings generate waste from their development and daily operations, and use water for air-conditioning, amenities such as bathrooms and kitchens, and maintaining landscaping. Development activities can affect biodiversity.

GPT minimises our impact on the environment across our operations and aims to ensure the future resilience of our properties to foreseeable environmental changes. Comprehensive operations management systems and processes enable us to monitor and measure performance and set targets to improve building efficiency and reduce environmental impact. Developments are designed so that they can be constructed and operated with reduced environmental impact and operated efficiently upon completion.

We are committed to being a positive contributor to the environment across our property operations and development activities, informed by our restorative approach to addressing the residual environmental impacts of our direct activities. This approach creates value by restoring the environment, while ensuring our buildings remain resilient as the environment changes to deliver shared benefits for our investors, local communities and stakeholders.

Engaging with stakeholders

GPT participates in external surveys and benchmarks on environmental, social and governance (ESG) matters – primarily the Dow Jones Sustainability Index (DJSI) Corporate Sustainability Assessment and GRESB real estate assessment – to enable our stakeholders to assess the progress of the Group and our wholesale funds. These benchmarks enable us to identify and understand the changing stakeholder expectations in relation to ESG, how our performance aligns with those expectations, and how it compares to our global real estate peers.

Our understanding of sustainable property operations, environmental issues, and stakeholder expectations influences whether and how we create value through our sustainable operations and informs our assessment of the material risks and opportunities arising from our environmental impact.

Related risks and opportunities

- Portfolio operating and financial performance
- Development, and
- Environmental and social sustainability.

Our carbon neutral journey

2011	2017	2020	2020	2024	2030
Corporate operations certified carbon neutral	Set carbon neutral 2030 target for asset operations	Set new carbon neutral 2024 target for managed asset operations	GWOF operating buildings certified carbon neutral	Target for carbon neutral certification of managed asset operations	Target for carbon neutral certification of jointly owned and non-managed asset operations

gpt carbon neutral 2024

CBW, 181 William and 550 Bourke Streets, Melbourne, Vic

CARBON NEUTRAL 2024

Recognising the importance of continued action to address climate change, in August GPT announced our new target to achieve carbon neutral operations across all managed assets by 2024, six years ahead of our original 2030 target.

The implementation of our Energy Master Plan, which began in 2019, has enabled the Group to make substantial progress towards carbon neutral operations by:

» Increasing renewable energy use including energy generated by on-site solar photovoltaic projects

» Optimising asset operations and equipment to use less energy and manage loads

» Exploring on-site energy storage solutions, and

» Offsetting emissions that can't be eliminated through Australian reforestation projects.

Carbon Neutral 2024 furthers our strong track record on reducing emissions. Our corporate operations became carbon neutral in 2011 and have remained so for ten years. In 2017, we set our original target to achieve carbon neutral asset operations by 2030. The GPT Wholesale Office Fund (GWOF) achieved its carbon neutral portfolio operations target in December 2020.

Reducing the energy use of our properties also makes good business sense. GPT has delivered significant energy savings on our 2005 baseline, reducing emissions intensity by 75 per cent and energy intensity by 54 per cent. The Group has cumulatively avoided 1.8 million tonnes of CO2-e emissions and cumulatively saved $249.5 million in energy costs since 2005.

Find out more

GPT's Climate Disclosure Statement is available on our website: www.gpt.com.au.

Prospering customers, suppliers and communities

Strong relationships with customers, supply chain partners, and communities enable us to meet their current and emerging needs and ensure our mutual future success.

2020 performance

$7.9m
Community investment

81%
Employees supported The GPT Foundation

93%
Suppliers paid on time [1]

Inaugural
Modern Slavery Statement published

97%
Reconciliation Action Plan actions progressed or completed

1. Calculated from the date of invoice receipt.

Creating value

GPT cannot succeed without strong, productive relationships with our tenants, customers, supply chain partners, and local communities. We foster trusted relationships and work collaboratively with these stakeholders to inform our business activities, such as development and placemaking, and build prosperous and sustainable futures.

GPT contributes to the community by acting as a responsible business in accordance with our commitments and obligations. We respect and uphold human rights in line with the United Nations Guiding Principles on Business and Human Rights and continue to take action to enhance transparency in this area.

We maintain strong relationships with our tenants and customers, which are informed by research and data insights to ensure that we understand their current and emerging needs so that our properties support their prosperity today and into the future.

Our properties contribute to their local communities by providing employment opportunities and places, events and experiences where people can come together and which everyone can enjoy. We offer our communities the opportunity to explore the culture and traditions of First Nations people through our reconciliation commitments and activities.

We seek to build productive long-term partnerships with our suppliers and work together to source ethical and sustainable products and to support us in delivering on our commitments.

Our people participate in community volunteering and employee giving in support of The GPT Foundation's charitable partners and local community groups and charities.

Engaging with stakeholders

GPT collaborates with our partners and stakeholders to create value for our customers, suppliers and communities. We work together to understand how we can best support them, make a valuable contribution, and progress towards our shared goals. Strong relationships with GPT Foundation partners, First Nations partners, and community groups enable us to make relevant and meaningful contributions.

GPT are committed to the Australian Supplier Payment Code as we believe paying business suppliers on time supports supplier business viability. We aim to pay all our suppliers on time.

We regularly engage with our supply chain partners to understand their experience of working with GPT and identify how we can improve, while ensuring their ongoing performance and alignment through regular meetings, reporting, contact reviews and risk assessments.

Related risks and opportunities

- Environmental and social sustainability
- Health and safety, and
- Portfolio operating and financial performance.

Casuarina Square, NT

Charlestown Square, NSW

RECOGNISING FIRST NATIONS PEOPLES, HISTORY AND CULTURE

GPT is committed to fostering respect and understanding for the world's longest surviving cultures and communities, Australia's First Nations people.

As one of Australia's largest property companies with assets along the Eastern seaboard and in Darwin, GPT can help to close the gap that exists between First Nations Australians and the broader community. This includes improving employment and education opportunities and economic engagement.

We are continuing to deliver on the commitments made in our second Reconciliation Action Plan (RAP), our Stretch RAP which launched in 2018.

GPT has made substantial progress against our Stretch RAP objectives, with 97 per cent of RAP actions progressed during 2020 to promote positive change for First Nations people and participate in the reconciliation movement.

During 2020, we progressed our efforts to recognise traditional custodians at our assets. GPT managed assets display Acknowledgement of Country information on their websites and on digital and physical signage at our buildings to recognise and pay respects to the land's traditional owners and long history.

Recognising First Nations peoples and history is informing our development activities. We sought the guidance and partnership of the Darug people to together determine how First Nations culture and art could be incorporated into our 32 Smith office development in Parramatta.

The resulting design features throughout the precinct respectfully share stories of country and culture unique to the local area. Lessons from this valuable engagement will inform how we engage with Traditional Custodians for developments in the future.

First Nations engagement also informs our asset operations. Our retail shopping centres are community hubs, so we strive to maintain mutually beneficial relationships with First Nations people, communities and organisations to promote greater awareness and understanding of reconciliation and to support positive outcomes.

Our workforce is strongly engaged with the opportunities and challenges of reconciliation. 62 per cent of GPT employees have completed voluntary 'Reconciliation at GPT' online learning since its launch in March 2020, and there was high employee participation in RAP events during the year. Internal communications have encouraged our people to learn more about the Uluru Statement from the Heart and understand the importance of constitutional recognition as part of our shared reconciliation journey.

We are continuing to learn and build strong partnerships with First Nations communities, businesses and organisations at an asset level and in our corporate activities to play our part in reconciliation and promoting positive change for Australia's First Nations people.

Group Performance

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.

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.

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.

Funds From Operations (FFO)

Funds from Operations (FFO) represents GPT's underlying earnings from its operations. This is determined by adjusting statutory net profit after tax under Australian Accounting Standards for certain items which are non-cash, unrealised or capital in nature. FFO includes impairment losses related to uncollected trade receivables.

GPT delivered FFO of $554.7 million for the year ended 31 December 2020, a decrease of 9.6 per cent on the prior comparable period. With the additional securities issued in 2019 as part of the equity raising, FFO per security decreased 12.9 per cent to 28.48 cents.

GPT's statutory net loss after tax was $213.1 million, a decrease of 124.2 per cent on the prior comparable period, predominantly due to negative property valuation movements of $712.5 million (2019: positive revaluation of $342.2 million).

The Group's 12 month Total Return was negative 2.4 per cent (2019: positive 8.7 per cent) as a result of a reduction in NTA per stapled security of 23 cents to $5.57[1] for the year ended 31 December 2020.

The Group's processed and accrued rent waivers and an estimate of loss for uncollected rent up to 31 December (COVID-19 allowances) was $95.3 million and has been expensed in FFO. Included in the result is government assistance from JobKeeper of $8.8 million to September 2020 and land tax relief of $0.7 million.

Distribution

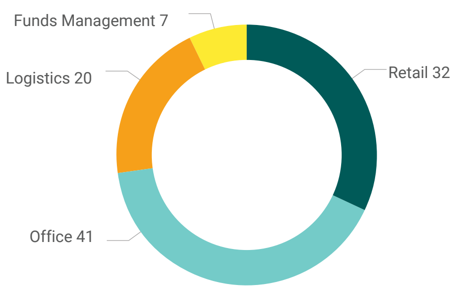
During the period, the Group amended its distribution payout policy to align with free cash flow. Under the amended payout policy, GPT targets to distribute 95 to 105 per cent of free cash flow, defined as operating cash flow less maintenance and leasing capex and inventory movements. GPT's previous policy was to distribute 95 to 105 percent of Adjusted Funds from Operations (AFFO), defined as FFO less maintenance and leasing capex. Distributions are now declared at the date the Directors sign the financial statements, rather than prior to the balance date.

Distributions payable to stapled securityholders relating to the year ended 31 December 2020 totalled $438.3 million (2019: $514.3 million), representing an annual distribution of 22.5 cents, down 15.0 per cent on 2019 (2019: 26.48 cents) as a result of the impact of COVID-19 on income and operating cash flows. This includes 13.2 cents ($257.1 million) in respect of the second half of 2020, which was declared on 15 February 2021 and is expected to be paid on 26 February 2021. The second half distribution is 1.3 per cent lower than the 31 December 2019 distribution of 13.37 cents. The decrease in the second half distribution is driven by the impact of COVID-19 partially offset by a reduction in maintenance capex and lease incentives. The payout ratio for the year ended 31 December 2020 is 100 per cent of free cash flow.

Management expenses

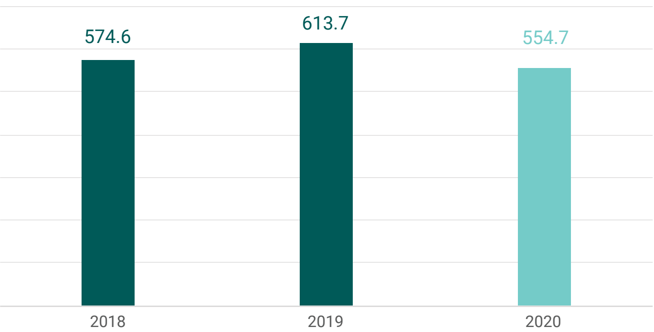
Total management and administration expenses of $68.2 million across all segments (2019: $76.6 million) and corporate overheads of $26.1 million (2019: $35.3 million) decreased due to a focus on reducing discretionary spend, withdrawal of the 2020 Short Term Incentive Compensation Scheme and the 2020 – 2022 Long Term Incentive Scheme and receiving JobKeeper assistance of $8.8 million from the Federal Government.

2020 Group FFO earnings composition (%)

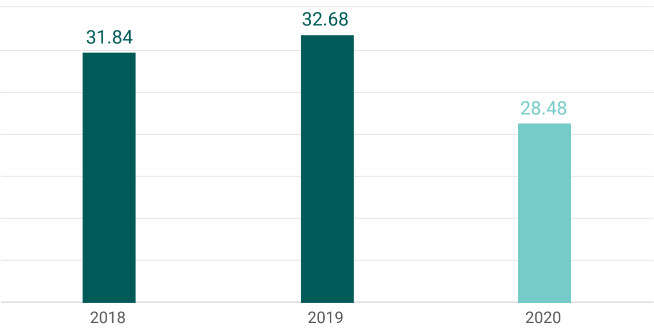


1. Includes all right-of-use assets of GPT Group.

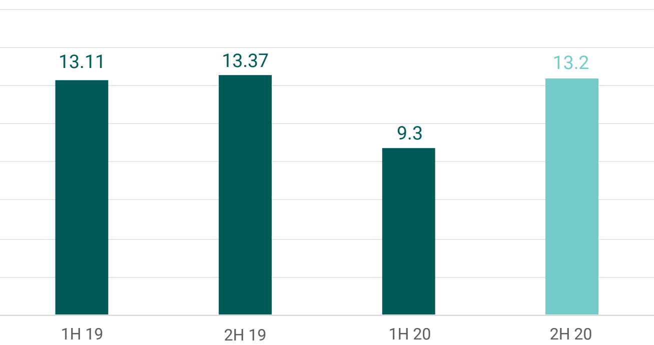
Funds From Operations ($M)



FFO per ordinary stapled security (cents)



Distribution per ordinary stapled security (cents)



FFO Reconciliation

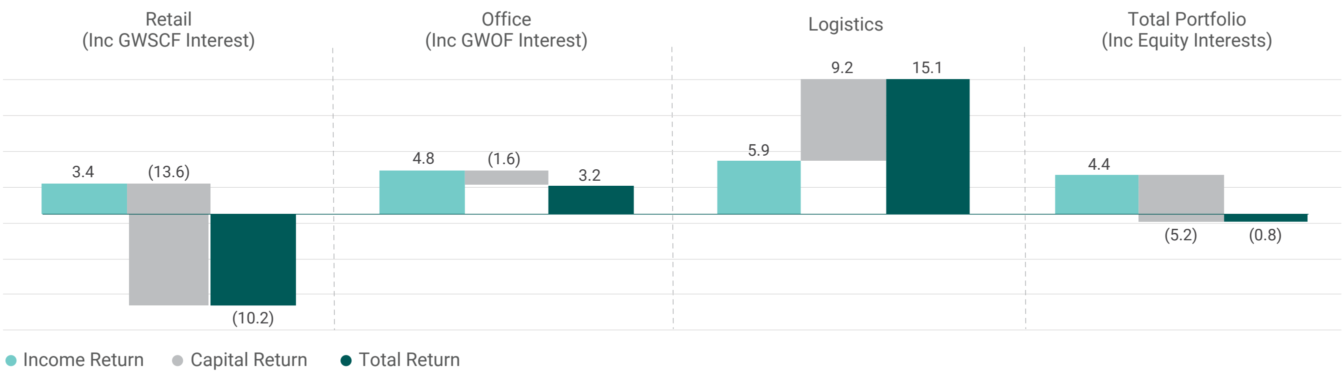
For the year ended	31 Dec 20 $M	31 Dec 19 $M	Change %
Retail			
- Operations net income	220.8	321.6	
- Development net income	4.9	4.4	
	225.7	326.0	(30.8%)
Office			
- Operations net income	280.2	275.3	
- Development net income	1.7	1.0	
	281.9	276.3	2.0%
Logistics			
- Operations net income	139.3	120.9	
- Development net income	0.1	0.1	
	139.4	121.0	15.2%
Funds management net income	47.2	46.3	1.9%
Corporate management expenses	(26.1)	(35.3)	(26.1%)
Net finance costs	(102.7)	(108.0)	(4.9%)
Income tax expense	(10.7)	(12.6)	(15.1%)
Funds from Operations (FFO)	**554.7**	**613.7**	**(9.6%)**
Non-FFO items:			
Valuation (decrease)/increase	(712.5)	342.2	(308.2%)
Financial instruments mark to market and net foreign exchange movements	(52.2)	(82.7)	(36.9%)
Other items	(3.1)	6.8	(145.6%)
Net (loss)/profit for the year after tax	**(213.1)**	**880.0**	**(124.2%)**
FFO per ordinary stapled security (cents)	**28.48**	**32.68**	**(12.9%)**
Funds from Operations (FFO)[1]	**554.7**	**613.7**	**(9.6%)**
Maintenance capex	(32.0)	(55.2)	(42.0%)
Lease incentives	(59.0)	(61.0)	(3.3%)
Adjusted Funds from Operations (AFFO)[1]	**463.7**	**497.5**	**(6.8%)**
Distributions[2]	438.3	514.3	(14.8%)
Distribution per ordinary stapled security (cents)[2]	22.50	26.48	(15.0%)

1. FFO and AFFO have been determined in accordance with the guidelines issued by the Property Council of Australia.
2. A provision for the final distribution of 13.2 cents per security has not been recognised as at 31 December 2020 and the distribution declaration has been disclosed as a subsequent event.

Group Performance (continued)

Total Return (%)

The unlevered Total Return at the investment portfolio level was negative 0.8 per cent for 2020 with each portfolios' performance detailed in the following chart.



Financial Position

Balance sheet

- All investment properties were independently revalued as at 31 December[1] by valuers with appropriate experience and expertise. The independent valuations contained material valuation uncertainty clauses given the impacts of COVID-19 and reduced levels of transactional evidence during the period. The valuations can be relied upon at the date of valuation however, a higher level of valuation uncertainty than normal is assumed.
- The independent valuations contain judgements relating to the impact of COVID-19, which generally include an estimate of rent concessions that may be required to be provided to tenants impacted by COVID-19 including requirements under the Code of Conduct. In addition, the independent valuations include a number of assumptions, estimates and judgements on the future performance of each property including market rents, growth rates, occupancy, capital expenditure and investment metrics. Total portfolio assets decreased by 4.8 per cent in the year to 31 December 2020 due to negative property valuation movements offset by net investment in acquisitions and developments.
- The Group's 12 month Total Return was negative 2.4 per cent (2019: positive 8.7 per cent) as a result of a reduction in NTA per stapled security of 23 cents to $5.57 for the twelve months to 31 December. The negative levered Total Return is due to negative property valuation movements and derivative mark to market losses.
- Total borrowings increased due to $225.2 million of net cash drawn to fund acquisitions and development capital expenditure offset by $35.3 million of non-cash movements including fair value adjustments to the carrying value of foreign currency borrowings.

	Net Assets 31 Dec 20 $M	Net Assets 31 Dec 19 $M	Change %
Portfolio assets			
Retail	5,651.4	6,429.4	(12.1%)
Office	5,623.7	6,102.7	(7.8%)
Logistics	3,010.8	2,470.2	21.9%
Total portfolio assets	14,285.9	15,002.3	(4.8%)
Financing and corporate assets	1,072.7	865.5	23.9%
Total assets	**15,358.6**	**15,867.8**	**(3.2%)**
Borrowings	4,087.4	3,897.5	4.9%
Other liabilities	382.0	643.7	(40.7%)
Total liabilities	4,469.4	4,541.2	(1.6%)
Net assets	10,889.2	11,326.6	(3.9%)
Total number of ordinary stapled securities (million)	1,947.9	1,947.9	–
NTA ($ per security)[2]	5.57	5.80	(4.0%)

1. Excludes assets held for sale and acquired during the second half of the year.
2. Includes all right-of-use assets of GPT Group. 2020 does not include a provision for the distribution of 13.2 cents per security declared on 15 February 2021.

Capital management

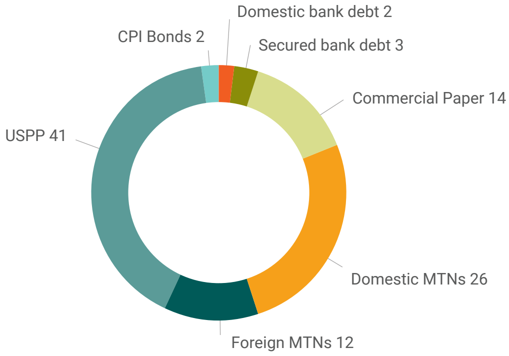
GPT continues to maintain a strong focus on capital management.

Key matters for the year include:

- Net gearing[1] increased to 23.2 per cent (31 December 2019: 22.1 per cent). This was a result of development capital expenditure and acquisitions net of asset sales, along with a decrease in asset valuations during the period.
- In February 2020, the Group issued A$300 million domestic medium term notes for a 12 year term at a margin of 160 basis points over 3 month BBSW. In the second half of the year, the Group further issued various HKD private placements totalling A$191.7 million for an average term of approximately 11 years at an average margin of 173 basis points over 3 month BBSW.
- Weighted average cost of debt for the year was 3.1 per cent, down from 3.6 per cent in the year ended 31 December 2019.
- In conjunction with the sale of Farrer Place, the Group terminated hedges totalling $36.2 million to maintain hedging at desired levels.
- Mark to market movements on derivatives and borrowings has reduced net tangible assets by $76.3 million as a result of lower interest rates.

	31 Dec 20	31 Dec 19	Change
Cost of debt	3.1%	3.6%	Down by 50bps
Net gearing	23.2%	22.1%	Up by 110bps
Weighted average debt maturity	7.8 years	7.7 years	Up 0.1 years
Interest rate hedging	88%	82%	Up 6%
S&P/Moody's credit rating	A stable/ A2 stable	A stable/ A2 stable	Unchanged

Sources of funds (%)



As at 31 December 2020

Going concern

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 as at December 2020 increased to $372.5 million (2019: $104.2 million). The following table shows the reconciliation from FFO to the cash flow from operating activities and free cash flow:

For the year ended	31 Dec 20 $M	31 Dec 19 $M	Change %
FFO	**554.7**	**613.7**	**(9.6%)**
Less: non-cash items included in FFO	(44.1)	(31.2)	41.3%
(Less)/add: net movement in inventory	(9.0)	31.8	(128.3%)
Movements in working capital and reserves	(11.4)	0.3	Lge
Net cash inflows from operating activities	**490.2**	**614.6**	**(20.2%)**
Add/(less): net movement in inventory	9.0	(31.8)	(128.3%)
Less: maintenance capex and lease incentives (excluding rent free)	(60.9)	(84.7)	(28.1%)
Free cash flow	**438.3**	**498.1**	**(12.0%)**

The reduction in free cash flow is largely driven by the impact of COVID-19 on operating cash flows.

The Non-IFRS information included above has not been audited in accordance with Australian Auditing Standards, but has been derived from note 1 and note 16 of the accompanying financial statements.

1 Calculated net of cash and the cross currency derivative positions hedging the foreign bonds, lease liabilities in relation to investment properties and excludes the right-of-use assets in relation to leases.

Office

$5.6b
Office portfolio value [1]
(2019: $6.1 billion)

94.9%
Office portfolio occupancy [2]
(2019: 98.3%)

5.1 years
Office portfolio Weighted Average Lease Expiry (2019: 5.3 years)

83%
Office income subject to average increases of 3.8% (2019: 85% subject to average increases of 3.9%)

4.89%
Office portfolio Weighted Average Capitalisation Rate (2019: 4.85%)

3.2%
Office Total Return
(2019: 10.0%)

$3.5b+
Expected end value of Office development pipeline [3]

1. Includes GPT's interest in the GPT Wholesale Office Fund.
2. Excludes assets under or held for development.
3. Includes GPT direct and Fund opportunities.

Performance

Operations net income

All assets in the Office portfolio were independently valued as at 31 December with valuations reducing by $73.8 million during the year (-1.2 per cent), including GPT's equity interest in the GPT Wholesale Office Fund (GWOF). This revaluation loss was primarily due to revised leasing assumptions and lower rental growth rates given increases in vacancy levels across the key markets.

In the second half, the Group's 25 per cent interest in Farrer Place, Sydney was divested for $584.6 million, delivering a total return of 12 per cent average per annum over the past five years.

Office occupancy at December 2020 moderated to 94.9 per cent as a result of lease expiries in the year and the portfolio has a WALE of 5.1 years.

Operations net income growth for the year ended 31 December 2020 was 1.8 per cent, as a result of annual fixed increases and portfolio composition changes, partially offset by lower occupancy and COVID-19 related allowances in the period. During the period, most office tenants implemented work from home arrangements however net rent collection for the twelve month period to 31 December remained robust at 98 per cent.

Lift traffic across a sample of assets showed increasing rates of customer attendance to the office through the second half from lows in April 2020. Attendance remains highest in Brisbane followed by Sydney, while Melbourne attendance remained subdued with restrictions still being eased in 2021. To facilitate return to work plans, GPT has worked closely with customers and has successfully piloted a number of "healthy building" initiatives at 580 George Street, Sydney with a wider portfolio roll-out currently underway. This includes the delivery of improved air quality through upgrade of air filtration and the installation of ultraviolet air treatment units in air conditioning handling plant. Touch-free lift and building access controls have been implemented via a mobile app.

Management has engaged with qualifying tenants to provide rent relief and has reduced net income by $11.5 million for processed and expected rent waivers and an estimate of loss for uncollected rent. Across 690 tenants in the managed portfolio, at the end of the period 241 rent relief arrangements had been agreed, of which 147 relate to retail tenants.

Development net income

Development net income increased to $1.7 million as a result of higher fees from increased development activity in the portfolio.

The development of the 6 Green Star – Design rated office building, 32 Smith in Parramatta, reached practical completion in January 2021. An increase in floor area has been achieved through the creation of an additional mezzanine level. The office development now consists of 27,200sqm of high quality accommodation and is 70 per cent leased including terms agreed, with QBE leasing 50 per cent for a 10 year term.

Lobby upgrades at Melbourne Central Tower, 550 Bourke Street, 530 Collins Street and 8 Exhibition Street were undertaken in 2020, and the refurbishment of Queen & Collins is expected to reach completion in the first half of 2021.

Logistics

Performance

Operations net income

All assets in the Logistics portfolio were independently valued as at 31 December[1] resulting in a net revaluation uplift of $227.8 million (9.3 per cent). This uplift is attributed to strong investor demand for high quality logistics assets, which led to a firming of investment metrics, combined with positive leasing outcomes.

Operations net income increased 15.2 per cent on the prior year, as a result of development completions, acquisitions and higher occupancy, partially offset by COVID-19 related allowances. Comparable income growth for the portfolio was 3.1 per cent. Logistics occupancy remains high at 99.8 per cent and the portfolio has a weighted average lease expiry of 6.7 years.

The Group continued to grow the Logistics portfolio in 2020, with four development completions adding 90,000sqm along with three investment acquisitions contributing a further 75,100sqm. All developments and acquisitions are fully leased. In the second half, the acquisition of Foundation Estate in Truganina was concluded, following the acquisition of 1 Botero Place, Truganina and 21-23 Wirraway Drive, Port Melbourne earlier in the year.

The divestment of 16-28 Quarry Road, Yatala was successfully completed in December 2020, resulting in net proceeds of $58.2 million to be redeployed into the development pipeline. The portfolio now totals $3.0 billion, growing by 22 per cent in 2020.

During the period the Group established the GPT QuadReal Logistics Trust with Canadian based QuadReal. This $800 million partnership will focus on Logistics investment and development opportunities, with GPT to provide investment, property and development management services.

Net rent collection for the Logistics portfolio was 100 per cent for the twelve months to 31 December. Management has engaged with qualifying tenants to provide rent relief and has reduced net income by $0.3 million for processed rent waivers and an estimate of loss for uncollected rent within the logistics portfolio.

Development net income

During 2020 the Group delivered four projects in Sydney and Brisbane. In September 2020, the 50,200sqm facility at 128 Andrews Road, Penrith reached practical completion, and is leased to Visy for a 10 year term. This adds to three projects completed in the first half in Berrinba and Yennora, with facilities fully leased to tenants including DHL and JB Hi-Fi.

The Group continues to build out the development pipeline, with a 17,100sqm facility at 42 Cox Place, Glendenning reaching practical completion in February 2021. In Brisbane, a 16,300sqm speculative facility is underway at the Group's Berrinba estate and in Melbourne two facilities are expected to be completed at the Gateway Logistics Hub in Truganina, with one facility subject to the finalisation of an Agreement for Lease with the pre-commitment tenant (Heads of Agreement in place).

Two further land parcels have been secured, with a 1.8 hectare site adjacent to the newly acquired Foundation Estate in Truganina, and a 3.5 hectare parcel in Wacol, Brisbane to be settled in 2021 as part of the QuadReal joint venture partnership, where a 17,100sqm facility is expected to be completed in the second half of 2021.

The development pipeline, inclusive of land holdings and projects underway, is expected to have an end value on completion of approximately $1 billion.

1. Excludes assets held for sale and acquired during the second half of the year.

$3.0b
Logistics portfolio value (2019: $2.4 billion)

99.8%
Logistics portfolio occupancy (2019: 94.4%)

6.7years
Logistics portfolio Weighted Average Lease Expiry (2019: 7.3 years)

93%
Logistics income subject to average rent increases of 3.2% (2019: 93% subject to average increases of 3.1%)

4.84%
Logistics portfolio Weighted Average Capitalisation Rate (2019: 5.40%)

15.1%
Logistics Total Return (2019: 12.1%)

$1b
Estimated end value of Logistics development pipeline

Retail

$5.5b
Retail portfolio value[1] (2019: $6.3 billion)

98.0%
Retail portfolio occupancy (2019: 99.6%)

3.6 years
Retail portfolio Weighted Average Lease Expiry (2019: 3.9 years)

70%
Specialty income subject to average rent increases of 4.6% (2019: 75% subject to average increases of 4.7%)

5.06%
Retail portfolio Weighted Average Capitalisation Rate (2019: 4.89%)

-10.2%
Retail Total Return (2019: 4.4%)

Performance

Operations net income

All assets in the Retail portfolio were independently valued as at 31 December resulting in a negative revaluation of $866.5 million (-13.7 per cent) for the full 12 months to December 2020, including GPT's equity interest in the GPT Wholesale Shopping Centre Fund (GWSCF). The majority of this negative revaluation was accounted for in the first half to June, with valuations in the second half declining $204.5 million or 3.6 per cent. The largest impact was due to the revaluation of Melbourne Central, given the asset has been impacted by the COVID-19 restrictions and the delayed reopening of the Melbourne CBD. The revaluation loss reflects the independent valuers adjustment of net income forecasts to allow for a period of stabilisation as the trading performance of the portfolio recovers post the impact of the COVID-19 restrictions, in addition to lower market rents and forecast growth rates.

Operations net income was down 31.3 per cent, primarily due to a reduction of 28.0 per cent in net property revenue. Management has engaged with qualifying tenants to provide rent relief and net income has reduced by $83.5 million for processed and expected rent waivers and an estimate of loss for uncollected rent. Across 3,191 tenants in the portfolio, at the end of the period 2,426 rent relief arrangements had been concluded.[2] Given the changed trading environment, proactive measures were taken to reduce property expenses, resulting in savings of 12.5 per cent over the prior comparable period.

Portfolio occupancy as at 31 December 2020 was 98.0 per cent in line with 30 June 2020 (31 December 2019: 99.6 per cent). Net rent collection for the twelve month period to 31 December was 88 per cent.

The table below provides an overview of the key portfolio statistics for the period of January to December 2020:

Portfolio	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Centre Sales Growth[3]	-5.2%	-39.6%	-32.7%	-13.2%
Centre Sales Growth[3] (excluding Victoria)	-3.2%	-29.4%	-4.3%	0.8%
Monthly Traffic[3] as % of Prior Year (excluding Melbourne Central)	96%	65%	77%	91%
% of Stores Opened	84%	67%	63%	94%

Development net income

Development net income was $4.9 million, being a favourable variance of $0.5 million to prior year due to the recognition of profits from the sale of the Rouse Hill Central Precinct super lot during the period.

1. Includes GPT's equity interest in the GPT Wholesale Shopping Centre Fund.
2. Includes tenants where no relief is required.
3. Excludes Sunshine Plaza (development impacted centre). Metrics compare the quarter to the same quarter in the prior year.

Funds Management

Performance

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.

Due to the uncertainty created by COVID-19, in the first half GWOF secured additional loan facilities of $230 million, extended bank loan maturity dates and reduced or deferred spending on non-essential capital expenditure. GWOF complied with all financial covenants during the period.

As at 31 December 2020, GWOF's net gearing was 16.3 per cent, in the lower half of GWOF's target gearing range of 10 to 30 per cent. GWOF has $759.1 million of available liquidity held in cash and undrawn bank facilities, with no debt maturing until May 2022. GWOF maintains an A- (stable) credit rating from S&P.

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).

Due to the uncertainty created by COVID-19 on GWSCF income, in the first half the fund secured covenant waivers from its lenders for the period up to and including 31 December 2020. Had these waivers not been in place, GWSCF would still have complied with all financial covenants. GWSCF undertook further capital management initiatives including reduced or deferred spending on non-essential capital expenditure and reduced the distributions to $0.7 million for the year.

As at 31 December 2020, GWSCF's net gearing was 27.9 per cent and remains within the target gearing range of 10 to 30 per cent. GWSCF has $256.3 million of available liquidity held in cash and undrawn bank facilities, with no debt maturing until July 2023. GWSCF's credit rating with S&P is BBB+ (negative).

As at and for the year ended 31 December 2020	GWOF	GWSCF	Total
Assets under management	$9.0b	$3.9b	$12.9b
Number of assets	19	7	26
GPT Interest	21.87%	28.48%	
GPT Investment	$1,579.6m	$759.3m	$2,338.9m
One year equity IRR (post-fees)	2.0%	(20.0%)	
Income from Funds	$70.5m	$28.3m	$98.8m
Funds Management fee income	$42.3m	$18.8m	$61.1m

$12.9b
Assets under management (2019: $13.3 billion)

26
Total assets (2019: 25)

$98.8m
Total income from funds (2019: $117.7 million)

$61.1m
GPT Funds Management fee income (2019: $61.9 million)

Prospects

Group

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 and 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.

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.

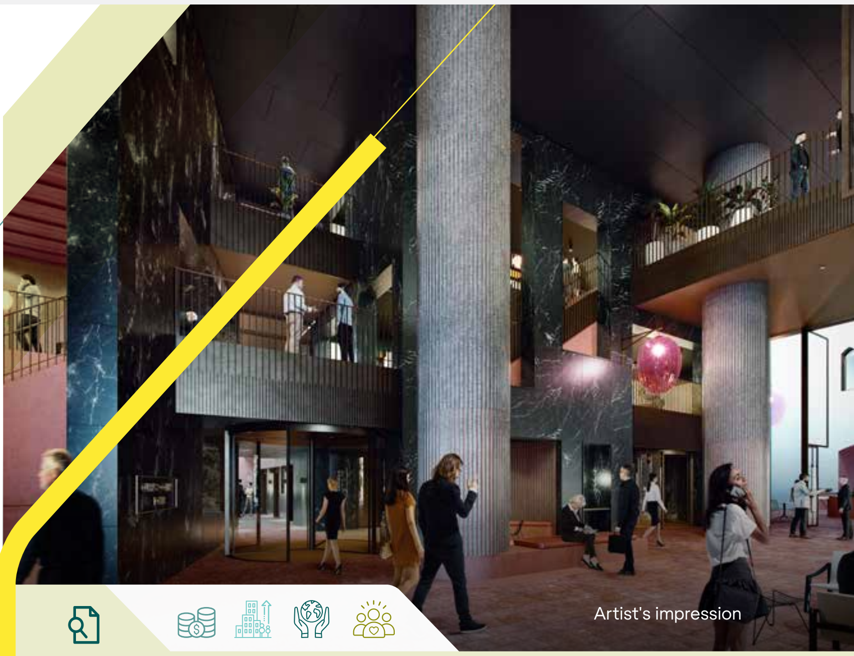
Capital partnering is an important means by which to fulfil our dual strategic priorities of growing the Logistics portfolio and expanding our Funds Management platform, while leveraging the Group's extensive real estate capabilities.

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.



Artist's impression

GENERATING VALUE FOR FUND INVESTORS THROUGH THE REDEVELOPMENT OF QUEEN & COLLINS

The GPT Wholesale Office Fund (GWOF) continues to convert its development pipeline into premium office buildings that deliver distinctive tenant experiences and excellent sustainability outcomes.

Located in Melbourne's city centre, the Fund's Queen & Collins redevelopment is transforming the 34-level landmark tower and adjacent heritage buildings into a boutique office precinct that blends its heritage gothic character with contemporary design.

Central to the new precinct is the substantial enhancement of building entrances, lobbies and street-level connection, complemented by 1,100 square metres of high quality ground level retail.

A ceremonial fire dish will become a prominent gathering place within the building's southern square and will be used for traditional smoking ceremonies. The sculpture was developed in consultation with the Traditional Custodians of Melbourne and First Nations architect Jefa Greenaway.

Its design reflects the local topography and nearby First Nations places of significance acknowledging the First Nations heritage and continued connection to country.

Sustainability is also front of mind, with Queen & Collins targeting carbon neutral certification as well as 5 Star Green Star and NABERS 4.5 Star Energy and 4 Star Water ratings. Tenants will benefit from premium health and wellness facilities including substantial bicycle parking.

Construction commenced in December 2019 and continued throughout 2020 in accordance with government restrictions, with completion expected in the first half of 2021.

Combined with its central location in the western end of Melbourne's CBD, the revitalisation of Queen & Collins is appealing to organisations seeking distinctive office space and is approximately 20 per cent leased including Heads of Agreement.

When completed, Queen & Collins will have a net lettable area of approximately 35,000 square metres.

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.

Risk Management Framework

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.

MORE ON PAGE 8.

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 was 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 was also reviewed by the Leadership Team and the Board to consider the impact of COVID-19.

MORE ON PAGE 8.

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	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	Risk 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 in risk 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 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 in risk Prudent gearing and significant liquidity were maintained throughout 2020.	Our investors

KEY Risk increased | No change in risk | Risk decreased

Key risks (continued)

Risks	Our Response	Change in Risk for 2020	Value Creation Inputs Affected
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	↑ 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
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	↑ 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	↑ 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

KEY ↑ Risk increased — No change in risk ↓ Risk decreased

Risks	Our Response	Change in Risk for 2020	Value Creation Inputs Affected
Technology and Cyber Security Our ability to prevent critical outages, ensure ongoing available system access and 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	Risk 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
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 in risk	Our investors Real estate Our people Environment Our customers, suppliers and communities

KEY Risk increased No change in risk Risk decreased

Climate-related risks

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 on 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 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 and 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.

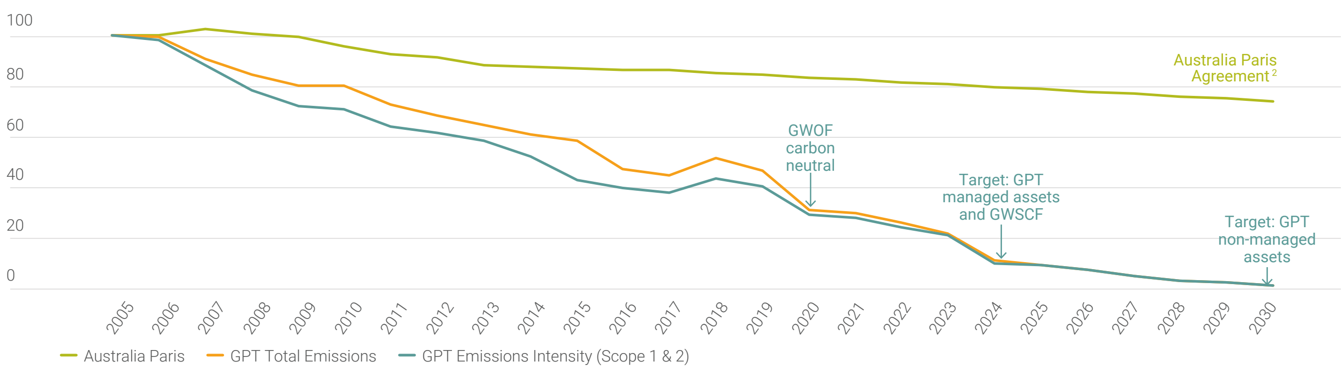
In the coming year, we will further our efforts to forecast the embodied carbon in the construction of new developments and consider ways to reduce it. This work will enable GPT to establish embodied carbon metrics and understand where opportunities exist to set targets in the future.

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.

Find out more

GPT's Climate Disclosure Statement is available on our website: www.gpt.com.au.

GPT Net Zero vs Australia Paris Agreement [1]



1. Calculated using Australia 2005's absolute emission as start point with subsequent years absolute emissions normalised to that point to compare changes in emissions over time (indexed). GPT's emissions are calculated using this indexed technique against our 2005 emissions baseline and are assured to 2020.

2. Australia's emissions projections 2019, Commonwealth of Australia 2019.

Governance

Good corporate governance is a central part of GPT's commitment to our securityholders. The Board strives to ensure that GPT meets high standards of governance across our operations.

The Board and Committees

The Board comprises seven[1] non-executive independent Directors and one Executive Director, with the Chairman being an independent non-executive Director.

The Board has established four committees – the Audit Committee, Human Resources and Remuneration Committee, Nomination Committee, and Sustainability and Risk Committee – to assist it in carrying out its responsibilities. Each Committee has a formal charter setting out its responsibilities and functions, which is approved by the Board and reviewed at least every two years. The Board and Committee Charters are available on the GPT website.

The Chairman of each Committee is an independent non-executive Director with the appropriate qualifications and experience to carry out that role.

The Board and Committees receive regular, and as required, reports and briefings from members of the Leadership Team and senior management.

Find out more

The Board and Committee Charters and GPT Corporate Governance Statement are available on the GPT website: www.gpt.com.au

Board skills and experience

The Board is committed to ensuring that the Board has a collective mix of skills, experience, expertise and diversity. The Board also seeks to have a mix of tenure for directors to balance those who have established knowledge of GPT's business and history, with those who bring a fresh perspective and different insights.

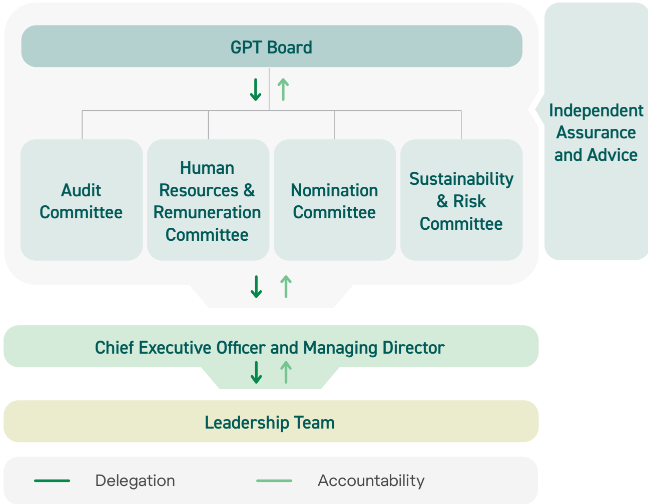
The Board has identified the skills and experience set out on page 45 as those required for GPT's Directors to provide effective governance and direction for the Group.

For each of the skills and experience identified, the level of experience is assessed using a set of objective criteria which include: tertiary qualifications; relevant industry experience or qualifications; and length of experience at a senior level.

For the 'Technical' areas identified, the Board looks to have several members with extensive experience gained in senior executive or professional roles. For the 'General' areas, more widely spread exposure, across executive, professional and board roles is regarded by the Board as essential.

Having assessed its composition and the results of the analysis set out above, the Board considers that it has the appropriate mix of skills and experience to enable it to discharge its responsibilities.

Corporate Governance Framework



Board focus areas in 2020

The GPT Board was actively engaged in its governance responsibilities throughout the year, fulfilling their role in accordance with the Board and Committee charters.

A significant area of Board focus was, and continues to be, the impact of the COVID-19 pandemic on the Group from the perspective of:

» Financial performance: The Board reviewed and monitored scenario analysis relating to the potential effects of the pandemic on the Group's operations and earnings.

» Non-financial performance: The Board reviewed GPT's risk management framework to ensure that it remained effective in the changed operating environment, with particular focus on the ongoing impacts of the pandemic on the health and safety of GPT's employees, tenants and customers.

» The Board also considered the longer term impacts of the pandemic on GPT's strategy.

Other focus areas for the Board during the year included:

» Board succession with the appointment of Robert Whitfield AM to the Board.

» Oversight of the systems and processes supporting the management of GPT's culture.

» Reinforcing GPT's strong commitment to safety and continued improvement of GPT's safety leadership and culture.

» The Group's strategic initiatives to create long term value, including through the growth of the Logistics portfolio.

» Sustainability initiatives, including the Group's 2024 carbon neutral target in the managed portfolio and the release of the Group's first Climate Disclosure Statement.

» Strategy and initiatives around talent development, employee engagement and diversity and inclusion.

1. Gene Tilbrook retired from the Board on 31 December 2020.

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 & Remuneration Committee		Nomination Committee		Sustainability & Risk Committee	
Director	No. meetings	Attended	No. meetings	Attended	No. meetings	Attended	No. meetings	Attended	No. 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

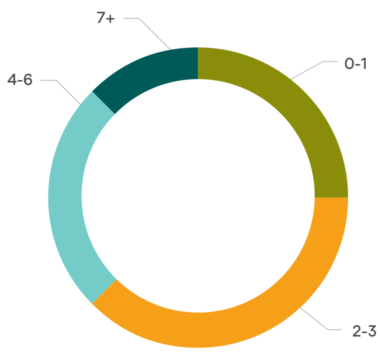
1. Vickki McFadden and Bob Johnston attended all meetings of the Committees as non-members. All Directors may attend any Committee meeting.

Skills and Experience

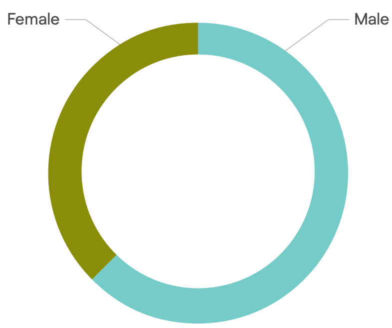
Technical	» Property – Investment and Funds Management
	» Property – Asset Management
	» Property – Development
	» Sustainability in the Built Environment
	» Finance and Capital Management
	» Accounting and Audit
General	» Mergers and Acquisitions
	» Strategy
	» Risk Management
	» Chairman of a substantial Board or Committee
	» ASX 100 Senior Executive or Director
	» Health and Safety
	» Governance
	» Legal, regulatory, compliance
	» HR and Remuneration
	» Digital Transformation

General experience
Experience in some aspects
Significant experience and/or tertiary qualifications
Extensive experience and/or tertiary qualifications

Board Tenure (years)



Board Gender Diversity



Governance

Tax Transparency

Consistent with our commitment to good corporate governance, GPT is committed to managing the Group's tax obligations responsibly and in compliance with all laws and regulations.

The GPT Group is a stapled entity, a common arrangement in the Australian real estate sector. Each GPT security listed on the ASX is comprised of a share in GPT Management Holdings Limited (GMH) that is 'stapled' to a unit in General Property Trust (GPT) that trades on the ASX. GPT is a unit trust that is treated separately to GMH for Australian tax purposes.

Tax Risk Management Framework

The Group has a long-standing Tax Risk Management Framework that is endorsed by the Audit Committee and reflects the Group's low risk appetite with respect to taxation. By applying this Framework, GPT is able to manage its tax obligations efficiently and ensure compliance with all tax laws and mitigate transaction-related tax risks.

Our tax contribution

The payment of applicable taxes is an important aspect of GPT's contribution to the Australian economy. The GPT Group's real estate investment assets are held in a trust (GPT) that is owned by securityholders. Under Australian tax law rental income arising from real estate investments is taxed in the hands of securityholders. All other profits that arise from trading activities are earned by GMH and subject to Australian corporate taxation.

GPT is also subject to goods and services tax, stamp duty, council rates, land tax, payroll tax, fringe benefits tax, and remits 'pay as you go' withholding taxes on behalf of employees and investors.

Tax Transparency Code

The GPT Group has adopted the voluntary Tax Transparency Code (TTC) developed by the Board of Taxation. The TTC recommends a set of principles and minimum standards for the disclosure to tax information by businesses.

GPT publishes a Tax Transparency Report annually, in accordance with our commitment to tax transparency and the TTC.

Tax disclosures

GPT discloses information regarding taxation in the Group Annual Report.

MORE ON PAGE 93.

Find out more

The GPT Tax Transparency Report is available on our website: www.gpt.com.au

Modern Slavery

GPT understands and takes seriously our responsibility to uphold high ethical standards in our business practices and decision-making. A critical part of this is respecting the human rights of everyone we deal with, directly and indirectly.

Modern slavery covers a range of unethical practices that result in serious exploitations of other people for personal or commercial gain. It can include forced labour, debt bondage and human trafficking.

GPT's Modern Slavery Statement, which was released in December 2020, articulates the actions we have taken and propose to take to identify and prevent modern slavery taking place within our operations and across our supply chains.

Find out more

The GPT Human Rights Statement and Modern Slavery Statement are available on our website: www.gpt.com.au

Director biographies

Vickki McFadden

Chairman
Independent Non-Executive Director

Term

Vickki joined the Board in March 2018 and was appointed Chairman in May 2018

Skills, Experience and Qualifications

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)
- Tabcorp Holdings Limited (2017 – 2020)

Other Current Appointments

- Non-Executive Director Allianz Australia Limited

Board Committee Memberships

- Chairman of the Nomination Committee
- Member of the Human Resources & Remuneration Committee

GPT Security Holding (as at the date of the report)

112,525 stapled securities

Bob Johnston

Chief Executive Officer & Managing Director
Executive Director

Term

Bob joined the Board in September 2015

Skills, Experience and Qualifications

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
- Chairman of the Property Industry Foundation

Board Committee Memberships

- Member of the Nomination Committee

GPT Security Holding (as at the date of the report)

1,689,078 stapled securities

Tracey Horton AO

Independent Non-Executive Director

Term

Tracey joined the Board in May 2019

Skills, Experience and Qualifications

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)
- 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
- Chair of the Australian Industry and Skills Committee

Board Committee Memberships

- Chairman of the Human Resources & Remuneration Committee
- Member of the Sustainability & Risk Committee
- Member of the Nomination Committee

GPT Security Holding (as at the date of the report)

22,525 stapled securities

Director biographies

Angus McNaughton
Independent Non-Executive Director

Term
Angus joined the Board in November 2018

Skills, Experience and Qualifications
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
- Member of the Nomination Committee

GPT Security Holding (as at the date of the report)
25,088 stapled securities

Mark Menhinnitt
Independent Non-Executive Director

Term
Mark joined the Board in October 2019

Skills, Experience and Qualifications
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 Pty Ltd
- 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
- Member of the Nomination Committee

GPT Security Holding (as at the date of the report)
30,000 stapled securities

Michelle Somerville
Independent Non-Executive Director

Term
Michelle joined the Board in December 2015

Skills, Experience and Qualifications
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
- Member of the Nomination Committee

GPT Security Holding (as at the date of the report)
36,663 stapled securities

Gene Tilbrook
Independent Non-Executive Director

Term
Gene joined the Board in May 2010 and retired on 31 December 2020

Skills, Experience and Qualifications
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)
- 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
- Member of the Nomination Committee

GPT Security Holding (as at the date of retirement from the Board)
51,071 stapled securities

Robert Whitfield AM
Independent Non-Executive Director

Term
Rob joined the Board in May 2020

Skills, Experience and Qualifications
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)
- Transurban Group (since 2020)

Other Current Appointments
Nil

Board Committee Memberships
- Member of the Audit Committee
- Member of the Sustainability & Risk Committee[1]
- Member of the Nomination Committee

GPT Security Holding (as at the date of the report)
Nil

1. Chairman from 1 January 2021

Company Secretary biographies

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.

Directors' Report

The Directors of GPT RE Limited, the Responsible Entity of General Property Trust, present their report together with the financial statements of the General Property Trust (the Trust) and its controlled entities (the trust consolidated entity) for the year ended 31 December 2020. The trust consolidated entity together with GPT Management Holdings Limited and its controlled entities form the stapled entity, The GPT Group (GPT or The Group).

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

The Directors' Report for the year ended 31 December 2020 has been prepared in accordance with the requirements of the Corporations Act 2001 and includes the following information:

» Operating and Financial Review, including information on the Group's operations, financial position, business strategies and prospects, on pages 2 to 43

» Information on the Directors and Company Secretary on pages 47 to 49

» Board and committee meetings attendance on page 45

» Remuneration Report on pages 52 to 64, and

» Auditor's Independence Declaration on page 66.

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.

Find out more

Information about GPT's participation in the NGER program is available on our website: www.gpt.com.au.

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 the fair value of the Group's investment properties and its operating result. At the reporting date a definitive assessment of the future effects of COVID-19 on the Group 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 Directors declared a distribution for the half year ended 31 December 2020 of 13.20 cents, being $257.1 million which is expected to be paid on 26 February 2021.

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 GPT, the results of those operations or the state of affairs of GPT in the subsequent financial years.

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.

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.

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.

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 66 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 hundred thousand dollars unless otherwise stated (where rounding is applicable) under the option available to GPT under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. GPT is an entity to which the Instrument applies.

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 8-9 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 57-58. 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 AO
Chairman of the Human Resources & Remuneration Committee

The 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.

Remuneration Report

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 to superior business outcomes. We provide a consultative work environment where employee views are sought out, 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 EEO 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 52, 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[1]. 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.

1. The percentages vary dependent on the movement of the GPT security price during the performance period. See footnote 3 on page 53.

Remuneration Report

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.[1] 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.
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.

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

1. The percentages vary dependent on the movement of the GPT security price during the performance period. See footnote 3 on page 53.

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.

	Fixed Remuneration	Variable or "at risk" remuneration	
Executive KMP	Base Pay	STIC	LTI
Bob Johnston Chief Executive Officer and Managing Director	26.7%	33.3%	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 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)[1]	%	(17.7)	9.6	9.6	6.6	10.1
Total Return	%	(2.4)	8.7	15.8	15.2	15.5
NTA[2] 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

1. 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.
2. 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 52 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% 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, 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.

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

Remuneration Report

Category	Performance measure	Achievement	Commentary
Strategy	Portfolio occupancy greater than 96.5% 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.
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[1] 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)[2]
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

1. i.e. excluding the KMP.
2. 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 and vested subject to service on 31 December 2021.

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

Remuneration Report

6. LTI outcomes – fair value and maximum value recognised in future years [1]

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

1. 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.
2. Reflects fair value per performance right as at the grant date.

7. Reported remuneration – Executive KMP – Actual Amounts Received [1]

		Fixed Pay		Variable or "at risk" [2]			
Executive KMP	Plan	Base Pay	Superannuation	Other [3]	STIC	LTI	Total
Bob Johnston Chief Executive Officer & Managing Director	2020	$1,438,709	$21,348	$7,061	$0	$0	$1,467,118
	2019	$1,439,233	$20,767	$8,455	$1,314,232	$1,556,288	$4,338,975
Anastasia Clarke Chief Financial Officer	2020	$853,709	$21,348	$3,840	$0	$0	$878,897
	2019	$829,233	$20,767	$4,985	$683,828	$542,260	$2,081,073
Mark Fookes Chief Operating Officer	2020	$818,709	$21,348	$7,279	$0	$0	$847,336
	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

1. 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.
2. Gross dollar values for the equity components have been calculated by multiplying the number of securities by GPT's 2019 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.
3. Other may include death and total/permanent disability insurance premiums, service awards, GPT superannuation plan administration fees, professional memberships, subscriptions and/or other benefits.

8. Reported remuneration – Executive KMP – AIFRS Accounting [1]

		Fixed Pay		Variable or "at risk"[2]			
Executive KMP	Plan	Base Pay	Superannuation	Other	STIC	LTI	Total
Bob Johnston Chief Executive Officer & Managing Director	2020	$1,468,141	$21,348	$7,061	$338,592	$189,658	$2,024,800
	2019	$1,418,885	$20,767	$8,455	$1,302,460	$1,038,467	$3,789,034
Anastasia Clarke Chief Financial Officer	2020	$867,590	$21,348	$3,840	$161,843	$104,161	$1,158,782
	2019	$860,899	$20,767	$4,985	$658,420	$405,098	$1,950,169
Mark Fookes Chief Operating Officer	2020	$852,887	$21,348	$7,279	$154,255	$103,261	$1,139,030
	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

1. This table provides a breakdown of remuneration for executive KMP in accordance with statutory requirements and Australian accounting standards.
2. 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.

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

Executive KMP	GPT Holdings (start of period) [1]	Employee Security Schemes (ESS) 2020 DSTIC	2018-20 LTI	Total ESS for 2020	Purchase/ (Sales) during period [2]	GPT Holdings (end of period) [3]	Gross Value of GPT Holdings [4]	MSHR Guideline [5]
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

1. 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.
2. 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.
3. 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.
4. The GPT Holdings (end of period) multiplied by GPT's December 2020 30-day VWAP of $4.6576 to derive a dollar value.
5. 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

Executive KMP	Performance rights: Performance rights that lapsed in 2020 [1]	Performance rights: Performance rights still on foot at 31 Dec 20 [2]
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

1. 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.
2. 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.

Remuneration Report

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 plan for the Leadership Team (excluding the CEO, which is a responsibility of the Nomination Committee [1]) » 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.

1. 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.

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 66 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[1,2]

		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

1. 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.
2. Fees for Non-Executive Directors are inclusive of superannuation.

2. Reported remuneration – Non-Executive Directors – AIFRS accounting[1,2]

		Fixed Pay			
Non-Executive Director - Current		Fees	Superannuation	Other[3]	Total
Vickki McFadden	**2020**	**$428,652**	**$21,348**	**–**	**$450,000**
Chairman	2019	$409,233	$20,767	–	$430,000
Tracey Horton AO[4]	**2020**	**$201,826**	**$19,173**	**–**	**$220,999**
	2019	$132,695	$12,606	–	$145,301
Mark Menhinnitt[5]	**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[6]	**2020**	**$97,729**	**$9,284**	**–**	**$107,013**
	2019	–	–	–	–

		Fixed Pay			
Non-Executive Director – Former		Fees	Superannuation	Other[7]	Total
Swe Guan Lim[8]	**2020**	**–**	**–**	**–**	**–**
	2019	$189,041	$17,959	$507	$207,507
Eileen Doyle[9]	**2020**	**–**	**–**	**–**	**–**
	2019	$76,843	$7,300	–	$84,143
Total	**2020**	**$1,513,573**	**$124,415**	**$859**	**$1,638,847**
	2019	$1,433,805	$119,051	$1,884	$1,564,740

1. This table provides a breakdown of remuneration for Non-Executive Directors in accordance with statutory requirements and Australian accounting standards.
2. No termination benefits were paid during the financial year.
3. Other may include death and total/permanent disability insurance premiums and/or GPT superannuation plan administration fees.
4. Ms Horton joined GPT on 1 May 2019, and was appointed Chairman of the Human Resources and Remuneration Committee from 16 May 2019.
5. Mr Menhinnitt joined GPT on 1 October 2019.
6. Mr Whitfield joined GPT on 14 May 2020.
7. See Footnote 3, above.
8. Mr Lim retired from the GPT Board on 31 December 2019.
9. Ms Doyle retired from the GPT Board on 15 May 2019.

Remuneration Report

3. Non-Executive Director – GPT security holdings

		Private holdings (# of securities)		Minimum security holding requirement (MSHR)		
Non-Executive Director	Balance 31 Dec 19	Purchase /(Sale)	Balance 31 Dec 20	MSHR assessment [1]	MSHR guideline [2]	MSHR assessment date
Vickki McFadden	52,525	60,000	112,525	$527,976	$450,000	March 2022
Tracey Horton AO	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 AM [3]	—	—	—	—	$170,000	May 2024

1. 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).
2. The MSHR for Non-Executive Directors is equal to 100% of base fees. Individuals have four years from commencement of employment to achieve the MSHR before it is assessed for the first time.
3. Mr Whitfield was appointed to the Board in May 2020.

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

Sydney
15 February 2021

Bob Johnston
Chief Executive Officer
and Managing Director

Sydney
15 February 2021

Auditor's Independence Declaration

Auditor's Independence Declaration

As lead auditor for the audit of General Property Trust 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 General Property Trust and the entities it controlled during the period.

S. Horlin

Susan Horlin
Partner
PricewaterhouseCoopers

Sydney
15 February 2021

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Financial Statements

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Consolidated Statement of Comprehensive Income

Year ended 31 December 2020

	Note	31 Dec 20 $M	31 Dec 19 $M
Revenue			
Rent from investment properties	17	625.8	653.8
Property and fund management fees		83.5	89.0
Development revenue		1.2	58.6
Development management fees		6.2	5.6
		716.7	807.0
Fair value adjustments and other income			
Fair value (loss)/gain on investment properties		(365.6)	310.8
Share of after tax (loss)/profit of equity accounted investments		(99.4)	266.3
Interest revenue		1.1	1.5
Gain on financial liability at amortised cost		2.1	2.5
Net foreign exchange gain		0.4	–
		(461.4)	581.1
Total revenue, fair value adjustments and other income		255.3	1,388.1
Expenses			
Property expenses and outgoings		157.8	170.2
Management and other administration costs		63.3	81.7
Development costs		1.0	52.8
Depreciation expense		3.5	1.9
Amortisation and impairment of software	5	7.4	4.9
Other amortisation expense		0.1	0.1
Other impairment expense/(reversal)		3.4	(12.1)
Impairment loss on trade and other receivables		62.4	0.9
Finance costs		105.7	110.7
Net loss on fair value movements of derivatives		39.6	74.4
Net impact of foreign currency borrowings and associated hedging loss	14(b)	15.1	10.8
Total expenses		459.3	496.3
(Loss)/profit before income tax expense		(204.0)	891.8
Income tax expense	9(a)	9.1	11.8
Net (loss)/profit for the year		(213.1)	880.0
Other comprehensive income			
Items that may be reclassified to profit or loss, net of tax			
Movement in hedging reserve	10(c)	(22.4)	(6.3)
Movement in fair value of cash flow hedges	10(c)	(1.7)	16.3
Total other comprehensive income		(24.1)	10.0
Total comprehensive (loss)/income for the year		(237.2)	890.0
Net (loss)/profit attributable to:			
» Securityholders of the Trust		(240.1)	850.4
» Securityholders of other entities stapled to the Trust		27.0	29.6
Total comprehensive (loss)/income attributable to:			
» Securityholders of the Trust		(264.2)	860.4
» Securityholders of other entities stapled to the Trust		27.0	29.6
Basic earnings per unit attributable to ordinary securityholders of the Trust			
Earnings per unit (cents per unit) – (loss)/profit from continuing operations	11(a)	(12.3)	45.3
Basic earnings per stapled security attributable to ordinary stapled securityholders of the GPT Group			
Earnings per stapled security (cents per stapled security) – (loss)/profit from continuing operations	11(b)	(10.9)	46.9

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

Consolidated Statement of Financial Position

As at 31 December 2020

	Note	31 Dec 20 $M	31 Dec 19 $M
Assets			
Current assets			
Cash and cash equivalents		372.5	104.2
Trade receivables	4(a)	62.7	46.9
Other receivables	4(b)	30.7	48.4
Inventories	6	53.6	9.4
Derivative assets	14(a)	19.2	7.1
Prepayments		11.1	7.8
Other assets		41.6	32.8
Current tax assets	9(c)	—	2.2
		591.4	258.8
Assets classified as held for sale – investment properties	2(a)(v)	108.5	—
Total current assets		699.9	258.8
Non-current assets			
Investment properties	2(a)	10,323.6	10,327.5
Equity accounted investments	3	3,723.8	4,543.0
Intangible assets	5	41.5	35.3
Inventories	6	41.9	77.8
Property, plant and equipment		10.6	10.5
Derivative assets	14(a)	461.1	530.8
Right-of-use assets		40.6	51.6
Deferred tax assets	9(d)	9.6	20.5
Other assets		6.0	12.0
Total non-current assets		14,658.7	15,609.0
Total assets		15,358.6	15,867.8
Liabilities			
Current liabilities			
Payables	7	180.5	456.4
Borrowings	13	519.0	478.1
Derivative liabilities	14(a)	4.0	2.7
Lease liabilities – other property leases		7.5	6.8
Provisions	8	29.7	27.3
Current tax liabilities	9(c)	2.0	—
Total current liabilities		742.7	971.3
Non-current liabilities			
Borrowings	13	3,568.4	3,419.4
Derivative liabilities	14(a)	109.6	95.5
Lease liabilities – investment properties	2(a)	7.8	6.4
Lease liabilities – other property leases		39.8	47.4
Provisions	8	1.1	1.2
Total non-current liabilities		3,726.7	3,569.9
Total liabilities		4,469.4	4,541.2
Net assets		10,889.2	11,326.6
Equity			
Securityholders of the Trust (parent entity)			
Contributed equity	10(a)	8,673.2	8,673.2
Reserves	10(c)	(47.6)	(23.5)
Retained earnings	10(d)	2,700.9	3,123.5
Total equity of the Trust securityholders		11,326.5	11,773.2
Securityholders of other entities stapled to the Trust			
Contributed equity	10(a)	332.0	332.0
Reserves	10(c)	19.6	37.3
Accumulated losses	10(d)	(788.9)	(815.9)
Total equity of other stapled securityholders		(437.3)	(446.6)
Total equity		10,889.2	11,326.6

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

		General Property Trust				Other entities stapled to the General Property Trust				
	Note	Contributed equity $M	Reserves $M	Retained earnings $M	Total $M	Contributed equity $M	Reserves $M	Accumulated losses $M	Total $M	Total equity $M
Equity attributable to Securityholders										
At 1 January 2019		7,825.7	(33.5)	2,791.1	10,583.3	325.9	37.9	(845.5)	(481.7)	10,101.6
Movement in hedging reserve	10(c)	–	(6.3)	–	(6.3)	–	–	–	–	(6.3)
Movement in fair value of cash flow hedges	10(c)	–	16.3	–	16.3	–	–	–	–	16.3
Other comprehensive income for the year		–	10.0	–	10.0	–	–	–	–	10.0
Profit for the year		–	–	850.4	850.4	–	–	29.6	29.6	880.0
Total comprehensive income for the year		–	10.0	850.4	860.4	–	–	29.6	29.6	890.0
Transactions with Securityholders in their capacity as Securityholders										
Issue of stapled securities	10(a)	847.5	–	–	847.5	6.1	–	–	6.1	853.6
Movement in employee incentive scheme reserve net of tax	10(c)	–	–	–	–	–	4.2	–	4.2	4.2
Purchase of treasury securities for employees	10(c)	–	–	–	–	–	(4.8)	–	(4.8)	(4.8)
Reclassification of employee incentive security scheme reserve to retained earnings/accumulated losses	10(d)	–	–	(3.7)	(3.7)	–	–	–	–	(3.7)
Distributions paid and payable	12	–	–	(514.3)	(514.3)	–	–	–	–	(514.3)
At 31 December 2019		8,673.2	(23.5)	3,123.5	11,773.2	332.0	37.3	(815.9)	(446.6)	11,326.6
Equity attributable to Securityholders										
At 1 January 2020		**8,673.2**	**(23.5)**	**3,123.5**	**11,773.2**	**332.0**	**37.3**	**(815.9)**	**(446.6)**	**11,326.6**
Movement in hedging reserve	10(c)	–	(22.4)	–	(22.4)	–	–	–	–	(22.4)
Movement in fair value of cash flow hedges	10(c)	–	(1.7)	–	(1.7)	–	–	–	–	(1.7)
Other comprehensive income for the year		–	(24.1)	–	(24.1)	–	–	–	–	(24.1)
(Loss)/profit for the year		–	–	(240.1)	(240.1)	–	–	27.0	27.0	(213.1)
Total comprehensive (loss)/profit for the year		–	(24.1)	(240.1)	(264.2)	–	–	27.0	27.0	(237.2)
Transactions with Securityholders in their capacity as Securityholders										
Movement in employee incentive scheme reserve net of tax	10(c)	–	–	–	–	–	(17.5)	–	(17.5)	(17.5)
Purchase of treasury securities for employees	10(c)	–	–	–	–	–	(0.2)	–	(0.2)	(0.2)
Reclassification of employee incentive security scheme reserve to retained earnings/accumulated losses	10(d)	–	–	(1.3)	(1.3)	–	–	–	–	(1.3)
Distributions paid and payable	12	–	–	(181.2)	(181.2)	–	–	–	–	(181.2)
At 31 December 2020		**8,673.2**	**(47.6)**	**2,700.9**	**11,326.5**	**332.0**	**19.6**	**(788.9)**	**(437.3)**	**10,889.2**

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 $M	31 Dec 19 $M
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		716.9	820.0
Payments in the course of operations (inclusive of GST)		(279.1)	(289.4)
Proceeds from sale of inventories		1.2	58.6
Payments for inventories		(10.0)	(21.0)
Distributions received from equity accounted investments		159.5	168.4
Interest received		1.3	1.4
Income taxes refunded/(paid)		1.3	(10.2)
Finance costs paid		(100.9)	(113.2)
Net cash inflows from operating activities	16(a)	490.2	614.6
Cash flows from investing activities			
Payments for acquisition of investment properties		(245.7)	(280.7)
Payments for operating capital expenditure on investment properties		(60.6)	(89.6)
Payments for development capital expenditure on investment properties		(265.6)	(284.0)
Proceeds from disposal of investment properties (net of transaction costs)		61.8	796.3
Payments for property, plant and equipment		(3.6)	(1.0)
Payments for intangibles		(14.5)	(13.5)
Investment in equity accounted investments		(9.2)	(540.8)
Proceeds from disposal of equity accounted investments		583.9	–
Net cash inflows/(outflows) from investing activities		46.5	(413.3)
Cash flows from financing activities			
Proceeds from issue of stapled securities (net of transaction costs)		–	853.6
Proceeds from borrowings		2,417.9	2,701.7
Repayment of borrowings		(2,201.7)	(3,081.9)
Repayment of principal elements of lease payments		(6.8)	(6.2)
Payment for termination and restructure of derivatives		(36.2)	(137.2)
Distributions paid to securityholders		(441.6)	(485.8)
Net cash outflows from financing activities		(268.4)	(155.8)
Net increase in cash and cash equivalents		268.3	45.5
Cash and cash equivalents at the beginning of the year		104.2	58.7
Cash and cash equivalents at the end of the year		372.5	104.2

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 the consolidated entity, GPT Group (GPT or the Group), which consists of General Property Trust (the Trust), GPT Management Holdings Limited (the Company) and their controlled entities.

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 GPT'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 GPT.

Notes 2 to 9 – OPERATING ASSETS AND LIABILITIES: provides information on the assets and liabilities used to generate GPT's trading performance.

Notes 10 to 15 – CAPITAL STRUCTURE: outlines how GPT manages its capital structure and various financial risks.

Notes 16 to 25 – 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 GPT's accounting policies, management has made a number of judgements, estimates and assumptions regarding future events.

The COVID-19 pandemic has created heightened levels of economic uncertainty, resulting in management's judgements and estimates having a greater impact on the result for the period than would normally be the case.

GPT has assessed key judgements and estimates in light of COVID-19 and adjusted underlying assumptions accordingly.

Management has made key assumptions relating to the levels of debt forgiveness (rent waivers) to be provided to tenants (including both SME tenants as defined by the commercial tenancy Code of Conduct, and other impacted tenants). While steady progress has been made in finalising leasing deals under the Code of Conduct, there are still a number of deals that remain unresolved. Therefore, management has used their judgement to determine estimated amounts of rent waivers for the year to 31 December 2020. These have been reflected as a write-off of trade receivables. For remaining uncollected trade receivables at 31 December 2020, management has assessed that there is an increased level of risk associated with the collection of these balances due to the financial impacts of the pandemic on tenants. Management has therefore made material judgements in relation to the likelihood of collecting these amounts, which have been reflected in the estimated credit loss allowance for trade receivables. See note 4.

Future uncertainty caused by COVID-19 has also impacted estimates of future investment property income and investment property prices, resulting in significant impacts to the valuations of some investment properties. GPT has had all investment properties independently valued by expert valuers who have included estimates of the impacts of COVID-19 in the valuations, both in the short term and any consequential impacts to the medium and long term on general market conditions. Management has reviewed the investment property valuations for both accuracy and the reasonableness of the assumptions used to determine fair value. A sensitivity analysis has been included in note 2(d), showing indicative movements in investment property valuations should certain key metrics differ from those assumed in the valuations.

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

Area of judgements and estimates	Assumptions underlying	Note
Lease liabilities	Lease term, incremental borrowing rate	2
Investment properties*	Fair value	2
Trade receivables*	Measurement of expected credit loss	4
Management rights	Impairment trigger and recoverable amounts	5
IT development and software	Impairment trigger and recoverable amounts	5
Inventories	Lower of cost and net realisable value	6
Deferred tax assets	Recoverability	9
Security based payments	Fair value	20
Equity accounted investments	Assessment of control versus disclosure guidance	24(c)
Right-of-use assets*	Recoverable amount	24(d)(vii)

Items marked with * contain judgements and estimates which have been significantly impacted by COVID-19.

RESULT FOR THE YEAR

1. Segment Information

GPT's operating segments are described in the following table. The chief operating decision makers monitor the performance of the business on the basis of Funds from Operations (FFO) for each segment. FFO represents GPT's underlying and recurring earnings from its operations, and is determined by adjusting the statutory net profit after tax for certain items which are non-cash, unrealised or capital in nature. FFO includes impairment losses related to uncollected trade receivables. FFO has been determined in accordance with guidelines issued by the Property Council of Australia.

Segment	Types of products and services which generate the segment result
Retail	Ownership, development (including mixed use) and management of predominantly regional and sub-regional shopping centres as well as GPT's equity investment in GPT Wholesale Shopping Centre Fund.
Office	Ownership, development (including mixed use) and management of prime CBD office properties with some associated retail space as well as GPT's equity investment in GPT Wholesale Office Fund.
Logistics	Ownership, development (including mixed use) and management of logistics assets.
Funds Management	Management of two Australian wholesale property funds in the retail and office sectors.
Corporate	Cash and other assets and borrowings and associated hedges as well as net finance costs, corporate management and administration expenses and income tax expense.

a) Segment financial information

31 December 2020

The segment financial information provided to the chief operating decision makers for the year ended 31 December 2020 is set out below:

Financial performance by segment

	Note	Retail $M	Office $M	Logistics $M	Funds Management $M	Corporate $M	Total $M
Rent from investment properties	b(ii)	287.3	273.5	169.9	–	–	**730.7**
Property expenses and outgoings	b(iii)	(93.1)	(57.3)	(29.1)	–	–	**(179.5)**
Income from Funds	b(iv)	28.3	70.5	–	–	–	**98.8**
Fee income	b(v)	10.4	3.6	–	61.1	–	**75.1**
Management & administrative expenses	b(vi)	(12.1)	(10.1)	(1.5)	(13.9)	(26.1)	**(63.7)**
Operations Net Income		**220.8**	**280.2**	**139.3**	**47.2**	**(26.1)**	**661.4**
Development management fees		1.9	4.5	–	–	–	**6.4**
Development revenue	b(vii)	4.6	–	1.2	–	–	**5.8**
Development costs	b(viii)	–	–	(1.0)	–	–	**(1.0)**
Development management expenses		(1.6)	(2.8)	(0.1)	–	–	**(4.5)**
Development Net Income		**4.9**	**1.7**	**0.1**	**–**	**–**	**6.7**
Interest revenue		–	–	–	–	1.1	**1.1**
Finance costs	b(ix)	–	–	–	–	(103.8)	**(103.8)**
Net Finance Costs		**–**	**–**	**–**	**–**	**(102.7)**	**(102.7)**
Segment Result Before Tax		225.7	281.9	139.4	47.2	(128.8)	**565.4**
Income tax expense	b(x)	–	–	–	–	(10.7)	**(10.7)**
Funds from Operations (FFO)	b(i)	**225.7**	**281.9**	**139.4**	**47.2**	**(139.5)**	**554.7**

Reconciliation of segment assets and liabilities to the Consolidated Statement of Financial Position

	Retail $M	Office $M	Logistics $M	Funds Management $M	Corporate $M	Total $M
Current Assets						
Current assets	46.9	–	122.0	–	531.0	**699.9**
Total Current Assets	**46.9**	**–**	**122.0**	**–**	**531.0**	**699.9**
Non-Current Assets						
Investment properties	4,753.9	2,691.8	2,877.9	–	–	**10,323.6**
Equity accounted investments	803.3	2,910.5	–	–	10.0	**3,723.8**
Inventories	37.1	–	4.8	–	–	**41.9**
Other non-current assets	10.2	21.4	6.1	–	531.7	**569.4**
Total Non-Current Assets	**5,604.5**	**5,623.7**	**2,888.8**	**–**	**541.7**	**14,658.7**
Total Assets	**5,651.4**	**5,623.7**	**3,010.8**	**–**	**1,072.7**	**15,358.6**
Current and non-current liabilities	7.8	24.6	31.9	–	4,405.1	**4,469.4**
Total Liabilities	**7.8**	**24.6**	**31.9**	**–**	**4.405.1**	**4,469.4**
Net Assets	**5,643.6**	**5,599.1**	**2,978.9**	**–**	**(3,332.4)**	**10,889.2**

Notes to the Financial Statements

Year ended 31 December 2020

31 December 2019

The segment financial information provided to the chief operating decision makers for the year ended 31 December 2019 is set out below:

Financial performance by segment

	Note	Retail $M	Office $M	Logistics $M	Funds Management $M	Corporate $M	Total $M
Rent from investment properties	b(ii)	376.3	266.1	147.0	–	–	**789.4**
Property expenses and outgoings	b(iii)	(106.4)	(57.0)	(24.9)	–	–	**(188.3)**
Income from Funds	b(iv)	45.5	72.2	–	–	–	**117.7**
Fee income	b(v)	14.5	4.3	0.1	61.9	–	**80.8**
Management & administrative expenses	b(vi)	(8.3)	(10.3)	(1.3)	(15.6)	(35.3)	**(70.8)**
Operations Net Income		**321.6**	**275.3**	**120.9**	**46.3**	**(35.3)**	**728.8**
Development management fees		2.4	3.1	0.1	–	–	**5.6**
Development revenue	b(vii)	21.9	–	36.7	–	–	**58.6**
Development costs	b(viii)	(17.0)	–	(35.9)	–	–	**(52.9)**
Development management expenses		(2.9)	(2.1)	(0.8)	–	–	**(5.8)**
Development Net Income		**4.4**	**1.0**	**0.1**	**–**	**–**	**5.5**
Interest revenue		–	–	–	–	1.5	**1.5**
Finance costs	b(ix)	–	–	–	–	(109.5)	**(109.5)**
Net Finance Costs		**–**	**–**	**–**	**–**	**(108.0)**	**(108.0)**
Segment Result Before Tax		326.0	276.3	121.0	46.3	(143.3)	**626.3**
Income tax expense	b(x)	–	–	–	–	(12.6)	**(12.6)**
Funds from Operations (FFO)	b(i)	**326.0**	**276.3**	**121.0**	**46.3**	**(155.9)**	**613.7**

Reconciliation of segment assets and liabilities to the Consolidated Statement of Financial Position

	Retail $M	Office $M	Logistics $M	Funds Management $M	Corporate $M	Total $M
Current Assets						
Current assets	–	–	13.7	–	245.1	**258.8**
Total Current Assets	**–**	**–**	**13.7**	**–**	**245.1**	**258.8**
Non-Current Assets						
Investment properties	5,356.6	2,532.5	2,438.4	–	–	**10,327.5**
Equity accounted investments	990.8	3,542.2	–	–	10.0	**4,543.0**
Inventories	71.8	–	6.0	–	–	**77.8**
Other non-current assets	10.2	28.0	12.1	–	610.4	**660.7**
Total Non-Current Assets	**6,429.4**	**6,102.7**	**2,456.5**	**–**	**620.4**	**15,609.0**
Total Assets	**6,429.4**	**6,102.7**	**2,470.2**	**–**	**865.5**	**15,867.8**
Current and non-current liabilities	6.4	25.9	31.9	–	4,477.0	**4,541.2**
Total Liabilities	**6.4**	**25.9**	**31.9**	**–**	**4,477.0**	**4,541.2**
Net Assets	**6,423.0**	**6,076.8**	**2,438.3**	**–**	**(3,611.5)**	**11,326.6**

b) Reconciliation of segment result to the Consolidated Statement of Comprehensive Income

	31 Dec 20 $M	31 Dec 19 $M
i) FFO to Net (loss)/profit for the year		
Segment result		
FFO	554.7	613.7
Adjustments		
Fair value (loss)/gain on investment properties	(365.6)	310.8
Fair value (loss)/gain and other adjustments to equity accounted investments	(295.4)	72.6
Amortisation of lease incentives and costs	(56.9)	(47.8)
Straightlining of rental income	5.4	6.6
Valuation (decrease)/increase	(712.5)	342.2
Net loss on fair value movement of derivatives	(39.6)	(74.4)
Net impact of foreign currency borrowings and associated hedging loss	(15.1)	(10.8)
Net foreign exchange gain	0.4	—
Gain on financial liability at amortised cost	2.1	2.5
Financial instruments mark to market and net foreign exchange movements	(52.2)	(82.7)
Impairment (expense)/reversal	(3.4)	12.1
Other items	0.3	(5.3)
Total other items	(3.1)	6.8
Consolidated Statement of Comprehensive Income		
Net (loss)/profit for the year	(213.1)	880.0
ii) Rent from investment properties		
Segment result		
Rent from investment properties	730.7	789.4
Less: share of rent from investment properties in equity accounted investments	(114.3)	(94.2)
Eliminations of intra-group lease payments	(1.5)	(1.1)
Adjustments		
Amortisation of lease incentives and costs	(56.9)	(47.8)
Straightlining of rental income	5.4	6.6
Impairment loss on trade and other receivables	62.4	0.9
Consolidated Statement of Comprehensive Income		
Rent from investment properties	625.8	653.8
iii) Property expenses and outgoings		
Segment result		
Property expenses and outgoings	(179.5)	(188.3)
Less: share of property expenses and outgoings in equity accounted investments	21.7	18.1
Consolidated Statement of Comprehensive Income		
Property expenses and outgoings	(157.8)	(170.2)
iv) Share of after tax profit of equity accounted investments		
Segment result		
Income from funds	98.8	117.7
Share of rent from investment properties in equity accounted investments	114.3	94.2
Share of property expenses and outgoings in equity accounted investments	(21.7)	(18.1)
Development revenue – equity accounted investments	4.6	—
Development costs – equity accounted investments	—	(0.1)
Adjustments		
Fair value (loss)/gain and other adjustments to equity accounted investments	(295.4)	72.6
Consolidated Statement of Comprehensive Income		
Share of after tax (loss)/profit of equity accounted investments	(99.4)	266.3

Notes to the Financial Statements

Year ended 31 December 2020

	31 Dec 20 $M	31 Dec 19 $M
v) Fee income		
Segment result		
Fee income	75.1	80.8
Adjustments		
Management expenses offset in fee income	8.4	8.2
Consolidated Statement of Comprehensive Income		
Property and fund management fees	83.5	89.0
vi) Management and administration expenses		
Segment result		
Operations	(63.7)	(70.8)
Development	(4.5)	(5.8)
Eliminations of intra-group lease payments	1.5	1.1
Transfer to Finance costs – leases	1.9	1.2
Less: depreciation expense	3.5	1.9
Less: impairment and amortisation of software	7.4	–
Less: other amortisation expense	0.1	–
Less: other impairment expense	0.1	–
Adjustments		
Other	(1.2)	(1.1)
Management expenses recognised within fee income	(8.4)	(8.2)
Consolidated Statement of Comprehensive Income		
Management and other administration costs	(63.3)	(81.7)
vii) Development revenue		
Segment result		
Development revenue	5.8	58.6
Less: share of after tax profit of equity accounted investments	(4.6)	–
Consolidated Statement of Comprehensive Income		
Development revenue	1.2	58.6
viii) Development costs		
Segment result		
Development costs	(1.0)	(52.9)
Less: share of after tax loss of equity accounted investments	–	0.1
Consolidated Statement of Comprehensive Income		
Development costs	(1.0)	(52.8)
ix) Finance costs		
Segment result		
Finance costs – borrowings	(103.8)	(109.5)
Finance costs – leases	(1.9)	(1.2)
Consolidated Statement of Comprehensive Income		
Finance costs	(105.7)	(110.7)
x) Income tax expense		
Segment result		
Income tax expense	(10.7)	(12.6)
Adjustment		
Tax impact of reconciling items from segment result to net (loss)/profit for the year	1.6	0.8
Consolidated Statement of Comprehensive Income		
Income tax expense	(9.1)	(11.8)

c) Net profit on disposal and derecognition of assets

	31 Dec 20 $M	31 Dec 19 $M
Details of disposals during the year:		
Cash consideration	650.0	800.0
Less: transaction costs	(4.5)	(3.7)
Net consideration	645.5	796.3
Carrying amount of net assets sold	(645.5)	(796.3)
Profit on sale and derecognition before income tax	–	–
The carrying amounts of assets and liabilities as at the date of disposal were:		
Investment properties	61.8	796.3
Equity accounted investments	583.7	–
Net assets	645.5	796.3

OPERATING ASSETS AND LIABILITIES

2. Investment Properties

Basis of valuation

In line with the Valuation Policy, GPT independently values each asset (including investment property assets disclosed within equity accounted investments) at least annually. However, in light of the current economic environment, the Group independently valued all investment properties as at the reporting date (excluding assets held for sale and acquired during the second half of the year).

These valuations were undertaken having regards to the following factors:

» The government legislated the Code of Conduct for commercial tenancies, in addition to implementing various health and other economic measures which have impacted GPT's properties, tenants and cash flows;

» Independent valuers will analyse and then reflect transaction evidence in their key valuation assumptions, including capitalisation and discount rates, when the evidence becomes available. The fair value assessment of GPT's portfolio as at the reporting date includes an estimate of the impacts of COVID-19 using information available at the time of preparation of the financial statements, including the impact of rent relief estimated to be granted to tenants. Independent valuers have also adjusted a number of assumptions, including increasing allowances for incentives and lease up periods for current vacancies and near term lease expiries and lowering forecast market rental growth rates; and

» In the event that COVID-19 impacts are more severe or prolonged than anticipated, this may have a further adverse impact on the fair value of GPT's investment properties.

The independent valuations contained material valuation uncertainty clauses given the impacts of COVID-19. The valuations can be relied upon at the date of valuation however, a higher level of valuation uncertainty than normal is assumed.

GPT provides factual information to the independent valuers, including passing rent information, outstanding incentives and capital expenditure forecasts which the independent valuers then use to form their own assessment. Management has reviewed the investment property valuations for both accuracy and reasonableness of the assumptions used to determine fair value. The fair values, as assessed by the independent valuers, are shown in the following tables.

a) Investment properties

		Investment properties	Less lease liabilities 31 Dec 20	Fair value	Investment properties	Less lease liabilities 31 Dec 19	Fair value
	Note	$M	$M	$M	$M	$M	$M
Retail	(i)	4,753.9	(7.8)	4,746.1	5,356.6	(6.4)	5,350.2
Office	(ii)	2,437.8	–	2,437.8	2,410.5	–	2,410.5
Logistics	(iii)	2,666.7	–	2,666.7	2,223.8	–	2,223.8
Properties under development	(iv)	465.2	–	465.2	336.6	–	336.6
Total investment properties	(vi)	10,323.6	(7.8)	10,315.8	10,327.5	(6.4)	10,321.1

Notes to the Financial Statements

Year ended 31 December 2020

	Ownership interest[1] %	Acquisition date	Investment properties $M	Less lease liabilities 31 Dec 20 $M	Fair value $M	Investment properties $M	Less lease liabilities 31 Dec 19 $M	Fair value $M	Latest Independent valuation date	Valuer
i) Retail										
Casuarina Square, NT	50.0	Oct 1973	209.8	–	209.8	248.0	–	248.0	Dec 2020	Urbis
Charlestown Square, NSW	100.0	Dec 1977	869.0	–	869.0	1,003.0	–	1,003.0	Dec 2020	CB Richard Ellis
Highpoint Shopping Centre, VIC	16.7	Aug 2009	350.0	–	350.0	412.5	–	412.5	Dec 2020	Savills Australia
Melbourne Central, VIC – retail portion[2]	** 100.0	May 1999/May 2001	1,470.3	(5.7)	1,464.6	1,622.4	(4.4)	1,618.0	Dec 2020	Jones Lang LaSalle
Rouse Hill Town Centre, NSW	100.0	Dec 2005	645.2	–	645.2	680.2	–	680.2	Dec 2020	Colliers International
Sunshine Plaza, QLD	** 50.0	Dec 1992/Jun 1999/ Sep 2004	568.6	(2.1)	566.5	654.5	(2.0)	652.5	Dec 2020	Savills Australia
Westfield Penrith, NSW	50.0	Jun 1971	641.0	–	641.0	736.0	–	736.0	Dec 2020	Savills Australia
Total Retail			4,753.9	(7.8)	4,746.1	5,356.6	(6.4)	5,350.2		

	Ownership interest[1] %	Acquisition date	Investment properties $M	Less lease liabilities 31 Dec 20 $M	Fair value $M	Investment properties $M	Less lease liabilities 31 Dec 19 $M	Fair value $M	Latest Independent valuation date	Valuer
ii) Office										
Australia Square, Sydney, NSW	50.0	Sep 1981	583.0	–	583.0	593.5	–	593.5	Dec 2020	CB Richard Ellis
60 Station Street, Parramatta, NSW	100.0	Sep 2018	273.0	–	273.0	282.0	–	282.0	Dec 2020	CB Richard Ellis
4 Murray Rose Avenue, Sydney Olympic Park, NSW	* 100.0	May 2002	143.0	–	143.0	131.5	–	131.5	Dec 2020	Colliers International
Melbourne Central, VIC – office portion[2]	100.0	May 1999/May 2001	729.0	–	729.0	696.5	–	696.5	Dec 2020	Colliers International
181 William & 550 Bourke Streets, Melbourne, VIC	50.0	Oct 2014	414.5	–	414.5	404.0	–	404.0	Dec 2020	CB Richard Ellis
One One One Eagle Street, Brisbane, QLD	33.3	Apr 1984	295.3	–	295.3	303.0	–	303.0	Dec 2020	Colliers International
Total Office			2,437.8	–	2,437.8	2,410.5	–	2,410.5		

	Ownership interest[1] %	Acquisition date	Investment properties $M	Less lease liabilities 31 Dec 20 $M	Fair value $M	Investment properties $M	Less lease liabilities 31 Dec 19 $M	Fair value $M	Latest Independent valuation date	Valuer
iii) Logistics										
Rosehill Business Park, Camellia, NSW	100.0	May 1998	104.5	–	104.5	91.5	–	91.5	Dec 2020	Colliers International
10 Interchange Drive, Eastern Creek, NSW	100.0	Aug 2012	42.0	–	42.0	39.5	–	39.5	Dec 2020	Colliers International
16-34 Templar Road, Erskine Park, NSW	100.0	Jun 2008	72.0	–	72.0	69.5	–	69.5	Dec 2020	CB Richard Ellis
36-52 Templar Road, Erskine Park, NSW	100.0	Jun 2008	130.0	–	130.0	112.0	–	112.0	Dec 2020	Savills Australia
54-70 Templar Road, Erskine Park, NSW	100.0	Jun 2008	179.0	–	179.0	162.0	–	162.0	Dec 2020	CB Richard Ellis
67-75 Templar Road, Erskine Park, NSW	100.0	Jun 2008	28.8	–	28.8	26.0	–	26.0	Dec 2020	Jones Lang LaSalle
29-55 Lockwood Road, Erskine Park, NSW	100.0	Jun 2008	123.7	–	123.7	113.5	–	113.5	Dec 2020	Colliers International
57-87 & 89-99 Lockwood Rd, Erskine Park, NSW	100.0	Jul 2019	110.5	–	110.5	107.0	–	107.0	Dec 2020	CB Richard Ellis
407 Pembroke Road, Minto, NSW	50.0	Oct 2008	35.0	–	35.0	32.0	–	32.0	Dec 2020	Jones Lang LaSalle
4 Holker Street, Newington, NSW	100.0	Mar 2006	42.0	–	42.0	37.7	–	37.7	Dec 2020	Colliers International

1. Freehold, unless otherwise marked with an * which denotes leasehold and ** denotes a combination of freehold and leasehold respectively.
2. Melbourne Central: 66.8% Retail and 33.2% Office (31 Dec 2019: 70.0% Retail and 30.0% Office). Melbourne Central – Retail Includes 100% of Melbourne Central car park and 100% of 202 Little Lonsdale Street.

	Ownership interest [1] %	Acquisition date	Investment properties 31 Dec 20 $M	Less lease liabilities 31 Dec 20 $M	Fair value 31 Dec 20 $M	Investment properties 31 Dec 19 $M	Less lease liabilities 31 Dec 19 $M	Fair value 31 Dec 19 $M	Latest Independent valuation date	Valuer
83 Derby Street, Silverwater, NSW	100.0	Aug 2012	45.0	–	45.0	41.3	–	41.3	Dec 2020	Jones Lang LaSalle
Sydney Olympic Park Town Centre, NSW [2]	* 100.0	Jun 2010/Apr 2013	49.7	–	49.7	137.5	–	137.5	Dec 2020	Colliers International
Quad 1, Sydney Olympic Park, NSW	* 100.0	Jun 2001	31.0	–	31.0	29.0	–	29.0	Dec 2020	Colliers International
Quad 4, Sydney Olympic Park, NSW	* 100.0	Jun 2004	55.0	–	55.0	62.8	–	62.8	Dec 2020	Colliers International
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	34.7	–	34.7	31.3	–	31.3	Dec 2020	Knight Frank
38 Pine Road, Yennora, NSW	100.0	Nov 2013	72.0	–	72.0	67.0	–	67.0	Dec 2020	Knight Frank
18-24 Abbott Road, Seven Hills, NSW	100.0	Oct 2006	44.2	–	44.2	41.6	–	41.6	Dec 2020	Colliers International
1A Huntingwood Drive, Huntingwood, NSW	100.0	Oct 2016	52.4	–	52.4	46.8	–	46.8	Dec 2020	Knight Frank
1B Huntingwood Drive, Huntingwood, NSW	100.0	Oct 2016	28.0	–	28.0	26.6	–	26.6	Dec 2020	Knight Frank
54 Eastern Creek Drive, Eastern Creek, NSW	100.0	Apr 2016	60.2	–	60.2	52.0	–	52.0	Dec 2020	Colliers International
50 Old Wallgrove Road, Eastern Creek, NSW	100.0	Jun 2016	74.0	–	74.0	70.3	–	70.3	Dec 2020	Jones Lang LaSalle
104 Vanessa Street, Kingsgrove, NSW	100.0	May 2019	27.4	–	27.4	24.0	–	24.0	Dec 2020	Knight Frank
64 Biloela Street, Villawood, NSW	100.0	May 2019	42.7	–	42.7	39.5	–	39.5	Dec 2020	Jones Lang LaSalle
30-32 Bessemer Street, Blacktown, NSW	100.0	May 2019	43.5	–	43.5	41.5	–	41.5	Dec 2020	Jones Lang LaSalle
38A Pine Road, Yennora, NSW [3]	100.0	Nov 2013	13.6	–	13.6	–	–	–	Dec 2020	Colliers International
128 Andrews Road, Penrith, NSW [3]	100.0	Jul 2019	93.6	–	93.6	–	–	–	Dec 2020	Colliers International
Citiwest Industrial Estate, Altona North, VIC	100.0	Aug 1994	115.0	–	115.0	102.6	–	102.6	Dec 2020	CB Richard Ellis
Citiport Business Park, Port Melbourne, VIC	100.0	Mar 2012	93.5	–	93.5	90.8	–	90.8	Dec 2020	Savills Australia
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	215.5	–	215.5	195.2	–	195.2	Dec 2020	CB Richard Ellis
Sunshine Business Estate, Sunshine, VIC	100.0	Jan 2018	88.0	–	88.0	79.1	–	79.1	Dec 2020	Jones Lang LaSalle
396 Mount Derrimut Road, Derrimut, VIC	100.0	Nov 2018	14.7	–	14.7	12.9	–	12.9	Dec 2020	Jones Lang LaSalle
399 Boundary Road, Truganina, VIC	100.0	Dec 2018	20.5	–	20.5	18.4	–	18.4	Dec 2020	Jones Lang LaSalle
21 Shiny Drive, Truganina, VIC	100.0	Nov 2018	42.3	–	42.3	34.7	–	34.7	Dec 2020	Savills Australia
21-23 Wirraway Drive, Port Melbourne, VIC	100.0	Mar 2020	32.6	–	32.6	–	–	–	Dec 2020	Savills Australia
1 Botero Place, Truganina, VIC	100.0	May 2020	44.4	–	44.4	–	–	–	Dec 2020	Savills Australia
Foundation Estate, Truganina, VIC	100.0	Dec 2020	120.0	–	120.0	–	–	–	Nov 2020	CB Richard Ellis
16-28 Quarry Road, Yatala, QLD	100.0	Nov 2013	–	–	–	45.7	–	45.7	–	–
59 Forest Way, Karawatha, QLD	100.0	Dec 2012	137.5	–	137.5	125.0	–	125.0	Dec 2020	Jones Lang LaSalle
55 Whitelaw Place, Wacol, QLD	100.0	Dec 2016	19.9	–	19.9	17.5	–	17.5	Dec 2020	Jones Lang LaSalle
2 Ironbark Close, Wembley Business Park, Berrinba, QLD [3]	100.0	Jun 2015	57.0	–	57.0	–	–	–	Dec 2020	Savills Australia
30 Ironbark Close, Wembley Business Park, Berrinba, QLD [3]	100.0	Jun 2015	31.3	–	31.3	–	–	–	Dec 2020	Savills Australia
Total Logistics			2,666.7	–	2,666.7	2,223.8	–	2,223.8		

1. Freehold, unless otherwise marked with an * which denotes leasehold and ** denotes a combination of freehold and leasehold respectively.
2. GPT received an offer of compensation from Sydney Metro following commercial negotiation regarding the compulsory acquisition of three of GPT's properties at Sydney Olympic Park Town Centre. As at 31 December 2020, these three assets have been classified as assets held for sale with a carrying value of $103.0 million based on the offer received.
3. Following practical completion during the year, these properties have been reclassified from properties under development to investment property in the Logistics portfolio.

Notes to the Financial Statements

Year ended 31 December 2020

	Ownership interest [1] %	Acquisition date	Investment properties $M	Less lease liabilities 31 Dec 20 $M	Fair value $M	Investment properties $M	Less lease liabilities 31 Dec 19 $M	Fair value $M	Latest Independent valuation date	Valuer
iv) Properties under development										
32 Smith, Parramatta, NSW	100.0	Mar 2017	254.0	–	254.0	122.0	–	122.0	Dec 2020	Colliers International
128 Andrews Road, Penrith, NSW [2]	100.0	Jul 2019	–	–	–	24.1	–	24.1	–	–
42 Cox Place, Glendenning, NSW	100.0	Dec 2019	34.0	–	34.0	16.7	–	16.7	Dec 2020	Knight Frank
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	9.8	–	9.8	5.8	–	5.8	Dec 2020	Jones Lang LaSalle
Yiribana Logistics Hub, Mamre Road, Kemps Creek, NSW	100.0	Oct 2020	35.0	–	35.0	–	–	–	Dec 2020	Knight Frank
2, 6 & 10 Prosperity Street, Truganina, VIC	100.0	Nov 2018	13.9	–	13.9	10.7	–	10.7	Dec 2020	Savills Australia
66 & 67 Niton Drive, Truganina, VIC	100.0	Jul 2019	39.6	–	39.6	36.2	–	36.2	Dec 2020	Savills Australia
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	47.6	–	47.6	38.8	–	38.8	Dec 2020	CB Richard Ellis
Foundation Estate, Truganina, VIC	100.0	Dec 2020	5.7	–	5.7	–	–	–	Nov 2020	CB Richard Ellis
2 Ironbark Close, Wembley Business Park, Berrinba, QLD [2]	100.0	Jun 2015	–	–	–	36.3	–	36.3	–	–
30 Ironbark Close, Wembley Business Park, Berrinba, QLD [2]	100.0	Jun 2015	–	–	–	16.1	–	16.1	–	–
Wembley Business Park, Stage 3, Berrinba, QLD	100.0	Jun 2015	12.9	–	12.9	8.7	–	8.7	Dec 2020	Jones Lang LaSalle
Wembley Business Park, Stage 4, Berrinba, QLD	100.0	Jun 2015	12.7	–	12.7	10.5	–	10.5	Dec 2020	Jones Lang LaSalle
38A Pine Road, Yennora, NSW [2]	100.0	Nov 2013	–	–	–	10.7	–	10.7	–	–
Total Properties under development			465.2	–	465.2	336.6	–	336.6		

	Ownership interest [1] %	Acquisition date	Investment properties $M	Less lease liabilities 31 Dec 20 $M	Fair value $M	Investment properties $M	Less lease liabilities 31 Dec 19 $M	Fair value $M	Latest Independent valuation date	Valuer
v) Investment properties held for sale										
Sydney Olympic Park – Metro Assets [3]	* 100.0	Jul 2004/Aug 2004/Jul2005	103.0	–	103.0	–	–	–	–	–
142-158 Pacific Highway, Charlestown, NSW [4]	100.0	Oct 2002	5.5	–	5.5	–	–	–	–	–
Total Properties held for sale			108.5	–	108.5	–	–	–		

1. Freehold, unless otherwise marked with an * which denotes leasehold and ** denotes a combination of freehold and leasehold respectively.
2. Following practical completion during the year, these properties have been reclassified from properties under development to investment property in the Logistics portfolio.
3. GPT received an offer of compensation from Sydney Metro following commercial negotiation regarding the compulsory acquisition of three of GPT's properties at Sydney Olympic Park Town Centre. As at 31 December 2020, these three assets have been classified as assets held for sale with a carrying value of $103.0 million based on the offer received.
4. GPT is currently in negotiations to sell this property. As at 31 December 2020, this property has been classified as held for sale with a carrying value of $5.5 million.

vi) Reconciliation

	Retail $M	Office $M	Logistics $M	Properties under development $M	31 Dec 20 $M	31 Dec 19 $M
Opening balance at the beginning of the year	5,356.6	2,410.5	2,223.8	336.6	**10,327.5**	10,128.8
Additions – operating capital expenditure	14.3	6.1	8.0	—	**28.4**	51.4
Additions – development capital expenditure	21.7	22.3	8.9	194.5	**247.4**	269.1
Additions – interest capitalised[1]	0.5	0.3	—	9.5	**10.3**	9.5
Asset acquisitions	—	—	205.0	40.7	**245.7**	296.4
Transfers to assets held for sale	(5.5)	—	(103.0)	—	**(108.5)**	—
Transfers to/(from) properties under development	—	—	182.7	(182.7)	**—**	—
Transfer from inventory	—	—	—	—	**—**	39.6
Ground leases of investment properties	1.4	—	—	—	**1.4**	6.4
Disposals	(3.6)	—	(58.2)	—	**(61.8)**	(796.3)
Fair value adjustments	(628.5)	(0.7)	197.2	66.4	**(365.6)**	310.8
Lease incentives (includes rent free)	10.5	22.4	10.8	—	**43.7**	44.8
Leasing costs	2.9	2.0	1.7	—	**6.6**	8.2
Amortisation of lease incentives and costs	(16.5)	(23.9)	(16.5)	—	**(56.9)**	(47.8)
Straightlining of leases	0.1	(1.2)	6.3	0.2	**5.4**	6.6
Closing balance at the end of the year	4,753.9	2,437.8	2,666.7	465.2	**10,323.6**	10,327.5

1. A capitalisation interest rate of 3.1% (2019: 3.6%) has been applied when capitalising interest on qualifying assets.

Land and buildings which are held to earn rental income or for capital appreciation or for both, and which are not wholly occupied by GPT, are classified as investment properties.

Investment properties are initially recognised at cost and subsequently stated at fair value at each balance date. Fair value is based on the latest independent valuation adjusting for capital expenditure and capitalisation and amortisation of lease incentives since the date of the independent valuation report. Any change in fair value is recognised in the Consolidated Statement of Comprehensive Income in the period.

Properties under development are stated at fair value at each balance date. Fair value is assessed with reference to reliable estimates of future cash flows, status of the development and the associated risk profile. Finance costs incurred on properties undergoing development are included in the cost of the development.

Lease incentives provided by GPT to lessees are included in the measurement of fair value of investment property and are amortised over the lease term using a straightline basis.

Notes to the Financial Statements

Year ended 31 December 2020

b) Fair value measurement, valuation techniques and inputs

Critical judgements are made by GPT in respect of the fair values of investment properties. Fair values are reviewed regularly by management with reference to independent property valuations, recent transactions and market conditions, using generally accepted market practices. A description of the valuation techniques and key inputs are included in the following table:

Class of assets	Fair value hierarchy[1]	Valuation technique	Inputs used to measure fair value	Unobservable inputs 31 Dec 20	Unobservable inputs 31 Dec 19
Retail	Level 3	Discounted cash flow (DCF) and income capitalisation method	Gross market rent (per sqm p.a.)	**$1,382 – $2,238**	$1,330 – $2,423
			10 year average specialty market rental growth	**2.4% – 3.1%**	2.8% – 3.6%
			Adopted capitalisation rate	**4.50% – 6.25%**	4.25% – 6.00%
			Adopted terminal yield	**4.75% – 6.50%**	4.50% – 6.25%
			Adopted discount rate	**6.00% – 7.00%**	6.25% – 7.00%
			Lease incentives (gross)	**7.3% – 12.5%**	5.0% – 7.5%
			COVID-19 allowance (% of annual income)	**7.3% – 20.1%**	—
Office	Level 3	DCF and income capitalisation method	Net market rent (per sqm p.a.)	**$430 – $1,435**	$425 – $1,620
			10 year average market rental growth	**2.5% – 3.7%**	3.3% – 4.3%
			Adopted capitalisation rate	**4.75% – 5.75%**	4.39% – 5.50%
			Adopted terminal yield	**5.00% – 6.00%**	4.63% – 5.75%
			Adopted discount rate	**6.13% – 6.50%**	6.25% – 6.75%
			Lease incentives (gross)	**10.0% – 38.5%**	15.0% – 37.5%
			COVID-19 allowance (% of annual income)	**0% – 52.0%**	—
Logistics	Level 3	DCF and income capitalisation method	Net market rent (per sqm p.a.)	**$70 – $530**	$65 – $515
			10 year average market rental growth	**2.6% – 3.4%**	2.8% – 3.2%
			Adopted capitalisation rate	**4.38% – 5.75%**	4.63% – 7.00%
			Adopted terminal yield	**4.63% – 6.00%**	5.00% – 7.25%
			Adopted discount rate	**6.00% – 6.75%**	6.25% – 7.50%
			Lease incentives (net)	**8.3% – 30.0%**	10.0% – 30.0%
			COVID-19 allowance (% of annual income)	**0% – 25.0%**	—
Properties under development	Level 3	Income capitalisation method, or land rate	Net market rent (per sqm p.a.)	**$109 – $655**	$85 – $655
			Adopted capitalisation rate	**5.00% – 5.25%**	5.13% – 5.63%
			Adopted terminal yield	**5.00% – 5.63%**	5.50% – 6.00%
			Adopted discount rate	**6.00% – 6.38%**	6.50% – 6.63%
			Land rate (per sqm)	**$250 – $500**	$217 – $531
			Profit and risk factor	**15.0% – 16.9%**	5.0% – 15.0%

1. Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

DCF method	Under the DCF method, the fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the assets' or liabilities' life including an exit or terminal value. The DCF method involves the projection of a series of cash flows from the assets or liabilities. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the cash flow stream associated with the assets or liabilities.
Income capitalisation method	This method involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value, with allowances for capital expenditure and reversions.
Gross market rent	A gross market rent is the estimated amount of rent for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion.
Net market rent	A net market rent is the estimated amount for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion and excludes the building outgoings or cleaning costs paid by the tenant.
10 year average specialty market rental growth	The expected annual rate of change in market rent over a 10 year forecast period in specialty tenancy rents. Specialty tenants are those tenancies with a gross lettable area of less than 400 square metres (excludes ATMs and kiosks).
10 year average market rental growth	The expected annual rate of change in market rent over a 10 year forecast period.
Adopted capitalisation rate	The rate at which net market income is capitalised to determine the value of a property. The rate is determined with regards to market evidence.
Adopted terminal yield	The capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period when carrying out a discounted cash flow calculation. The rate is determined with regards to market evidence.
Adopted discount rate	The rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it should reflect the opportunity cost of capital, that is, the rate of return the capital can earn if put to other uses having similar risk. The rate is determined with regards to market evidence.
Land rate (per sqm)	The land rate is the market land value per sqm.
Profit and risk factor	The profit and risk factor is applied to the remaining costs of a development to reflect a target margin required to complete the project. The factor will vary depending on the remaining leasing or construction required.
Lease incentives	A lease incentive is often provided to a lessee upon the commencement of a lease. Incentives can be a combination of, or, one of the following: a rent free period, a fit-out contribution, a cash contribution or rental abatement.
COVID-19 allowance	The COVID-19 allowance reflects the anticipated prospective rent relief granted to tenants in accordance with the Code of Conduct principles.

Notes to the Financial Statements

Year ended 31 December 2020

c) Valuation process – investment properties

GPT manages the semi-annual valuation process to ensure that investment properties are held at fair value in GPT's accounts and that GPT is compliant with applicable regulations (for example the *Corporations Act 2001* and ASIC regulations), the GPT RE Constitution and Compliance Plan.

GPT has a Valuation Committee (committee) which is comprised of the Chief Operating Officer, Chief Financial Officer, Head of Funds Management, Head of Transactions, Deputy Chief Financial Officer and General Counsel.

The purpose of the committee is to:

» approve the panel of independent valuers;

» review valuation inputs and assumptions;

» provide an escalation process where there are differences of opinion from various team members responsible for the valuation;

» oversee the finalisation of the valuations; and

» review the independent valuation sign-off and any comments that have been noted.

All independent valuations and internal tolerance checks are reviewed by the committee prior to these being presented to the Board for approval.

Independent valuations

GPT's independent valuations are performed by independent professionally qualified valuers who hold recognised relevant professional qualifications and have specialised expertise in the investment properties being valued. Selected independent valuation firms form part of a panel approved by the committee. Each valuation firm is limited to undertaking consecutive valuations of a property for a maximum period of two years. Where an exceptional circumstance arises, the extension of the valuer's term must be approved by the relevant Board.

The Valuation Policy requires an independent valuation at least annually for all completed investment properties. Properties under development with value of $100 million or greater are independently valued at least every six months. Unimproved land is independently valued at least every three years. Additional valuations will be completed in the event an internal tolerance check identifies the requirement for an independent valuation.

In 2020, given the uncertainty caused by COVID-19, all properties were independently valued at both 30 June and 31 December[1].

Internal tolerance checks

Every six months, with the exception of properties independently valued, an internal tolerance check is prepared. The internal tolerance check involves the preparation of a DCF and income capitalisation valuation for each investment property. These are produced using a capitalisation rate, terminal yield and discount rates based on comparable market evidence and recent independent valuation parameters. The tolerance measurement will typically be a mid-point of these two approaches.

These internal tolerance checks are used to determine whether the book value is in line with the fair value or whether an independent valuation is required.

Properties under development

The valuation of the properties under development is determined by a development feasibility analysis for each parcel of land within each asset. The development feasibility is prepared on an "as if complete" basis and is a combination of the income capitalisation method and where appropriate, the discounted cash flow method. The cost to complete the development includes development costs, finance costs and an appropriate profit and risk margin. These costs are deducted from the "as if complete" valuation to determine the "as is" basis or "current fair value."

The fair value of vacant land parcels is based on the market land value per square metre.

Highest and best use

The fair value of investment properties is calculated based on the highest and best use whether or not current use reflects highest and best use. For all GPT investment properties current use equates to the highest and best use, with the exception of Sydney Olympic Park Town Centre.

The masterplan for Sydney Olympic Park provides long term opportunities for the Town Centre to significantly increase the floor space developed within the precinct, subject to development and planning approvals. The assets are currently leased and any future redevelopment is also subject to the expiration of these leases. It is noted that the determination is exclusive of 5 Figtree Drive, Sydney Olympic Park which has been determined by the independent valuer as at 31 December 2020 to retain its highest and best use as a logistics asset.

1. Excludes assets held for sale and acquired during the second half of the year.

d) Sensitivity information – investment properties

Critical judgements are made by GPT in respect of the fair values of investment properties (including investment properties within equity accounted investments). Fair values are reviewed regularly by management with reference to independent property valuations, recent offers and market conditions, and using generally accepted market practices. The valuation process, critical assumptions underlying the valuations and information on sensitivity are disclosed below and in note 2(b).

An independent valuer will typically conduct both an income capitalisation valuation and a discounted cash flow (DCF) valuation for each asset, which informs a range of valuation outcomes. The valuer will then apply their expertise in determining an adopted value, which may include adopting one of these specific approaches or a mid-point of these two approaches.

Given the higher prevalence of DCF based valuations, management have included a sensitivity table reflecting potential movements in key DCF valuation variables, being discount rate and the market income growth rate. In conducting the sensitivity analysis, management have selected sample of two assets for each portfolio, for which key metrics are typical of the portfolio to which they relate. For those assets, the independent valuer conducted the sensitivity analysis in the following tables. Results for individual assets may differ based on each asset's particular attributes and market conditions.

The table below shows the sensitivity of the valuation to movements in the key variables of discount rate and market rental growth rates.

i) Retail valuation sensitivity

Discount Rate	(0.25%)	0.25%
Impact to valuation	2.0%	(2.0%)
10 Year Specialty Growth Rate	**(0.25%)**	**0.25%**
Impact to valuation	(1.6%)	1.7%

ii) Office valuation sensitivity

Discount Rate	(0.25%)	0.25%
Impact to valuation	2.1%	(2.1%)
10 Year Growth Rate	**(0.25%)**	**0.25%**
Impact to valuation	(2.0%)	1.9%

iii) Logistics valuation sensitivity

Discount Rate	(0.25%)	0.25%
Impact to valuation	1.9%	(1.9%)
10 Year Growth Rate	**(0.25%)**	**0.25%**
Impact to valuation	(1.8%)	1.9%

e) Lease receivables

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

	31 Dec 20 $M	31 Dec 19 $M
Less than 1 year	**550.0**	524.2
2 years	**478.1**	469.0
3 years	**398.5**	413.0
4 years	**337.9**	340.4
5 years	**278.1**	282.9
Due after five years	**1,021.2**	1,100.2
Total operating lease receivables	**3,063.8**	3,129.7

Lease amounts to be received includes future amounts to be received on non-cancellable operating leases, not recognised in the financial statements at balance date. A proportion of this balance includes amounts receivable for recovery of operating costs on gross and semi-gross leases which will be accounted for as revenue from contracts with customers as this income is earned. The remainder will be accounted for as lease income as it is earned. Amounts receivable under non-cancellable operating leases where GPT's right to consideration for a service directly corresponds with the value of the service provided to the customer have not been included (for example, variable amounts payable by tenants for their share of the operating costs of the asset). Leases have only been included where there is an active lease in place and renewal has not been assumed unless there is reasonable certainty that the tenant intends to renew.

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3. Equity Accounted Investments

	Note	31 Dec 20 $M	31 Dec 19 $M
Investments in joint ventures	(a)(i)	**848.6**	1,431.1
Investments in associates	(a)(ii)	**2,875.2**	3,111.9
Total equity accounted investments		**3,723.8**	4,543.0

a) Details of equity accounted investments

Name	Principal Activity	Ownership Interest 31 Dec 20 %	Ownership Interest 31 Dec 19 %	31 Dec 20 $M	31 Dec 19 $M
i) Joint ventures					
2 Park Street Trust [1]	Investment property	**50.00**	50.00	**804.6**	795.8
1 Farrer Place Trust [1,2]	Investment property	**–**	50.00	**–**	594.3
Horton Trust	Investment property	**50.00**	50.00	**28.1**	29.7
Lendlease GPT (Rouse Hill) Pty Limited [1,3]	Property development	**50.00**	50.00	**15.9**	11.3
Total investment in joint venture entities				**848.6**	1,431.1
ii) Associates					
GPT Wholesale Office Fund [1,4]	Investment property	**21.87**	22.93	**1,579.6**	1,610.6
GPT Wholesale Shopping Centre Fund [1,5]	Investment property	**28.48**	28.49	**759.3**	949.8
GPT Funds Management Limited	Funds management	**100.00**	100.00	**10.0**	10.0
Darling Park Trust [1]	Investment property	**41.67**	41.67	**526.3**	541.5
DPT Operator Pty Limited [1]	Management	**91.67**	91.67	**–**	–
DPT Operator No.2 Pty Limited [1]	Management	**91.67**	91.67	**–**	–
Total investments in associates				**2,875.2**	3,111.9

1. The entity has a 30 June balance date.
2. On 14 December 2020, GPT disposed of its interest in 1 Farrer Place Trust.
3. GPT has a 50% interest in Lendlease GPT (Rouse Hill) Pty Limited, a joint venture developing residential and commercial land at Rouse Hill, in partnership with Urban Growth and the NSW Department of Planning.
4. Ownership has decreased as a result of GPT not participating in the Distribution Reinvestment Plan (DRP) and equity raisings which occurred during the year.
5. Ownership has decreased as a result of GPT not participating in the DRP during the year.

For those joint ventures with investment property as the principal activity refer to note 2 for details on key judgements and estimates relating to the valuation of these investment properties, including how COVID-19 impacts have been addressed.

For those joint ventures where the principal activity is property development refer to note 6 for details on key judgements and estimates.

b) Summarised financial information for associates and joint ventures

The information disclosed reflects the amounts presented in the 31 December 2020 financial results of the relevant associates and joint ventures and not GPT's share of those amounts. They have been amended to reflect adjustments made by GPT when using the equity method, including fair value adjustments and modifications for differences in accounting policies.

i) Joint ventures

	2 Park Street Trust		1 Farrer Place Trust		Others		Total	
	31 Dec 20 $M	31 Dec 19 $M	31 Dec 20 $M	31 Dec 19 $M	31 Dec 20 $M	31 Dec 19 $M	31 Dec 20 $M	31 Dec 19 $M
Current assets								
Cash and cash equivalents	**30.3**	20.2	**–**	12.2	**11.8**	7.9	**42.1**	40.3
Other current assets	**0.7**	1.8	**–**	5.7	**18.4**	0.4	**19.1**	7.9
Total current assets	**31.0**	22.0	**–**	17.9	**30.2**	8.3	**61.2**	48.2
Non-current assets								
Investment properties and loans	**1,610.0**	1,590.0	**–**	1,203.5	**57.0**	62.1	**1,667.0**	2,855.6
Other non-current assets	**–**	–	**–**	–	**7.2**	15.0	**7.2**	15.0
Total non-current assets	**1,610.0**	1,590.0	**–**	1,203.5	**64.2**	77.1	**1,674.2**	2,870.6
Current liabilities								
Financial liabilities (excluding trade payables, other payables and provisions)	**31.3**	19.8	**–**	24.3	**2.6**	3.1	**33.9**	47.2
Other current liabilities	**0.6**	0.6	**–**	8.6	**3.8**	0.3	**4.4**	9.5
Total current liabilities	**31.9**	20.4	**–**	32.9	**6.4**	3.4	**38.3**	56.7
Net assets	**1,609.1**	1,591.6	**–**	1,188.5	**88.0**	82.0	**1,697.1**	2,862.1
Reconciliation to carrying amounts:								
Opening net assets 1 January	**1,591.6**	1,526.2	**1,188.5**	1,107.2	**82.0**	82.8	**2,862.1**	2,716.2
Profit for the year	**84.1**	131.2	**12.0**	117.5	**4.8**	0.6	**100.9**	249.3
Capital injection	**–**	–	**–**	–	**2.8**	–	**2.8**	–
Issue of equity	**–**	–	**3.2**	9.4	**–**	–	**3.2**	9.4
Distributions paid/payable	**(66.6)**	(65.8)	**(35.9)**	(45.6)	**(1.6)**	(1.4)	**(104.1)**	(112.8)
Disposal of units in trust	**–**	–	**(1,167.8)**	–	**–**	–	**(1,167.8)**	–
Closing net assets	**1,609.1**	1,591.6	**–**	1,188.5	**88.0**	82.0	**1,697.1**	2,862.1
GPT's share	**804.6**	795.8	**–**	594.3	**44.0**	41.0	**848.6**	1,431.1
Summarised statement of comprehensive income								
Revenue	**72.8**	73.8	**31.4**	61.2	**25.6**	5.2	**129.8**	140.2
Profit for the year	**84.1**	131.2	**12.0**	117.5	**4.8**	0.6	**100.9**	249.3
Total comprehensive income	**84.1**	131.2	**12.0**	117.5	**4.8**	0.6	**100.9**	249.3

Notes to the Financial Statements

Year ended 31 December 2020

ii) Associates

	GPT Wholesale Office Fund		GPT Wholesale Shopping Centre Fund		Darling Park Trust		GPT Funds Management Limited and others		Total	
	31 Dec 20 $M	31 Dec 19 $M	31 Dec 20 $M	31 Dec 19 $M	31 Dec 20 $M	31 Dec 19 $M	31 Dec 20 $M	31 Dec 19 $M	31 Dec 20 $M	31 Dec 19 $M
Total current assets	**68.9**	81.9	**78.3**	49.6	**29.3**	26.3	**10.0**	10.0	**186.5**	167.8
Total non-current assets	**8,968.2**	8,725.3	**3,778.6**	4,478.0	**1,269.0**	1,306.5	**—**	—	**14,015.8**	14,509.8
Total current liabilities	**174.5**	169.1	**66.2**	85.1	**35.1**	33.2	**—**	—	**275.8**	287.4
Total non-current liabilities	**1,640.2**	1,614.4	**1,124.8**	1,108.4	**—**	—	**—**	—	**2,765.0**	2,722.8
Net assets	**7,222.4**	7,023.7	**2,665.9**	3,334.1	**1,263.2**	1,299.6	**10.0**	10.0	**11,161.5**	11,667.4
Reconciliation to carrying amounts:										
Opening net assets 1 January	**7,023.7**	6,395.7	**3,334.1**	3,548.4	**1,299.6**	—	**10.0**	10.2	**11,667.4**	9,954.3
Profit/(loss) for the year	**156.9**	662.4	**(668.4)**	(104.5)	**14.8**	46.0	**—**	(0.2)	**(496.7)**	603.7
Acquisition of units in trust	**—**	—	**—**	—	**14.9**	1,283.2	**—**	—	**14.9**	1,283.2
Issue of equity	**331.9**	253.2	**0.9**	10.2	**—**	—	**—**	—	**332.8**	263.4
Distributions paid/payable	**(290.1)**	(287.6)	**(0.7)**	(120.0)	**(66.1)**	(29.6)	**—**	—	**(356.9)**	(437.2)
Closing net assets	**7,222.4**	7,023.7	**2,665.9**	3,334.1	**1,263.2**	1,299.6	**10.0**	10.0	**11.161.5**	11,667.4
GPT's share	**1,579.6**	1,610.6	**759.3**	949.8	**526.3**	541.5	**10.0**	10.0	**2,875.2**	3,111.9
Summarised statement of comprehensive income										
Revenue	**413.0**	550.2	**224.7**	316.5	**98.9**	27.4	**—**	—	**736.6**	894.1
Profit/(loss) for the year	**156.9**	662.4	**(668.4)**	(104.5)	**14.8**	46.0	**—**	(0.2)	**(496.7)**	603.7
Total comprehensive income/(loss)	**156.9**	662.4	**(668.4)**	(104.5)	**14.8**	46.0	**—**	(0.2)	**(496.7)**	603.7
Distributions received/receivable from their associates	**52.1**	56.5	**—**	—	**—**	—	**—**	—	**52.1**	56.5

4. Trade and Other Receivables

a) Trade receivables

	31 Dec 20 $M	31 Dec 19 $M
Current assets		
Trade receivables[1]	50.2	8.7
Accrued income	7.2	13.8
Related party receivables[2]	24.6	26.3
Less: impairment of trade receivables	(19.3)	(1.9)
Total current trade receivables	62.7	46.9

1. This includes trade receivables relating to revenue from contracts with customers. Refer to note 17 for the methodology of apportionment between trade receivables relating to AASB 15 *Revenue from Contacts with Customers* and other trade receivables balances.
2. The related party receivables are on commercial terms and conditions.

The following table shows the ageing analysis of GPT's trade receivables.

	31 Dec 20						31 Dec 19					
	Not yet due $M	0–30 days $M	31–60 days $M	61–90 days $M	90+ days $M	Total $M	Not yet due $M	0–30 days $M	31–60 days $M	61–90 days $M	90+ days $M	Total $M
Retail	2.1	17.5	6.6	4.6	17.5	48.3	–	2.9	0.6	–	1.5	5.0
Office	1.1	1.3	0.8	0.2	1.5	4.9	–	12.8	0.1	–	0.4	13.3
Logistics	0.1	1.7	–	0.2	0.5	2.5	–	1.9	–	–	–	1.9
Corporate	–	25.8	0.3	0.1	0.1	26.3	–	28.2	0.2	0.2	–	28.6
Less: impairment of trade receivables	(1.3)	(5.6)	(3.0)	(2.0)	(7.4)	(19.3)	–	–	–	–	(1.9)	(1.9)
Total loans and receivables	2.0	40.7	4.7	3.1	12.2	62.7	–	45.8	0.9	0.2	–	46.9

b) Other receivables

	31 Dec 20 $M	31 Dec 19 $M
Current assets		
Distributions receivable from associates	23.0	30.7
Distributions receivable from joint ventures	2.2	10.8
Other receivables	5.5	6.9
Total current other receivables	30.7	48.4

On 7 April 2020, the National Cabinet announced a mandatory commercial tenancy Code of Conduct. The Code of Conduct aims to help small and medium enterprise (SME) tenants with a turnover of less than $50 million, that qualify for the Federal Government's JobKeeper program, and are suffering financial stress or hardship. The Code of Conduct sets out principles to guide discussions between commercial landlords and SME tenants for temporary changes to leasing arrangements during the COVID-19 period and is legislated and regulated by the states and territories.

The application of the Code of Conduct requires GPT to engage with each of our SME tenants and provide cash flow support in a fair and proportionate manner during the COVID-19 period. Importantly, the Code of Conduct allows the Group to negotiate commercial outcomes on a case by case basis for those SMEs most impacted. While steady progress has been made in finalising agreements under the Code of Conduct, there are still a number of deals that remain unresolved. GPT is also engaging with its non-SME tenants who have sought assistance but are not eligible under the Code of Conduct. Assistance provided to tenants under the Code of Conduct has taken the form of rent waivers, rent payment deferral or a combination of the two.

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. GPT 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.

Rent waivers and other write-offs

Debts which management has determined will be subject to a rent waiver, or are otherwise uncollectible have been written off as at 31 December 2020, in accordance with the requirements of AASB 9 *Financial Instruments*. Bad debt write offs of $44.7 million relating to COVID-19 abatements and other non recoverable amounts have been recognised during the financial year. Waivers which have been reflected on invoices issued to tenants and which are not relating to previous outstanding debtors, have been shown as a reduction to rent from investment properties on the Consolidated Statement of Comprehensive Income.

Notes to the Financial Statements

Year ended 31 December 2020

Estimated credit loss allowance

For remaining trade and other receivables balances which have not been written off, management has assessed whether these balances are "credit impaired", and recognised a loss allowance equal to the lifetime ECL.

Recoverability of receivables

At each reporting date, GPT 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.

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 GPT in accordance with the contract and the cash flows that GPT expects to receive). A default on trade receivables is when the counterparty fails to make contractual payments when they fall due and management determines that the debt is uncollectible, or where management forgives all or part of the debt.

GPT 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;

» financial difficulties of a counterparty or probability that a counterparty will enter bankruptcy; and

» conditions specific to the asset to which the receivable relates.

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

As a result of COVID-19 GPT has reviewed its methodology to determine an estimated lifetime ECL, with historical default percentages no longer the most appropriate means of predicting future default events. At 31 December 2020, GPT has assessed the likelihood of future defaults and debt forgiveness taking into account several factors. These include the risk profile of the tenant, the asset location, and tenant cash payment trends after the completion of rent relief agreements.

This has resulted in an ECL allowance of $19.3 million being recognised as at 31 December 2020. The remaining net balance of trade receivables (excluding accrued income and related party receivables) is $30.9 million.

5. Intangible Assets

	Management rights $M	IT development and software $M	Total $M
Costs			
Balance at 31 December 2018	55.8	64.3	120.1
Additions	–	15.7	15.7
Write off	–	(4.7)	(4.7)
Balance at 31 December 2019	55.8	75.3	131.1
Additions	–	13.6	13.6
Write off	(3.8)	(13.2)	(17.0)
Balance at 31 December 2020	**52.0**	**75.7**	**127.7**
Accumulated amortisation and impairment			
Balance at 31 December 2018	(45.5)	(47.8)	(93.3)
Amortisation	–	(5.0)	(5.0)
Impairment	–	(2.2)	(2.2)
Write off	–	4.7	4.7
Balance at 31 December 2019	(45.5)	(50.3)	(95.8)
Amortisation	–	(5.1)	(5.1)
Impairment	–	(2.3)	(2.3)
Write off	3.8	13.2	17.0
Balance at 31 December 2020	**(41.7)**	**(44.5)**	**(86.2)**
Carrying amounts			
Balance at 31 December 2019	10.3	25.0	35.3
Balance at 31 December 2020	**10.3**	**31.2**	**41.5**

Management rights

Management rights include property management and development management rights. Rights are initially measured at cost and 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, GPT 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 cash flow. 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. These include external direct costs of materials and services and direct payroll and payroll related costs of employees' time spent on the project. Costs of employees time is capitalised where new functionality is being created and ceases once operating as intended. 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 value exceeds the recoverable amount. Critical judgements are made by GPT 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 software obsolescence and 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.

6. Inventories

	31 Dec 20 $M	31 Dec 19 $M
Development properties	53.6	9.4
Current inventories	**53.6**	**9.4**
Development properties	41.9	77.8
Non-current inventories	**41.9**	**77.8**
Total inventories	**95.5**	**87.2**

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

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. A total of $2.6 million in finance costs have been capitalised to inventory for the year ended 31 December 2020 (2019: $5.4 million).

Net realisable value (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.

Management has completed net realisable value assessments for each development taking into account the impacts of COVID-19 on these estimates including impacts on delivery timeframes and revenue assumptions, and has compared the results to the cost of each development.

The amount of any write down is recognised as an impairment expense in the Consolidated Statement of Comprehensive Income. An impairment expense of $0.3 million has been recognised for the year ended 31 December 2020 (2019: impairment reversal of $15.0 million).

Notes to the Financial Statements

Year ended 31 December 2020

7. Payables

	31 Dec 20 $M	31 Dec 19 $M
Trade payables and accruals	**108.5**	129.9
GST payables	**3.2**	3.8
Distribution payable to stapled securityholders	**—**	260.4
Interest payable	**16.6**	11.1
Levies payable	**20.1**	18.9
Other payables	**32.1**	32.3
Total payables	**180.5**	456.4

Trade payables and accruals represent liabilities for goods and services provided to GPT 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.

8. Provisions

	31 Dec 20 $M	31 Dec 19 $M
Current provisions		
Employee benefits	**15.3**	13.4
Other	**14.4**	13.9
Total current provisions	**29.7**	27.3
Non-current provisions		
Employee benefits	**1.1**	1.2
Total non-current provisions	**1.1**	1.2

Provisions are recognised when:

» GPT 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 and long service 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.

Employee benefits expenses in the Consolidated Statement of Comprehensive Income

	31 Dec 20 $M	31 Dec 19 $M
Employee benefits expenses	**86.3**	115.7

9. Taxation

	31 Dec 20 Gross $M	31 Dec 20 Tax impact $M	31 Dec 19 Gross $M	31 Dec 19 Tax impact $M
a) Income tax expense				
Current income tax expense		–		10.7
Deferred income tax expense		9.1		1.1
Income tax expense in the Statement of Comprehensive Income		9.1		11.8
Income tax expense attributable to:				
Profit from continuing operations		9.1		11.8
Aggregate income tax expense		9.1		11.8
b) Reconciliation of accounting proft to income tax expense and current tax (asset) / liability				
Net (loss)/profit for the year excluding income tax expense	(204.0)	(61.2)	891.8	267.5
Less: Trust loss/(profit) not subject to tax	143.7	43.1	(866.0)	(259.8)
(Loss)/profit which is subject to taxation at 30% tax rate	(60.3)	(18.1)	25.8	7.7
Tax effect of amounts not deductible/assessable in calculating income tax expense:				
Non-deductible revaluation items in the Company	94.5	28.4	20.3	6.1
Other non-assessable income	–	–	(5.6)	(1.7)
Equity accounted profits from joint ventures in the Company	(4.5)	(1.4)	–	–
Profit used to calculate effective tax rate	29.7	8.9	40.5	12.1
Other tax adjustments	0.6	0.2	(1.0)	(0.3)
Income tax expense	30.3	9.1	39.5	11.8
Effective tax rate		31%		29%

	31 Dec 20 $M	31 Dec 19 $M
c) Current tax (liabilities) / assets		
Opening balance at the beginning of the year	2.2	0.8
Income tax expense	(9.1)	(11.8)
Tax (receipts from)/payments made to tax authorities	(1.3)	10.2
Other deferred tax asset charged to income	(1.8)	1.5
Movements in employee benefits	12.5	(1.5)
Movements in provisions and accruals	–	0.9
Movements in reserves	(4.5)	2.1
Closing balance at the end of the year	(2.0)	2.2
d) Deferred tax assets		
Employee benefits	5.0	17.5
Provisions and accruals	2.0	2.0
Right-of-use assets	(13.4)	(17.0)
Lease liabilities	16.6	19.0
Other	(0.6)	(1.0)
Net deferred tax asset	9.6	20.5
Movement in temporary differences during the year		
Opening balance at the beginning of the year	20.5	20.1
Adoption of AASB 16	–	1.2
Income tax expense	(9.1)	(1.1)
Movement in reserves	(1.8)	0.3
Closing balance at the end of the year	9.6	20.5

Notes to the Financial Statements

Year ended 31 December 2020

Trust

Property investments are held by the Trust for the purposes of earning rental income. Under current tax legislation, the Trust is not liable for income tax provided the taxable income of the Trust including realised capital gains is attributed in full to its securityholders each financial year. Securityholders are subject to income tax at their own marginal tax rates on amounts attributable to them.

Company and other taxable entities

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 and for unused tax losses.

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 liabilities and assets – 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; and
  - 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 the Consolidated Statement of Comprehensive Income.

Effective tax rate

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. GPT is committed to the TTC. The non-IFRS income tax disclosures in note 9(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 note 9(b), using:

- accounting profit before tax adjusted to exclude transactions which are not reflected in the calculation of income tax expense, including;
  - Trust taxable income which is attributed in full to its securityholders; and
  - Non tax related material items in the Company; and
- tax expense adjusted to exclude carry forward tax losses that have been recognised and prior year under/overstatements.

Attribution managed investment trust regime

The Trust made an election to be an attribution managed investment trust (AMIT). Under Australia's taxation laws, unitholders of the Trust pay income tax to the Federal Government on taxable income that is attributed to them as part of the Trust distribution process.

In the case where a GPT unitholder is an Australian resident, the unitholder pays tax on the taxable income attributed to them at their own applicable tax rate. Where the unitholder is a non-resident, Managed Investment Trust (MIT) withholding tax applies at the rate of 15 per cent where the place of payment is in a country that has an exchange of information agreement with Australia. If such an agreement does not exist, a withholding tax rate of 30 per cent or 45 per cent applies, depending on the circumstances.

CAPITAL STRUCTURE

Capital is defined as the combination of securityholders' equity, reserves and net debt (borrowings less cash). The Board is responsible for monitoring and approving the capital management framework within which management operates. The purpose of the framework is to safeguard GPT's ability to continue as a going concern while optimising its debt and equity structure. GPT aims to maintain a capital structure which includes net gearing levels within a range of 25 to 35 per cent that is consistent with a stable investment grade credit rating in the "A category".

At 31 December 2020, GPT is credit rated A (stable)/A2 (stable) by Standard and Poor's (S&P) and Moody's Investor Services (Moody's) respectively. The ratings are important as they reflect the investment grade credit rating of GPT which allows access to global capital markets to fund its development pipeline and future acquisition investment opportunities. The stronger ratings improve both the availability of capital, in terms of amount and tenor, and reduce the cost at which it can be obtained.

GPT is able to vary the capital mix by:

» issuing stapled securities;

» buying back stapled securities;

» activating the distribution reinvestment plan;

» adjusting the amount of distributions paid to stapled securityholders;

» selling assets to reduce borrowings; or

» increasing borrowings.

10. Equity and Reserves

a) Contributed equity

	Number	Trust $M	Other entities stapled to the Trust $M	Total $M
Ordinary stapled securities				
Opening securities on issue and contributed equity at 1 January 2019	1,804,890,426	7,825.7	325.9	8,151.6
Securities issued – institutional placement	131,795,717	794.3	5.7	800.0
Security Purchase Plan	11,243,173	66.3	0.5	66.8
Transaction costs	—	(13.1)	(0.1)	(13.2)
Closing securities on issue and contributed equity at 31 December 2019	1,947,929,316	8,673.2	332.0	9,005.2
Opening securities on issue and contributed equity at 1 January 2020	**1,947,929,316**	**8,673.2**	**332.0**	**9,005.2**
Closing securities on issue and contributed equity at 31 December 2020	**1,947,929,316**	**8,673.2**	**332.0**	**9,005.2**

Ordinary stapled securities are classified as equity and recognised at the fair value of the consideration received by GPT. 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) Treasury securities

Treasury securities are securities in GPT that the Group has purchased, that are held by GPT Group Stapled Security Plan Trust for the purpose of issuing securities under various employee security schemes. Refer to note 20 for further information. Securities issued to employees are recognised on a first-in-first-out basis.

	Number of securities	$M
Opening balance 1 January 2019	59,028	—
Acquisition of securities by the GPT Group Stapled Securities Trust	774,921	4.8
Employee securities issued	(825,057)	(4.8)
Balance at 31 December 2019	8,892	—
Opening balance 1 January 2020	**8,892**	**—**
Acquisition of securities by the GPT Group Stapled Securities Trust	**869,071**	**4.0**
Employee securities issued	**(877,963)**	**(4.0)**
Balance at 31 December 2020	**—**	**—**

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Year ended 31 December 2020

c) Reserves

	Foreign currency translation reserve		Cash flow hedge reserve		Cost of hedging reserve		Employee incentive scheme reserve		Total reserves	
	Trust $M	Other entities stapled to GPT $M	Trust $M	Other entities stapled to GPT $M	Trust $M	Other entities stapled to GPT $M	Trust $M	Other entities stapled to GPT $M	Trust $M	Other entities stapled to GPT $M
Balance at 1 January 2019	(26.4)	18.3	(18.5)	–	11.4	–	–	19.6	(33.5)	37.9
Movement in hedging reserve	–	–	–	–	(6.3)	–	–	–	(6.3)	–
Movement in fair value of cash flow hedges	–	–	16.3	–	–	–	–	–	16.3	–
Security-based payment transactions, net of tax	–	–	–	–	–	–	–	(0.6)	–	(0.6)
Balance at 31 December 2019	(26.4)	18.3	(2.2)	–	5.1	–	–	19.0	(23.5)	37.3
Balance at 1 January 2020	**(26.4)**	**18.3**	**(2.2)**	**–**	**5.1**	**–**	**–**	**19.0**	**(23.5)**	**37.3**
Movement in hedging reserve	**–**	**–**	**–**	**–**	**(22.4)**	**–**	**–**	**–**	**(22.4)**	**–**
Movement in fair value of cash flow hedges	**–**	**–**	**(1.7)**	**–**	**–**	**–**	**–**	**–**	**(1.7)**	**–**
Security-based payment transactions, net of tax	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(17.7)**	**–**	**(17.7)**
Balance at 31 December 2020	**(26.4)**	**18.3**	**(3.9)**	**–**	**(17.3)**	**–**	**–**	**1.3**	**(47.6)**	**19.6**

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 net profit when the investment in the foreign controlled entity is disposed.

Cash flow hedge reserve

The reserve records the portion of the unrealised gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge relationship inclusive of share of cash flow hedge reserve of equity accounted investments.

Cost of hedging reserve

The reserve records the changes in the fair value of the currency basis that is part of cross currency interest rate swaps used to hedge foreign currency borrowings, but is excluded from the hedge designations. This reserve is inclusive of share of cost of hedging reserve of equity accounted investments. Refer to note 14 for further details.

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 the security based payments.

d) Retained earnings / accumulated losses

	Note	Trust $M	Other entities stapled to GPT $M	Total $M
Balance at 1 January 2019		2,791.1	(845.5)	1,945.6
Net profit for the financial year		850.4	29.6	880.0
Less: Distributions paid/payable to ordinary stapled securityholders	12	(514.3)	–	(514.3)
Reclassification of employee incentive security scheme reserve to retained earnings/accumulated losses		(3.7)	–	(3.7)
Balance at 31 December 2019		3,123.5	(815.9)	2,307.6
Balance at 1 January 2020		**3,123.5**	**(815.9)**	**2,307.6**
Net (loss)/profit for the financial year		**(240.1)**	**27.0**	**(213.1)**
Less: Distributions paid/payable to ordinary stapled securityholders	12	**(181.2)**	**–**	**(181.2)**
Reclassification of employee incentive security scheme reserve to retained earnings/accumulated losses		**(1.3)**	**–**	**(1.3)**
Balance at 31 December 2020		**2,700.9**	**(788.9)**	**1,912.0**

11. Earnings per stapled security

	31 Dec 20 Cents	31 Dec 20 Cents	31 Dec 19 Cents	31 Dec 19 Cents
a) Attributable to ordinary securityholders of the Trust	Basic	Diluted	Basic	Diluted
Total basic and diluted earnings per security attributable to ordinary securityholders of the Trust	(12.3)	(12.3)	45.3	45.2
b) Attributable to ordinary stapled securityholders of the GPT Group				
Total basic and diluted earnings per security attributable to stapled securityholders of the GPT Group	(10.9)	(10.9)	46.9	46.8

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

	31 Dec 20 $M	31 Dec 20 $M	31 Dec 19 $M	31 Dec 19 $M
c) Reconciliation of earnings used in calculating earnings per ordinary stapled security				
Basic and diluted earnings of the Trust	(240.1)	(240.1)	850.4	850.4
Basic and diluted earnings of the Company	27.0	27.0	29.6	29.6
Basic and diluted earnings of the GPT Group	(213.1)	(213.1)	880.0	880.0

	31 Dec 20 Millions	31 Dec 20 Millions	31 Dec 19 Millions	31 Dec 19 Millions
d) Weighted average number of ordinary securities				
WANOS used as the denominator in calculating basic earnings per ordinary stapled security	1,947.9	1,947.9	1,878.1	1,878.1
Performance security rights at weighted average basis[1]		–		1.8
WANOS used as the denominator in calculating diluted earnings per ordinary stapled security		1,947.9		1,879.9

1. Performance security rights granted under the employee incentive schemes are only included in dilutive earnings per ordinary stapled security where the performance hurdles are met as at the year end.

Calculation of earnings per stapled security

Basic earnings per stapled security is calculated as net profit/loss attributable to ordinary stapled securityholders of GPT, divided by the weighted average number of ordinary stapled securities outstanding during the financial year which is adjusted for bonus elements in ordinary stapled securities issued during the financial year. Diluted earnings per stapled security is calculated as net profit/loss attributable to ordinary stapled securityholders of GPT divided by the weighted average number of ordinary stapled securities and dilutive potential ordinary stapled securities. Where there is no difference between basic earnings per stapled security and diluted earnings per stapled security, the term basic and diluted earnings per stapled ordinary security is used.

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12. Distributions paid and payable

Distributions are paid to GPT stapled securityholders half yearly.

	Cents per stapled security	Total amount $M
Distributions paid / payable		
2020		
6 month period ended 30 June 2020	9.30	181.2
6 month period ended 31 December 2020 [1]	–	–
Total distributions paid/payable for the year	9.30	181.2
2019		
6 month period ended 30 June 2019	13.11	253.9
6 month period ended 31 December 2019	13.37	260.4
Total distributions paid/payable for the year	26.48	514.3

1. The December 2020 half yearly distribution of 13.2 cents per security, representing 100 per cent of free cash flow, was declared on 15 February 2021 and is expected to be paid on 26 February 2021. The distribution is 1.3 per cent lower than the 31 December 2019 distribution of 13.37 cents per security as a result of the impact of COVID-19 partially offset by a reduction in maintenance capex and lease incentives. The December 2019 payout ratio was 103.4 per cent of AFFO under GPT's previous distribution policy.

13. Borrowings

	31 Dec 20 $M	31 Dec 19 $M
Current borrowings at amortised cost – unsecured [1]	514.0	473.4
Current borrowings at amortised cost – secured	5.0	4.7
Current borrowings	519.0	478.1
Non-current borrowings at amortised cost – unsecured	1,186.2	1,192.4
Non-current borrowings at fair value through profit and loss – unsecured [2]	2,294.0	2,138.6
Non-current borrowings at amortised cost – secured	88.2	88.4
Non-current borrowings	3,568.4	3,419.4
Total borrowings [3] – carrying amount	4,087.4	3,897.5
Total borrowings [4] – fair value	4,124.1	3,994.1

1. Represents GPT's commercial paper program which is an uncommitted line with a maturity period of generally three months or less and is classified as current borrowings. These drawings are in addition to GPT's committed facilities but may be refinanced by non-current undrawn bank loan facilities.
2. Cumulative fair value movements are shown in the following table.
3. Including unamortised establishment costs, fair value and other adjustments.
4. For the majority of borrowings, the carrying amount is a reasonable approximation of fair value. Where material difference arises, the fair value is calculated using market observable inputs (level 2) and unobservable inputs (level 3). This excludes unamortised establishment costs.

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 *Financial Instruments* 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 a gain / loss on modification of financial liabilities. GPT management has assessed the modification of terms requirements within AASB 9 and have concluded that these will not have a material impact for the Group.

The following table outlines the cumulative amount of fair value movements that are included in the carrying amount of borrowings in the Consolidated Statement of Financial Position.

	31 Dec 20 $M	31 Dec 19 $M
Nominal amount	1,907.4	1,715.7
Unamortised borrowing costs	(6.0)	(6.0)
Amortised cost	1,901.4	1,709.7
Cumulative fair value movements	392.6	428.9
Carrying amount	2,294.0	2,138.6

Carrying value of cross currency interest rate swaps hedging the above foreign currency borrowings is reflected in the Consolidated Statement of Financial Position within derivative assets totalling $368.9 million (December 2019: $425.3 million) and within derivative liabilities totalling $17.3 million (December 2019: nil).

The maturity profile of borrowings as at 31 December 2020 is as follows:

	Total facility [1,2,3] $M	Used facility [1] $M	Unused facility [2,3] $M
Due within one year	519.6	519.0	0.6
Due between one and five years	2,599.8	758.8	1,841.0
Due after five years	2,501.5	2,401.5	100.0
	5,620.9	3,679.3	1,941.6
Cash and cash equivalents			372.5
Total financing resources available at the end of the year			2,314.1
Less: commercial paper [2]			(514.0)
Less: cash and cash equivalents held for the AFSL			(10.0)
Total financing resources available at the end of the year			1,790.1

1. Excluding unamortised establishment costs, fair value and other adjustments and $10.2 million bank guarantee facilities and its $2.1 million utilisation. This reflects the contractual cash flows payable on maturity of the borrowings taking into account historical exchange rates under cross currency interest rate swaps entered into to hedge the foreign currency borrowings.
2. GPT's commercial paper program is an uncommitted line with a maturity period of generally three months or less and is classified as current borrowings. These drawings are in addition to GPT's committed facilities but may be refinanced by non-current undrawn bank loan facilities and are therefore excluded from available liquidity.
3. Including $100 million of forward starting facilities available to GPT.

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

Debt covenants

GPT's borrowings are subject to a range of covenants, according to the specific purpose and nature of the loans. Most bank facilities include one or more of the following covenants:

» Gearing: total debt must not exceed 50 per cent of adjusted total tangible assets; and

» Interest coverage: the ratio of earnings before interest and taxes (EBIT) to finance costs on borrowings is not to be less than 2 times.

A breach of these covenants may trigger consequences ranging from rectifying and/or repricing to repayment of outstanding amounts. GPT performed a review of debt covenants as at 31 December 2020 and no breaches were identified.

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Year ended 31 December 2020

14. Financial Risk Management

The GPT Board approve GPT's treasury policy which:

» establishes a framework for the management of risks inherent to the capital structure;

» defines the role of GPT's treasury; and

» sets out the policies, limits, monitoring and reporting requirements for cash, borrowings, liquidity, credit risk, foreign exchange, interest rate and other derivative instruments.

a) Derivatives

As part of normal business operations, GPT is exposed to financial market risks which are principally interest rate risk on borrowings and foreign exchange rate risk on foreign currency borrowings. GPT manages these risks through the use of derivative instruments including interest rate swaps (fixed to floating, floating to fixed and floating to floating swaps), cross currency interest rate swaps and option based derivatives. Regular coupons under these instruments are reported in finance costs in the Consolidated Statement of Comprehensive Income along with the interest cost on borrowings to which it relates.

Derivatives are carried in the Consolidated Statement of Financial Position at fair value and classified according to their contractual maturities. If they do not qualify for hedge accounting, changes in fair value (including amortisation of upfront payment including premiums) are recognised in net gain / loss on fair value movements of derivatives in the Consolidated Statement of Comprehensive Income. Where derivatives qualify for hedge accounting and are designated in hedge relationships, the recognition of any gain or loss depends on the nature of the item being hedged. Refer to note 14(b) on hedge accounting. All of GPT's derivatives were valued using market observable inputs (level 2). For additional fair value disclosures refer to note 15.

	31 Dec 20 $M	31 Dec 19 $M
Derivative Assets		
Interest Rate Swaps – AUD	111.4	112.6
Cross Currency Interest Rate Swaps – fair value hedges	34.5	45.3
Cross Currency Interest Rate Swaps – fair value and cash flow hedges	334.4	380.0
Total Derivative Assets	480.3	537.9
Derivative Liabilities		
Interest Rate Swaps – AUD	96.3	98.2
Cross Currency Interest Rate Swaps – fair value hedges	17.1	—
Cross Currency Interest Rate Swaps – fair value and cash flow hedges	0.2	—
Total Derivative Liabilities	113.6	98.2
Net Derivative Assets	366.7	439.7
Net Interest Rate Swaps – AUD	15.1	14.4
Net Cross Currency Interest Rate Swaps	351.6	425.3

GPT enters into ISDA (International Swap Derivatives Association) Master Agreements with its derivative counterparties. Under the terms of these agreements, where certain credit events occur, there is a right to set-off the position owing/receivable to a single counterparty to a net position as long as all outstanding derivatives with that counterparty are terminated. As GPT does not presently have a legally enforceable right to set-off, these amounts have not been offset in the Consolidated Statement of Financial Position. In the event a credit event occurred, the ISDA Master Agreement would have the effect of netting, allowing a reduction to derivative assets and derivative liabilities of the same amount of $110.7 million (2019: $94.0 million).

b) Hedge Accounting

GPT's objective is to manage the risk of volatility in FFO and NTA and whilst economic hedges exist to manage its financial market risks, GPT has elected to apply hedge accounting only in relation to foreign currency borrowings. Foreign exchange and interest rate risk arising from foreign currency borrowings is managed with cross currency interest rate swaps which convert foreign currency fixed interest rate cash flows into Australian dollar floating interest rate cash flows.

At inception of the hedge relationship, GPT designates and documents the relationship between the hedging instrument and hedged item and the proposed effectiveness of the risk management objective the hedge relationship addresses. GPT fully hedges 100% of its foreign currency exposure in respect of foreign currency borrowings with cross currency interest rate swaps and therefore applies a hedge ratio of 1:1. This means that whilst there are fair value movements from period to period, there is 100% matching of cash flows, resulting in nil fair value movements over the duration of the borrowings nor FFO impact in any period. On an ongoing basis, GPT determines and documents its assessment of prospective hedge effectiveness of all hedge relationships.

Cross currency interest rate swaps hedging foreign currency borrowings are designated in either dual fair value and cash flow hedges or fair value hedges only.

Fair value hedges

A fair value hedge is a hedge of the exposure to changes in fair value of the underlying item (foreign currency borrowings) that is attributable to a particular risk (movements in foreign benchmark interest rates and if applicable, foreign exchange rates). All changes in the fair value of the foreign currency borrowings relating to the risk being hedged are recognised in the Consolidated Statement of Comprehensive Income together with the changes in the fair value of cross currency interest rate swaps with the net difference reflecting the hedge ineffectiveness.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows attributable to a particular risk (movements in foreign exchange rates) associated with a liability (foreign currency borrowings). The portion of the fair value gain or loss on the hedging instrument that is effective (that which offsets the movement on the hedged item attributable to foreign exchange movements) is recognised in Other Comprehensive Income and accumulated in the cash flow hedge reserve in equity and any ineffective portion is recognised as net impact of foreign currency borrowings and associated hedging gain or loss directly in the Consolidated Statement of Comprehensive Income.

Currency basis

A component of the cross currency interest rate swap is the currency basis. This is a liquidity premium that is charged for exchanging different currencies, and changes over time. Where currency basis have been included in fair value hedge designations, movement in currency basis are recognised in the Consolidated Statement of Comprehensive Income. In all other cases, currency basis have been excluded from GPT's fair value hedge designation with movements recognised in Other Comprehensive Income and accumulated in the cost of hedging reserve in equity.

Hedging Instruments

The following table shows the nominal amount of derivatives designated in cash flow and/or fair value hedge relationships in time bands based on the maturity of each derivative.

	31 Dec 20				31 Dec 19			
	Less than 1 year $M	1 to 5 years $M	Over 5 years $M	Total $M	Less than 1 year $M	1 to 5 years $M	Over 5 years $M	Total $M
Cross currency interest rate swaps								
USD exposure								
AUD nominal amount	–	145.8	1,311.9	1,457.7	–	–	1,457.7	1,457.7
Average receive fixed interest rate	–	3.6%	3.8%		–	–	3.8%	
Average contracted FX rate (AUD/USD)	–	1.0283	0.8042		–	–	0.8266	
HKD exposure								
AUD nominal amount	–	–	449.7	449.7	–	–	258.0	258.0
Average receive fixed interest rate	–	–	2.9%		–	–	3.4%	
Average contracted FX rate (AUD/HKD)	–	–	6.2847		–	–	6.7951	

The following table shows the impact on the Consolidated Statement of Comprehensive Income relating to hedge ineffectiveness of fair value hedges and the impact on Other Comprehensive Income relating to movements in cash flow hedges and the cost of hedging reserve.

	31 Dec 20 $M	31 Dec 19 $M
Fair Value Hedge Movements in Net profit		
Fair value movements on foreign borrowings	36.3	(161.6)
Movement in Fair value hedges	(51.4)	150.8
Net loss from fair value hedge ineffectiveness in Net profit	(15.1)	(10.8)
Movement in Hedge Reserves in OCI		
Movement in Cash flow hedge reserve	(1.7)	15.6
Movement in Cost of hedging reserve	(20.5)	(5.7)
Share of movement in Hedge reserves in equity accounted investments	(1.9)	0.1
Net (decrease)/increase in Hedge Reserves in OCI	(24.1)	10.0

In these hedge relationships, the main sources of ineffectiveness are:

» the effect of the counterparty and GPT's own credit risk on the fair value of the swaps, which is not reflected in the fair value of the hedged item; and

» changes in Australian and foreign swap interest rates which will impact the fair value of the Australian dollar margin and implied foreign currency margin respectively.

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c) Interest rate risk

GPT's primary interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This mainly arises from borrowings. Interest rate risk inherent on borrowings issued at floating rates is managed by entering into interest rate swaps that are used to convert a portion of floating interest rate borrowings to fixed interest rates, which reduces GPT's exposure to interest rate volatility.

The following table provides a summary of GPT's gross interest rate risk exposure as at 31 December 2020 on interest bearing borrowings as well as the net effect of interest rate risk management transactions. This excludes unamortised establishment costs and fair value and other adjustments.

	31 Dec 20 $M	31 Dec 19 $M
Fixed Rate Exposure		
Fixed rate borrowings	3,006.4	2,655.7
Borrowings hedged via interest rate swaps	247.6	159.3
Effective Fixed Rate Borrowings	3,254.0	2,815.0
Floating Rate Exposure		
Floating rate borrowings	672.9	794.1
Borrowings hedged via interest rate swaps	(247.6)	(159.3)
Effective Floating Rate Borrowings	425.3	634.8

Interest rate risk – sensitivity analysis

The impact on interest expense of a 0.25 per cent increase or decrease in market interest rates is shown below. Finance costs are sensitive to movements in market interest rates on floating rate borrowings (net of any derivatives).

Impact on Statement of Comprehensive Income	31 Dec 20 $M	31 Dec 19 $M
Increase in interest rates of 0.25% (2019: 1%)	(1.1)	(6.3)
Decrease in interest rates of 0.25% (2019: 1%)	1.1	6.3

d) Liquidity risk

Liquidity risk is the risk that GPT, 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.

GPT 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;

» minimising debt maturity concentration risk by diversifying sources and spreading maturity dates of committed credit facilities and maintaining a minimum weighted average debt maturity of 4 years; and

» maintaining the ability to close out market positions.

The following table provides an analysis of the undiscounted contractual maturities of liabilities which forms part of GPT's assessment of liquidity risk:

	31 Dec 20					31 Dec 19				
	1 year or less $M	Over 1 year to 2 years $M	Over 2 years to 5 years $M	Over 5 years $M	Total $M	1 year or less $M	Over 1 year to 2 years $M	Over 2 years to 5 years $M	Over 5 years $M	Total $M
Liabilities										
Non-derivatives										
Payables	180.5	—	—	—	180.5	456.4	—	—	—	456.4
Borrowings	519.0	50.0	708.8	2,401.5	3,679.3	478.2	88.5	762.0	2,121.1	3,449.8
Lease liabilities	7.5	8.5	26.3	12.8	55.1	6.8	7.8	26.9	19.1	60.6
Projected finance cost from borrowings [1]	90.1	90.6	245.6	381.9	808.2	98.1	94.1	256.5	386.1	834.8
Derivatives										
Projected finance cost from derivative liabilities [1,2]	35.6	26.9	30.2	—	92.7	28.2	30.5	61.3	1.2	121.2
Total liabilities	832.7	176.0	1,010.9	2,796.2	4,815.8	1,067.7	220.9	1,106.7	2,527.5	4,922.8
Less cash and cash equivalents	372.5	—	—	—	372.5	104.2	—	—	—	104.2
Total liquidity exposure	460.2	176.0	1,010.9	2,796.2	4,443.3	963.5	220.9	1,106.7	2,527.5	4,818.6
Projected reduction to finance costs from derivative assets [2]	38.0	17.5	33.7	13.8	103.0	31.5	30.5	24.5	24.8	111.3
Net liquidity exposure	422.2	158.5	977.2	2,782.4	4,340.3	932.0	190.4	1,082.2	2,502.7	4,707.3

1. Projection is based on the likely outcome of contracts given the interest rates, margins, forecast interest rate forward curves as at 31 December 2020 and 31 December 2019 up until the contractual maturity of the contract. The projection is based on future non-discounted cash flows and does not ascribe any value to optionality on any instrument which may be included in the current market values. Projected interest on foreign currency borrowings is shown after the impact of associated hedging.
2. In accordance with AASB 7, the future value of contractual cash flows of non-derivative and derivative liabilities only is to be included in liquidity risk disclosures. As derivatives are exchanges of cash flows, the positive cash flows from derivative assets have been disclosed separately to provide a more meaningful analysis of GPT's net liquidity exposure. The methodology used in calculating projected interest income on derivative assets is consistent with the above liquidity risk disclosures.

e) Refinancing risk

Refinancing risk is the risk that credit is unavailable or available at unfavourable interest rates and credit market conditions resulting in an unacceptable increase in GPT's interest cost. Refinancing risk arises when GPT is required to obtain debt to fund existing and new debt positions. GPT 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, GPT'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 13.

f) 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. GPT'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.

The foreign exchange risk arising from borrowings denominated in foreign currency is managed with cross currency interest rate swaps which convert foreign currency exposures into Australian dollar exposures. Sensitivity to foreign exchange is deemed insignificant.

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Foreign currency assets and liabilities

The following table shows the Australian dollar equivalents of amounts within the Consolidated Statement of Financial Position which are denominated in foreign currencies.

	United States Dollars		Hong Kong Dollars	
	31 Dec 20 $M	31 Dec 19 $M	31 Dec 20 $M	31 Dec 19 $M
Assets				
Derivative financial instruments	**306.9**	355.0	**62.0**	70.3
	306.9	355.0	**62.0**	70.3
Liabilities				
Derivative financial instruments	**—**	—	**17.3**	—
Borrowings[1]	**1,796.5**	1,821.9	**503.5**	322.7
	1,796.5	1,821.9	**520.8**	322.7

1. Excluding unamortised establishment costs.

g) 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 GPT. GPT has exposure to credit risk on all financial assets included on the Consolidated Statement of Financial Position.

GPT manages this risk by:

- » establishing credit limits for financial institutions and monitoring credit exposures for customers to ensure that GPT only trades and invests with approved counterparties;
- » investing and transacting derivatives with multiple counterparties that have a minimum long term credit rating of A- from S&P, or equivalent if an S&P rating is not available, minimising exposure to any one counterparty;
- » providing loans into joint ventures, associates and third parties, only where GPT 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. A provision for doubtful debts is recognised at an amount equal to lifetime ECL. Refer to note 4(b) for the calculation of lifetime ECL. GPT's policy is to hold collateral as security over tenants via bank guarantees (or less frequently, collateral such as bond deposits or cash).

The maximum exposure to credit risk as at 31 December 2020 is the carrying amounts of financial assets recognised on GPT's Consolidated Statement of Financial Position. For more information refer to note 4.

15. Other 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, critical assumptions underlying the valuations and information on sensitivity are disclosed in the following table:

a) Fair value measurement, valuation techniques and inputs

Class of assets / liabilities	Fair value hierarchy [1]	Valuation technique	Inputs used to measure fair value	Unobservable inputs 31 Dec 2020	Unobservable inputs 31 Dec 2019
Derivative financial instruments	Level 2	DCF (adjusted for counterparty credit worthiness)	» Interest rates » Basis » CPI » Volatility » Foreign exchange rates	Not applicable – all inputs are market observable inputs	
Foreign currency borrowings	Level 2	DCF	» Interest rates » Foreign exchange rates	Not applicable – all inputs are market observable inputs	

1. 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).

Counterparty credit worthiness	Credit value adjustments are applied to derivatives assets based on that counterparty's credit risk using the observable credit default swaps curve as a benchmark for credit risk. Debit value adjustments are applied to derivatives liabilities based on GPT's credit risk using GPT's credit default swaps curve as a benchmark for credit risk.

OTHER DISCLOSURE ITEMS

16. Cash Flow Information

a) Cash flows from operating activities

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

	31 Dec 20 $M	31 Dec 19 $M
Net (loss)/profit for the year	(213.1)	880.0
Fair value loss/(gain) on investment properties	365.6	(310.8)
Fair value loss on derivatives	39.6	74.4
Net impact of foreign currency borrowings and associated hedging loss	15.1	10.8
Gain on financial liability at amortised cost	(2.1)	(2.5)
Impairment expense/(reversal)	5.7	(12.1)
Share of after tax loss/(profit) of equity accounted investments (net of distributions)	242.7	(97.0)
Depreciation and amortisation	8.7	6.9
Non-cash employee benefits – security based payments	(0.4)	11.0
Non-cash revenue/expense adjustments	36.7	29.1
Profit on sale of inventories	(0.2)	(5.8)
Proceeds from sale of inventories	1.2	58.6
Payment for inventories	(10.0)	(21.0)
Movements in working capital and reserves (net of impairment)	(2.1)	(10.8)
Net foreign exchange gain	(0.4)	–
Other	3.2	3.8
Net cash inflows from operating activities	**490.2**	**614.6**

Notes to the Financial Statements

Year ended 31 December 2020

b) Net debt reconciliation

Reconciliation of net debt movements during the financial year:

	Cash $M	Lease liabilities $M	Borrowings $M	Total net debt $M
1 January 2019	58.7	–	4,114.9	
Cash inflow/(outflow)	45.5	(7.8)	(380.2)	
Foreign exchange adjustments	–	–	161.6	
Opening balance adjustment on adoption of AASB 16	–	34.5	–	
New leases and modification of lease	–	32.3	–	
Other non-cash movements	–	1.6	1.2	
31 December 2019	104.2	60.6	3,897.5	3,853.9
1 January 2020	**104.2**	**60.6**	**3,897.5**	
Cash inflow/(outflow)	**268.3**	**(8.5)**	**225.2**	
Foreign exchange adjustments	**–**	**–**	**(36.3)**	
New leases and modification of lease	**–**	**1.5**	**–**	
Other non-cash movements	**–**	**1.5**	**1.0**	
31 December 2020	**372.5**	**55.1**	**4,087.4**	**3,770.0**

17. Lease Revenue

	31 Dec 20				31 Dec 19			
	Retail	Office	Logistics	Total	Retail	Office	Logistics	Total
Segment Result								
Lease revenue	**216.1**	**133.1**	**158.7**	**507.9**	291.6	142.0	137.3	570.9
Recovery of operating costs	**69.9**	**27.4**	**11.2**	**108.5**	83.6	31.0	9.7	124.3
Share of rent from investment properties in equity accounted investments	**1.3**	**113.0**	**–**	**114.3**	1.1	93.1	–	94.2
	287.3	**273.5**	**169.9**	**730.7**	376.3	266.1	147.0	789.4
Less:								
Share of rent from investment properties in equity accounted investments				**(114.3)**				(94.2)
Amortisation of lease incentives and costs				**(56.9)**				(47.8)
Straightlining of leases				**5.4**				6.6
Eliminations of intra-group lease payments				**(1.5)**				(1.1)
Impairment loss on trade and other receivables				**62.4**				0.9
Consolidated Statement of Comprehensive Income								
Rent from investment properties				**625.8**				653.8

Rent from investment properties

Rent from investment properties in the Consolidated Statement of Comprehensive Income is recognised and measured in accordance with AASB 16 *Leases*. This revenue is recognised on a straight line basis for the minimum contracted rent over the lease term with an asset recognised as a component of investment properties relating to the fixed increases in operating lease rentals in future periods. When GPT provides lease incentives to tenants, these costs are amortised against lease income on a straight line basis. Contingent rental income is recognised as revenue in the period in which it is earned.

In addition to revenue generated directly from the lease, rent from investment properties includes non-lease revenue earned from tenants, predominately in relation to recovery of asset operating costs, which is recognised and measured under AASB 15 *Revenue from Contracts with Customers*.

Management has assessed if a rent waiver constitutes a lease modification under AASB 16 *Leases* and concluded that where rent waivers relate to periods after the execution of an agreement with the tenant, this constitutes a lease modification. Rent waivers relating to periods prior to the execution of an agreement are treated as write-offs under AASB 9 *Financial Instruments* where the rent waiver offsets a receivable from the tenant (see note 4). Waivers which have been reflected on invoices issued to tenants and which are not relating to previous outstanding debtors, have been shown as a reduction to rent from investment properties on the Consolidated Statement of Financial Performance.

18. Commitments

a) Capital expenditure commitments

Commitments arising from contracts principally relating to the purchase and development of investment properties contracted for at balance date but not recognised on the Consolidated Statement of Financial Position.

	31 Dec 20 $M	31 Dec 19 $M
Retail	22.0	31.8
Office	97.4	86.1
Logistics	17.1	12.5
Properties under development	42.8	188.5
Corporate	0.8	3.7
Total capital expenditure commitments	180.1	322.6

In addition to the table above, during the year GPT contracted to purchase a logistics development site in Wacol, Brisbane as part of the QuadReal joint venture partnership. Settlement is expected to occur in February 2021 for a total of $6.3 million (GPT's 50% ownership). This acquisition will be recognised as an equity accounted investment.

In 2019 GPT contracted to purchase a logistics development site in Kemps Creek, Sydney and paid a deposit of $6.8 million with $61.1 million committed to be paid by GPT at settlement in 2021.

In 2019, GPT has also contracted to purchase a logistics development site in Truganina, Melbourne at 865 Boundary Road for which GPT paid a deposit of $5.1 million, with $28.9 million committed to be paid at settlement, which is expected to occur in 2022.

b) Commitments relating to equity accounted investments

GPT's share of equity accounted investments' commitments at balance date are set out below:

	31 Dec 20 $M	31 Dec 19 $M
Capital expenditure	76.1	133.0
Total joint ventures and associates' commitments	76.1	133.0

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.

As at 31 December 2020, GPT has no material contingent liabilities.

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). The amount after the deduction of income tax is invested in GPT securities to be held for a minimum of one year. The cost of this benefit is recognised as an expense in the Consolidated Statement of Comprehensive Income.

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 in the Consolidated Statement of Comprehensive Income.

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.

Notes to the Financial Statements

Year ended 31 December 2020

d) LTI

At the 2009 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 month 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. For LTI, the fair value is measured at grant date. For DSTI, the fair value is measured at each reporting date until the performance rights are converted to securities. Total share based payment expense based on the fair value is 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.

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 period.

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.

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

General Property Trust is the ultimate parent entity.

Equity interests in joint ventures and associates are set out in note 3. Receivables from joint ventures and associates are on commercial terms and conditions with detail being set out in note 4.

Key management personnel

Key management personnel compensation was as follows:

	31 Dec 20 $'000	31 Dec 19 $'000
Short term employee benefits	5,375.3	7,174.0
Post employment benefits	188.5	181.4
Long term incentive award accrual	397.1	1,863.3
Total key management personnel compensation	5,960.9	9,218.7

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 $'000	31 Dec 19 $'000
Transactions with related parties other than associates and joint ventures		
Expenses		
Contributions to superannuation funds on behalf of employees	(6,643.7)	(6,521.0)
Transactions with associates and joint ventures		
Revenue and expenses		
Responsible Entity fees from associates	61,101.8	61,869.6
Property management fees	12,958.7	16,643.5
Development management fees from associates	7,221.0	6,831.5
Rent expense	4,496.2	4,275.8
Management fees from associates	6,753.9	6,240.5
Distributions received/receivable from joint ventures	51,988.5	56,531.6
Distributions received/receivable from associates	91,183.9	112,817.4
Payroll costs recharged to associates	8,390.5	9,765.8
Other transactions		
Increase in units in joint ventures	2,977.2	4,924.7
Decrease in units in joint ventures	(583,900.0)	—
Increase in units in associates	6,212.2	535,322.8

Notes to the Financial Statements

Year ended 31 December 2020

22. Auditor's Remuneration

	31 Dec 20 $'000	31 Dec 19 $'000
Audit services		
PricewaterhouseCoopers Australia		
Statutory audit and review of financial reports	1,416.4	1,343.5
Total remuneration for audit services	1,416.4	1,343.5
Other assurance services		
PricewaterhouseCoopers Australia		
Regulatory and contractually required audits	245.8	225.9
Other assurance services	100.0	–
Total remuneration for other assurance services	345.8	225.9
Total remuneration for audit and assurance services	1,762.2	1,569.4
Non-audit related services		
PricewaterhouseCoopers Australia		
Other services	18.0	–
Total remuneration for non audit related services	18.0	–
Total auditor's remuneration	1,780.2	1,569.4

23. Parent Entity Financial Information

	Parent entity	
	31 Dec 20 $'000	31 Dec 19 $'000
Assets		
Current assets	300.8	443.0
Non-current assets	15,709.9	16,166.4
Total assets	16,010.7	16,609.4
Liabilities		
Current liabilities	106.8	558.0
Non-current liabilities	4,501.7	4,305.5
Total liabilities	4,608.5	4,863.5
Net assets	11,402.2	11,745.9
Equity		
Equity attributable to secutityholders of the parent entity		
Contributed equity	8,696.5	8,696.5
Reserves	(18.3)	4.0
Retained earnings	2,724.0	3,045.4
Total equity	11,402.2	11,745.9
(Loss)/profit attributable to members of the parent entity	(140.2)	719.1
Total comprehensive (loss)/income for the year, net of tax, attributable to members of the parent entity	(140.2)	719.1
Capital expenditure commitments		
Retail	6.8	11.3
Office	20.9	19.0
Logistics	12.7	5.6
Properties under development	30.3	126.3
Total capital expenditure commitments	70.7	162.2

Intercompany loan receivables are considered to be low risk, and therefore the impairment provision is determined as 12 months expected credit losses. Applying the expected credit risk model does not result in any significant loss allowance being recognised in 2020.

The parent entity had current net assets of $194.0 million (2019: current net asset deficiency $115.0 million). The parent has access to cash and undrawn financing facilities of $1,790.1 million as set out in note 13.

24. Accounting Policies

a) Basis of preparation

The financial statements are a general purpose financial report which has been prepared:

- in accordance with the requirements of the Trust's Constitution, *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and International Financial Reporting Standards;
- on a going concern basis. GPT 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 13, GPT has access to $1,790.1 million in cash and undrawn loan facilities and future cash flow assessments have been made, taking into consideration appropriate probability-weighted factors. GPT is confident in the belief that 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. The net deficiency of net assets over current liabilities of $42.8 million arises as a result of the inclusion of borrowings due with 12 months (refer to note 24(b) for further information on going concern);
- under the historical cost convention, as modified by the revaluation for financial assets and liabilities and investment properties at fair value through the Consolidated Statement of Comprehensive Income;
- using consistent accounting policies with 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 in the nearest hundred thousand dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise stated.

In accordance with Australian Accounting Standards, the stapled entity reflects the consolidated entity. Equity attributable to other stapled entities is a form of non-controlling interest and represents the contributed equity of the Company.

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.

As a result of the stapling, investors in GPT may receive payments from each component of the stapled security comprising distributions from the Trust and dividends from the Company.

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

b) Going Concern

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 papers 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.

Notes to the Financial Statements

Year ended 31 December 2020

c) Basis of consolidation

Controlled entities

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

Controlled entities are all entities over which GPT has control. GPT controls an entity when it 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 and expenses and profits and losses resulting from intra-group transactions have been eliminated.

Associates

Associates are entities over which GPT has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights. Management considered if GPT controls its associates and concluded that it does not based on the following considerations.

GPT has a 21.87 per cent equity interest in GPT Wholesale Office Fund (GWOF) and a 28.48 per cent equity interest in GPT Wholesale Shopping Centre Fund (GWSCF) as at 31 December 2020. GPT Funds Management Limited (GPTFM), which is wholly owned by the GPT Group is the Responsible Entity of the Funds. The Board of GPT FM comprises six Directors, of which GPT can only appoint two. As a result, the Group has significant influence over GPT FM and accordingly accounts for it as an associate using the equity method. The Group also has significant influence over the Funds' and accounts for its interests in them using the equity method.

GPT RE Limited (GPTRE), which is wholly owned by the GPT Group 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 Group has significant influence over these entities.

Investments in associates are accounted for using the equity method. Under this method, GPT's investment in associates is carried in the Consolidated Statement of Financial Position at cost plus post acquisition changes in GPT's share of net assets. GPT's share of the associates' result is reflected in the Consolidated Statement of Comprehensive Income. Where GPT's share of losses in associates equals or exceeds its interest in the associate, including any other unsecured long term receivables, GPT 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. GPT has assessed the nature of its joint arrangements and determined it has both joint operations and joint ventures.

Joint operations

GPT has significant co-ownership interests in a number of properties through unincorporated joint ventures. These interests are held directly and jointly as tenants in common. GPT recognises its direct share of jointly held assets, liabilities, revenues and expenses in the consolidated financial statements under the appropriate headings. The investment properties that are directly owned as tenants in common are disclosed in note 2.

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.

i) 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.

ii) 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.

iii) 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. Management has assessed that there have been no significant changes to the recognition of revenue as a result of the COVID-19 pandemic.

Other revenue

Rental revenue from investment properties is recognised on a straight line basis for the minimum contracted rent over the lease term with an asset recognised as a component of investment properties relating to the fixed increases in operating lease rentals in future periods. When GPT provides lease incentives to tenants, these costs are amortised against lease income on a straight line basis. Contingent rental income is recognised as revenue in the period in which it is earned.

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

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

Management has assessed that there have been no significant changes to the recognition of other revenue as a result of the COVID-19 pandemic.

Notes to the Financial Statements

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The following table summarises the revenue recognition policies.

Type of revenue	Description	Recognised
Recoveries revenue	The Group recovers the costs associated with general building and tenancy operation from lessees in accordance with specific clauses within lease agreements. These are invoiced monthly based on an annual estimate. The consideration for the current month is due on the first day of the month. Revenue is recognised as the estimated costs are consumed by the tenant. Should any adjustment be required based on actual costs incurred, this is recognised in the Consolidated Statement of Financial Performance within the same reporting period and billed annually.	Over time
Recharge revenue	The Group recovers costs for any additional specific services requested by the lessee under the lease agreement. These costs are recovered in accordance with specific clauses within the lease agreements. Revenue from recharges is recognised as the services are provided. The lessee is invoiced on a monthly basis, where applicable. The consideration for the current month is due on the first day of the month.	Over time
Fund management fees	The Company 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 Company 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 Financial Performance within the same reporting period.	Over time
Fee income – property management leasing fees – over time	Under some property management agreements, the Company 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 Company provides a lease management service 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 Company 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 Company 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 Company has control of the benefit.	Point in time
Sale of inventory	Proceeds from the sale of inventory are recognised by the Company 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

iv) Government grants

The Group has received $8.8 million under the Federal Government's JobKeeper program. The Group has also received $0.7 million in land tax relief. These have been accounted for as government grants 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 expenses. GPT has elected to present these amounts as a reduction in expenses as this best reflects the underlying substance of the transaction for GPT.

v) Expenses

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

vi) Finance costs

Finance costs include interest on borrowings and regular coupons paid or received under derivative instruments hedging GPT's interest rate risk on a portfolio basis, 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 for the period of time that is required to complete 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.

vii) 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, GPT'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 liability;
» 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 liability and any variable lease payments not included in the measurement of the lease liability 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 $1.9 million for the year.

There have been no changes to the lease term or incremental borrowing rate used for the measurement of lease liabilities as a result 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 lease liability;
» any lease payments made at or before the commencement date less any lease incentives received;
» any initial direct costs; and
» restoration cost.

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, unless they meet the definition of an investment property. Right-of-use assets which meet the definition of an investment property form part of the investment property balance and are measured at fair value in accordance with AASB 140 *Investment Property* (refer note 2 and following section on ground leases).

GPT 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.

GPT 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.

GPT 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 $2.9 million for the year.

GPT's right-of-use assets are all property leases.

Notes to the Financial Statements

Year ended 31 December 2020

Ground Leases

A lease liability reflecting the leasehold arrangements of investment properties needs to be separately disclosed in the Consolidated Statement of Financial Position and the carrying value of the investment properties will be adjusted (i.e. grossed up) so that the net of these two amounts equals the fair value of the investment properties. The lease liabilities are calculated as the net present value of the future lease payments discounted at the incremental borrowing rate.

e) Changes in accounting estimates

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 beyond 31 August 2025. This has resulted in an increase to depreciation of $1.8 million in the year ended 31 December 2020. The effect on depreciation in the following years is not expected to have a material impact on future results.

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

There are no significant changes to GPT'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.

g) New accounting standards and interpretations issued but not yet adopted

There are no new standards or amendments to standards relevant to GPT.

25. 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 the fair value of the Group's investment properties and its operating result. At the reporting date a definitive assessment of the future effects of COVID-19 on the Group 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 Directors declared a distribution for the half year ended 31 December 2020 of 13.20 cents, being $257.1 million which is expected to be paid on 26 February 2021.

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 GPT, the results of those operations or the state of affairs of GPT in the subsequent financial years.

Directors' Declaration

Year ended 31 December 2020

In the Directors of the Responsible Entity's opinion:

a) The consolidated financial statements and notes set out on pages 68 to 116 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 GPT'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 24 to the financial statements.

c) There are reasonable grounds to believe that GPT will be able to pay its debts as and when they become due and payable. The net deficiency of current assets over current liabilities at 31 December 2020 of $42.8 million arises as a result of the inclusion of borrowings due within 12 months. GPT has access to cash and undrawn financing facilities of $1,790.1 million as set out in note 13 to the financial statements.

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 a resolution of the Directors.

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

GPT RE Limited

Sydney
15 February 2021

Independent Auditor's Report

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Independent auditor's report

To the stapled security holders of the GPT Group

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of General Property Trust (the Trust) and its controlled entities and GPT Management Holdings Limited (the Company) and its controlled entities (together, GPT, the GPT Group or the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the GPT Group'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 Group 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 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 Group 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.

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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 Group, 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 Group materiality of \$27.7 million, which represents approximately 5% of the Group's Funds from Operations (FFO). • 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 FFO because, in our view, it is the key performance indicator used by security holders to measure the performance of the Group. An explanation of what is included in FFO is located in Note 1, Segment Information. • We selected 5% based on our professional judgement noting it is also within the range of commonly accepted profit related thresholds.	• The structure of the Group is commonly referred to as a stapled group. In a stapled group, the securities of two or more entities are 'stapled' together and cannot be traded separately. In the case of the Group, the units in the Trust have been stapled to the shares in the Company. For the purposes of consolidation accounting, the Trust is the 'deemed' parent and the financial report reflects the consolidation of the Trust and its controlled entities and the Company and its controlled entities. • Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • The Group holds equity accounted investments in two wholesale real estate investment funds. The auditor of these funds (the component auditor) assisted in performing procedures on behalf of the Group engagement team. • We determined the level of involvement we needed to have in the audit work performed by the component auditor to be able to conclude whether sufficient appropriate audit evidence had been obtained. This included written instructions and active dialogue throughout the year.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit Committee: - Valuation of investment properties - Recoverability of trade receivables - Carrying value of inventories • These are further described in the *Key audit matters* section of our report.

Independent Auditor's 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*
Valuation of investment properties *$10,323.6 million* *Refer to note 2* The Group's investment property portfolio is comprised of office, retail and logistics properties including properties under development in those categories. Investment properties are valued at fair value at reporting date using the Group's policy as described in Note 2. The value of investment properties is dependent on the valuation methodology adopted and the inputs and assumptions in the valuation models. The following assumptions are key in establishing fair value: • Capitalisation rate • Discount rate In accordance with the Group's valuation policy, all investment properties (with the exception of unimproved land) must be externally valued by an independent valuation expert at least once every 12 months. All investment properties have been independently valued as at 31 December 2020 (excluding assets held for sale and those acquired during the second half of the year). We considered this a key audit matter because of: • the relative size of the investment property balance in the consolidated statement of financial position; • the inherently subjective nature of the key assumptions that underpin the valuations, including capitalisation and discount rates; and • the extent of judgement involved in considering the impact of the COVID-19 pandemic on investment property valuations.	We tested key controls related to the data inputs provided by the Group to external valuers, as well as key controls over review and approval of the valuations by appropriate management. We obtained a selection of independent property market reports and also worked together with PwC Real Estate experts to develop an understanding of the prevailing market conditions and their expected impact on GPT investment properties. We agreed the fair value in external investment property valuation reports to the Group's accounting records and assessed the competency, capability and objectivity of the external valuers. We met with management to discuss the specifics of the property portfolio including significant leasing activity, capital expenditure and vacancies impacting the portfolio. For a sample of key data inputs to the valuations, we agreed details to supporting documentation. For example, we agreed a sample of rental income in valuations to lease agreements. For a sample of properties which were assessed as being at greater risk of material misstatement, we performed the following procedures, amongst others, to assess the appropriateness of key assumptions used in the Group's assessment of fair value. We: • obtained the valuation and held discussions with management to develop an understanding of the basis for assumptions used. • assessed the appropriateness of the methodology adopted and the mathematical accuracy of valuations. • assessed the appropriateness of the capitalisation rate and discount rate used in the valuations by comparing them against market data for comparable properties. • assessed the reasonableness of other key assumptions in the valuation by considering observable external market data such as comparable sales. • met with a selection of external valuation firms to develop an understanding of their processes, judgement and observations including how they

	dealt with uncertainties arising from COVID-19 in the valuations. In addition to the above, for selected properties under development: • we compared key data inputs in the 'as if complete' valuation to underlying support; and • we compared a sample of key assumptions used within the development's 'cost to complete' schedule to appropriate evidence, for example, expected future costs were agreed to contractor forecast advice. We assessed the reasonableness of the Group's disclosures against the requirements of Australian Accounting Standards. In particular, we considered the adequacy of the disclosures made in Note 2 which explains the basis of valuations, as well as the inclusion of material valuation uncertainty clauses by the independent valuers.
Recoverability of trade receivables *$50.2m* *Refer to note 4* As a result of COVID-19 and the commercial tenancies Code of Conduct legislated in each state and territory, the GPT Group has provided a significant volume of rental waivers to tenants during the year. Tenant debtors which have been waived, or are expected to be waived, have been written off as uncollectible. For remaining trade receivables balances which have not been written off, the Group has assessed recoverability using an Expected Credit Loss (ECL) model. The Group has applied judgement in establishing the assumptions used to assess expected rental waivers as well as in the ECL model. Given the higher receivables balance and the uncertainty arising from COVID 19, as well as the extent of judgement involved in determining expected rental waivers and future expected credit losses, we consider this to be a key audit matter.	We developed an understanding and evaluated the impact of COVID-19 and the Code of Conduct on tenant rental receivables, and the processes and controls established by the Group to calculate actual and expected rental waivers and the ECL model. For a sample of executed rent abatement deeds, we agreed relevant terms to the general ledger and the model used to calculate actual and expected rent waivers. For the population of tenants for which rent waivers are expected: • we assessed whether the Group's significant assumptions to calculate the expected abatement were appropriate, for example by comparing the expected rebate percentage to the rebate in similar executed deals; and • we recalculated the rent abatement for a sample of tenants. For the Group's ECL model: • we developed an understanding of the methodology applied by portfolio and the basis for significant assumptions. • we tested, on a sample basis, the accuracy of the data in the model to relevant supporting information. We also tested the model for mathematical accuracy. • we considered the appropriateness of the methodology and significant assumptions. For example we considered the impact of COVID-19 on the risk profile of specific tenants, and on groups of tenants across the portfolios. • for a sample of lease tenant receivables, we tested the data that informed the Group's significant assumptions such as tenant cash payment trends.

Independent Auditor's Report

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	We also assessed the reasonableness of the Group's disclosures against the requirements of Australian Accounting Standards, including the impact of COVID-19.
Carrying value of inventories *$95.5 million* *Refer to note 6* The Group develops a portfolio of sites for future sale which are classified as inventory. The Group's inventories are held at the lower 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 Group 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.	For each project we obtained the Group's latest Net Realisable Value (NRV) models. We developed an understanding of how the Group identified the relevant assumptions and sources of data that are appropriate for calculating the NRV. 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 Group's financial report against the requirements of Australian Accounting Standards.

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Other information

The directors of GPT RE Limited, the Responsible Entity of General Property Trust, (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 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 Group 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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 52 to 64 of the directors report for the year ended 31 December 2020.

Independent Auditor's Report

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

Responsibilities

The directors 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

Securityholder Information

GPT is listed on the Australian Securities Exchange (ASX) under the ASX Listing Code: GPT.

VOTING RIGHTS

Securityholders in the GPT Group are entitled to one vote for each dollar of the value of the total securities they hold in the Group.

SECURITYHOLDERS

Substantial Securityholders	Number of Securities
Unisuper Limited	297,332,491
Vanguard Group	183,628,450
Blackrock	163,118,343
State Street Corporation	125,992,619

Distribution of Securities	Number of Securityholders	Percentage of total issued Securities
1 to 1,000	14,277	0.33
1,001 to 5,000	12,280	1.56
5,001 to 10,000	3,589	1.32
10,001 to 100,000	2,555	2.71
100,001 and over	102	94.08
Total Number of Securityholders	**32,803**	**100.00%**

There were 1,274 securityholders holding less than a marketable parcel of 112 securities, based on a close price of $4.50 as at 31 December 2020, and they hold 47,190 securities.

Twenty Largest Securityholders	Number of Securities	Percentage of total issued Securities
HSBC Custody Nominees (Australia) Limited	649,705,381	33.35
J P Morgan Nominees Australia	419,347,992	21.53
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	337,314,702	17.32
Citicorp Nominees Pty Limited	217,177,778	11.15
National Nominees Limited	84,745,692	4.35
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	20,763,844	1.07
BNP Paribas Noms Pty Ltd <DRP>	19,839,853	1.02
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	18,866,464	0.97
Pacific Custodians Pty Limited <GPT Group Plans Ctrl A/C>	6,077,382	0.31
HSBC Custody Nominees (Australia) Limited	4,861,923	0.25
Charter Hall Wholesale Management Limited <Charter Hall DP Value AREIT>	4,158,011	0.21
Navigator Australia Ltd <Sma Antares Inv Dv Build A/C>	4,106,457	0.21
Argo Investments Limited	3,480,667	0.18
AMP Life Limited	3,426,358	0.18
HSBC Custody Nominees (Australia) Limited-GSCO ECA	2,620,806	0.13
One Managed Investment Funds Limited <Charter Hall Maxim Property Securities A/C>	2,550,000	0.13
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <Drp A/C>	2,515,343	0.13
Netwealth Investments Limited <Wrap Services A/C>	2,306,340	0.12
BNP Paribas Noms (NZ) Ltd <DRP>	1,962,019	0.10
The Trust Company (Australia) Limited <A/C 4>	1,917,228	0.10
Total	**1,807,744,240**	**92.81**
Total Securities on Issue	**1,947,929,316**	

Securityholder Information

ISSUE OF SECURITIES

No GPT securities were issued during the period 1 January 2020 to 31 December 2020.

A complete list of all securities issued since GPT's inception in 1971 can be obtained from our website (www.gpt.com.au) or by calling the GPT Securityholder Service Centre on 1800 025 095 (freecall within Australia).

INVESTOR INFORMATION

Securityholder Services – Link Market Services

You can access your investment online at www.linkmarketservices.com.au, signing in using your SRN/HIN, Surname and Postcode. Functions available include updating your address details, downloading a PDF of your Annual Tax Statement and collecting FATCA/CRS self certification.

Also online at www.linkmarketservices.com.au are regularly requested forms relating to payment instructions, name corrections and changes and deceased estate packs.

For assistance with altering any of your investment details, please phone the GPT Registry on 1800 025 095 (free call within Australia) or +61 1800 025 095 (outside Australia).

Electronic communications

GPT encourages our securityholders to receive investor communications electronically, including the Group Annual Report, as part of our commitment to sustainability. These reports are available on our website at www.gpt.com.au.

To register for electronic investor communications, please go to www.linkmarketservices.com.au and register for online services.

Annual General Meeting 2021

GPT's Annual General Meeting (AGM) will be held on 13 May 2021. Details will be provided in the Notice of Meeting. The Chairman's and CEO's addresses will be announced to the ASX on the day.

Investor Calendar

13 May 2021	Annual General Meeting
16 August 2021	2021 Interim Result Announcement
16 August 2021	June 2021 Half Year Distribution Announcement
August 2021	June 2021 Half Year Distribution Payment

An investor calendar is also available on GPT's website at www.gpt.com.au/investor-centre

Distribution Policy and Payments

GPT has a distribution policy that effectively aligns the Group's capital management framework with our business strategy, which reflects a sustainable distribution level to ensure a prudent approach to managing the Group's gearing through market and economic cycles.

GPT makes distribution payments in Australian dollars to securityholders two times a year, for the six months ended 30 June and the six months ended 31 December.

Corporate Directory

THE GPT GROUP

Comprising:

GPT Management Holdings Limited
ACN 113 510 188 and

GPT RE Limited
ACN 107 426 504
AFSL 286511

As Responsible Entity for
General Property Trust ARSN 090 110 357

Registered Office

Level 51 MLC Centre
19 Martin Place
Sydney NSW 2000

Telephone: +61 2 8239 3555
Facsimile: +61 2 9225 9318

BOARD OF DIRECTORS

Vickki McFadden (Chairman)
Bob Johnston
Tracey Horton AO
Angus McNaughton
Mark Menhinnitt
Michelle Somerville
Gene Tilbrook[1]
Robert Whitfield AM

Company Secretaries

James Coyne
Lisa Bau

Telephone: +61 2 8239 3555
Facsimile: +61 2 9225 9318

Audit Committee

Michelle Somerville (Chairman)
Angus McNaughton
Gene Tilbrook[1]
Robert Whitfield AM

Human Resources and Remuneration Committee

Tracey Horton AO (Chairman)
Vickki McFadden
Angus McNaughton
Mark Menhinnitt

Nomination Committee

Vickki McFadden (Chairman)
Bob Johnston
Tracey Horton AO
Angus McNaughton
Mark Menhinnitt
Michelle Somerville
Gene Tilbrook[1]
Robert Whitfield AM

Sustainability and Risk Committee

Gene Tilbrook (Chairman)[1]
Tracey Horton AO
Mark Menhinnitt
Michelle Somerville
Robert Whitfield AM[2]

AUDITORS

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One International Towers Sydney,
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Sydney NSW 2000

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GPT Security Registrar
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1. Gene Tilbrook retired from the GPT Board on 31 December 2020.
2. Robert Whitfield AM assumed the role of Chairman of the Sustainability and Risk Committee from 1 January 2021.


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