General Property Trust

ABN: 58 071 755 609

Annual Financial Report
31 December 2019

The GPT Group (GPT) comprises General Property Trust (Trust) and its controlled entities and GPT Management Holdings Limited (Company) and its controlled entities.

General Property Trust is a registered scheme, registered and domiciled in Australia. GPT RE Limited is the Responsible Entity of General Property Trust. GPT Management Holdings Limited is a company limited by shares, incorporated and domiciled in Australia. GPT RE Limited is a wholly owned controlled entity of GPT Management Holdings Limited.

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

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DIRECTORS' REPORT
Year ended 31 December 2019

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 2019. 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.

1. OPERATING AND FINANCIAL REVIEW

About GPT
GPT is an owner and manager of a $14.85 billion diversified portfolio of high quality Australian retail, office and logistics property assets and together with GPT's funds management platform the Group has $25.3 billion of property assets under management (AUM).

GPT owns some of Australia's most prominent real estate assets, including Melbourne Central and Highpoint Shopping Centre in Melbourne, Australia Square, Governor Phillip Tower & Governor Macquarie Tower, Darling Park and 2 Park Street in Sydney and One One One Eagle Street in Brisbane.

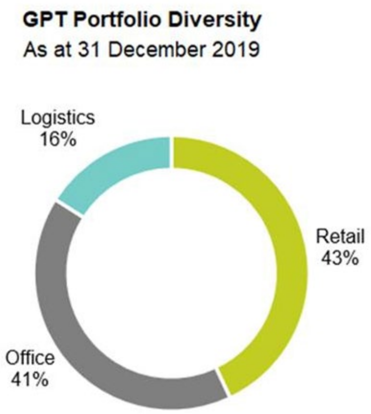
Listed on the Australian Securities Exchange (ASX) since 1971, GPT is today one of Australia's largest diversified listed property groups with a market capitalisation of approximately $10.9 billion. GPT is one of the top 50 listed stocks on the ASX by market capitalisation as at 31 December 2019.

GPT's strategy is focused on leveraging its extensive real estate experience to deliver strong returns through disciplined investment, asset management and development. The development capability has a focus on creating value for securityholders through the enhancement of the core investment portfolio and in the creation of new investment assets.

A key performance measure for GPT is Total Return. Total Return is calculated as the change in Net Tangible Assets (NTA) per security plus distributions per security declared over the year, divided by the NTA per security at the beginning of the year. This focus on Total Return is aligned with securityholders' long term investment aspirations. In 2019 GPT achieved a Total Return of 8.7 per cent.

GPT focuses on maintaining a strong balance sheet. GPT's gearing as at 31 December 2019 was 22.1 per cent and it has maintained a long weighted average debt expiry of 7.7 years. The average cost of debt for 2019 was 3.6 per cent.

GPT Portfolio



Retail Portfolio	Office Portfolio	Logistics Portfolio
12 shopping centres	24 assets	35 assets
960,000 sqm GLA*	1,080,000 sqm NLA**	1,010,000 sqm GLA*
3,200 + tenants	470 + tenants	80 + tenants
$6.3b portfolio	$6.1b portfolio	$2.4b portfolio
$9.8b AUM	**$13.1b AUM**	**$2.4b AUM**

*Gross lettable area
**Net lettable area

Review of operations
Funds from Operations (FFO) represents GPT's underlying and recurring 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. GPT's distribution policy is a payout ratio of approximately 95-105 per cent of Adjusted Funds from Operations (AFFO) which is broadly defined as FFO less maintenance capex and lease incentives. FFO and AFFO have been determined in accordance with the guidelines issued by the Property Council of Australia.

DIRECTORS' REPORT

Year ended 31 December 2019

The reconciliation of FFO to net profit after tax is set out below:

For the year ended	31 Dec 19 $M	31 Dec 18 $M	Change %
Retail			
- Operations net income	**321.6**	318.6	0.9%
- Development net income	**4.4**	7.6	(42.1%)
	326.0	326.2	(0.1%)
Office			
- Operations net income	**275.3**	267.7	2.8%
- Development net income	**1.0**	1.0	0.0%
	276.3	268.7	2.8%
Logistics			
- Operations net income	**120.9**	104.8	15.4%
- Development net income	**0.1**	5.1	(98.0%)
	121.0	109.9	10.1%
Funds management net income	**46.3**	42.6	8.7%
Corporate management expenses	**(35.3)**	(34.2)	3.2%
Net finance costs	**(108.0)**	(124.4)	(13.2%)
Income tax expense	**(12.6)**	(14.2)	(11.3%)
Funds from Operations (FFO)	**613.7**	574.6	6.8%
Non-FFO items:			
Valuation increase	**342.2**	910.7	(62.4%)
Financial instruments mark to market and net foreign exchange loss	**(82.7)**	(39.6)	108.8%
Other items (1)	**6.8**	6.0	13.3%
Net profit for the year after tax	**880.0**	1,451.7	(39.4%)
FFO per ordinary stapled security (cents)	**32.68**	31.84	2.6%
Funds from Operations (FFO)	**613.7**	574.6	6.8%
Maintenance capex	**(55.2)**	(53.2)	3.7%
Lease incentives	**(61.0)**	(60.9)	0.2%
Adjusted Funds from Operations (AFFO)	**497.5**	460.5	8.0%
Distribution paid and payable	**514.3**	459.5	11.9%
Distribution per ordinary stapled security (cents)	**26.48**	25.46	4.0%

(1) Other items include net impairment expenses / reversals, amortisation of intangibles, AASB 16 *Leases* non-FFO adjustment and related tax impact.

Operating result

GPT delivered FFO of $613.7 million for the 2019 financial year, an increase of 6.8 per cent on the prior year. This translated into FFO per security of 32.68 cents, up 2.6 per cent. The result was particularly driven by strong operating income from the office and logistics segments.

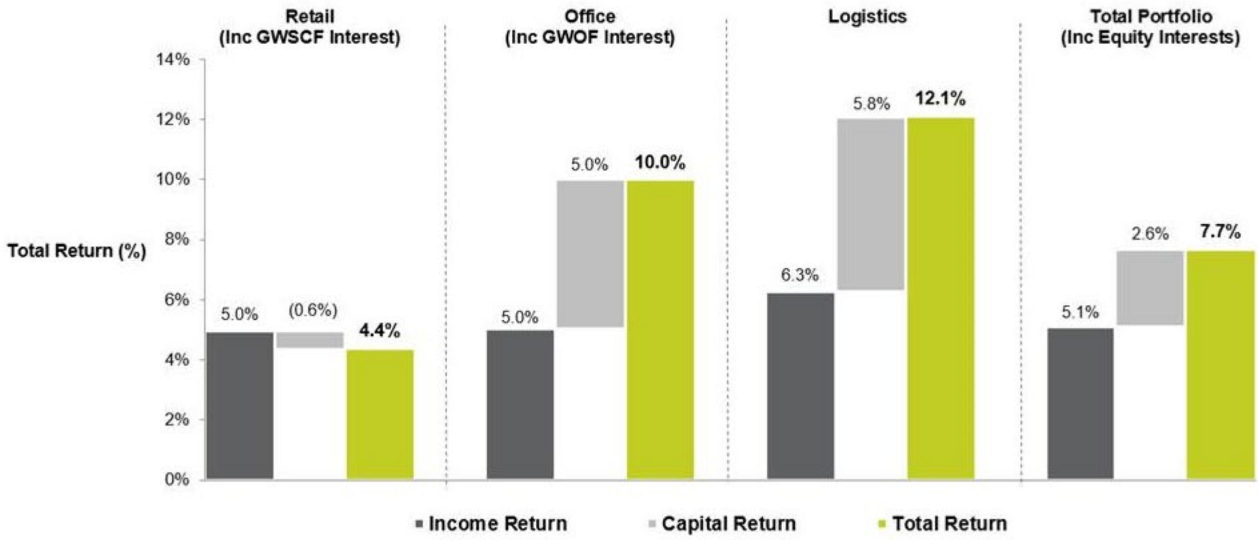
GPT's statutory net profit after tax is $880.0 million, a decrease of 39.4 per cent on the prior comparable period, due to lower property valuation increases of $342.2 million (Dec 2018: $910.7 million) and a higher negative mark to market of financial instruments of $82.7 million (Dec 2018: negative of $39.6 million) driven by lower market swap interest rates.

Distribution

For the financial year ended 31 December 2019, distributions paid and payable to stapled securityholders totalled $514.3 million (2018: $459.5 million), representing an annual distribution of 26.48 cents, up 4.0 per cent on 2018 (2018: 25.46 cents). This includes 13.37 cents ($260.4 million) in respect of the second half of 2019, which was declared on 12 December 2019 and is expected to be paid on 28 February 2020. The payout ratio for the year ended 31 December 2019 is 103.4 per cent of AFFO (2018: 99.8 per cent).

DIRECTORS' REPORT
Year ended 31 December 2019

The unlevered Total Return at the direct investment portfolio level was 7.7 per cent for 2019 with each portfolios' performance detailed in the following chart.



GPT has maintained strong metrics across its core portfolios:

	Overall Portfolios	Retail Portfolio	Office Portfolio	Logistics Portfolio
Value of Portfolio		$6.33 billion portfolio including GPT's equity interest in the GPT Wholesale Shopping Centre Fund (2018: $6.20 billion)	$6.08 billion portfolio including GPT's equity interest in the GPT Wholesale Office Fund (2018: $5.93 billion)	$2.44 billion portfolio (2018: $1.89 billion)
Occupancy	96.5% (2018: 97.8%)	99.6% (2018: 99.6%)	98.3% (2018: 97.1%)	94.4% (2018: 97.2%)
Weighted average lease expiry (WALE)	5.0 years (2018: 4.9 years)	3.9 years (2018: 4.0 years)	5.3 years (2018: 5.2 years)	7.3 years (2018: 7.1 years)
Structured rental reviews		75% of specialty income subject to average increases of 4.7% (2018: 74% subject to average increases of 4.8%)	85% of income subject to average increases of 3.9% (2018: 85% subject to average increases of 3.9%)	93% of income subject to average increases of 3.1% (2018: 91% subject to average increases of 3.3%)
Comparable income growth	3.5% (2018: 3.8%)	1.2% (2018: 2.2%)	6.2% (2018: 5.8%)	3.3% (2018: 2.8%)
Weighted average capitalisation rate	4.95% (2018: 5.02%)	4.89% (2018: 4.88%)	4.85% (2018: 4.95%)	5.40% (2018: 5.78%)

Retail
(i) Operations net income
The retail portfolio recorded a negative revaluation of $46.1 million in 2019, including GPT's equity interest in the GPT Wholesale Shopping Centre Fund (GWSCF). Positive revaluations attributed to Melbourne Central, Sunshine Plaza and Rouse Hill Town Centre were offset by devaluations at Casuarina Square and Highpoint Shopping Centre together with GPT's interest in GWSCF.

Like for like income growth of 1.2 per cent was impacted by the underperformance of Casuarina Square. In addition, fixed rental escalations across the portfolio were offset by other factors including a reduction in turnover rent, particularly from cinemas and an increase in downtime associated with actively re-mixing the retail offer to drive sales productivity.

Whilst retail sales continues to moderate, sales productivity growth (MAT per square metre) remains positive, with weighted total centre MAT per sqm up 1.1 per cent and total specialty MAT per sqm up 1.9 per cent.

(ii) Development net income
In March 2019, the second stage of the $432 million (GPT share: $216 million) 34,000sqm expansion of Sunshine Plaza was completed. Development net income has reduced from the prior year primarily due to lower contributions from Rouse Hill.

DIRECTORS' REPORT
Year ended 31 December 2019

Office
(i) Operations net income
The office portfolio achieved a net revaluation uplift of $271.2 million in 2019, including GPT's equity interest in the GPT Wholesale Office Fund (GWOF). The positive revaluation has been driven by the Group's Melbourne and Sydney assets, in particular Melbourne Central Tower, Governor Phillip Tower & Governor Macquarie Tower and 2 Park Street.

Like for like income growth of 6.2 per cent was achieved as a result of higher occupancy during the period, positive leasing outcomes and structured rental reviews.

(ii) Development net income
Construction is progressing on the new 26,400sqm tower at 32 Smith Street, Parramatta following the acquisition of the site in 2017. Leasing is progressing well with 64 per cent committed or at terms agreed. Practical completion is due in late 2020.

A number of repositioning projects are underway in Melbourne at Queen & Collins, Melbourne Central Tower, 550 Bourke Street and 530 Collins Street.

Logistics
(i) Operations net income
The logistics portfolio achieved a net revaluation uplift of $117.1 million in 2019. This uplift is attributed to strong investor demand for quality logistics assets which led to a firming of investment metrics combined with positive leasing outcomes. The portfolio has a weighted average lease expiry of 7.3 years and like for like income growth of 3.3 per cent has been achieved.

During 2019 the Group acquired five prime logistics facilities in Sydney for $223.9 million (including transaction costs). The Group also exchanged contracts to acquire an asset in Truganina, Melbourne, with settlement to occur upon the facility reaching completion in the first half of 2020. The facility is leased for a 10 year term.

(ii) Development net income
Development net income decreased in line with our strategy to develop high quality investment product for long term ownership.

The Group continued to develop logistics facilities to increase the portfolio quality and scale. In December, the first facility at the Group's Gateway Logistics Hub in Truganina, Melbourne located at 21 Shiny Drive reached practical completion, and has commenced a 7 year lease over 54 per cent of the facility, with a lease executed over the remaining space in January 2020.

During the period the Group secured land in key growth corridors in Sydney and Melbourne. In Sydney, a 33.4 hectare site was secured in Kemps Creek on deferred settlement terms. The site is expected to accommodate approximately 162,000sqm of prime logistics space, subject to rezoning being achieved. A 3.1 hectare site has also been acquired at Glendenning, in order to develop a 17,000sqm facility. In Melbourne, a 32.8 hectare site has been secured in Truganina on deferred settlement terms, complementing the Group's existing 23 hectare holding in the Gateway Logistics Hub.

There are four facilities underway across the portfolio. At Berrinba in Brisbane, a 20,500sqm facility pre-leased to an international logistics company is under construction, with a speculative facility of 14,400sqm underway on the adjacent land with heads of agreement in place. Both facilities are due to be completed in the first half of 2020. In Western Sydney, a 50,000sqm pre-leased fund-through development is due for completion in the second half of 2020, while a 4,800sqm pre-leased facility is nearing completion.

The development pipeline, inclusive of land holdings and projects underway, has an expected end value on completion in excess of $1 billion.

Funds Management

As at and for the year ended 31 December 2019	GWOF	GWSCF	Total
Assets under management	$8.8b	$4.5b	$13.3b
Number of Assets	18	7	25
GPT Interest	22.93%	28.49%	
GPT Investment	$1,610.6m	$949.8m	$2,560.4m
One year Equity IRR (post-fees)	10.3%	(3.0%)	
Income from Funds	$72.2m	$45.5m	$117.7m
Funds Management fee income	$40.3m	$21.6m	$61.9m

GWOF
GWOF's total assets increased to $8.8 billion, up $1.0 billion from 2018 and the fund delivered a one year equity IRR of 10.3 per cent. The management fee income earned from GWOF for 2019 increased by $4.0 million as compared to 2018 due to the increase in the asset value of the portfolio.

As a result of GPT not participating in GWOF's Distribution Reinvestment Plan (DRP) or equity raisings, GPT's ownership reduced to 22.93 per cent (Dec 2018: 23.83 per cent).

GWSCF
The fund delivered a one year equity IRR of (-3.0 per cent). GWSCF's total assets decreased to $4.5 billion, down $0.3 billion from 2018, primarily driven by the sale of Norton Plaza in October 2019 and asset devaluations. Management fee income earned from GWSCF decreased by $0.3 million as compared with 2018.

As a result of GPT not participating in GWSCF's DRP, GPT's ownership reduced to 28.49 per cent (Dec 2018: 28.57 per cent).

Management expenses
Total management and administration expenses of $76.6 million across all segments (2018: $73.0 million) and corporate overheads of $35.3 million (2018: $34.2 million) both increased primarily due to annual salary growth of 2.51%, increase in Directors and Officers insurance premiums and additional safety leadership program costs.

DIRECTORS' REPORT

Year ended 31 December 2019

Financial position

	Net Assets 31 Dec 19 $M	Net Assets 31 Dec 18 $M	Change %
Portfolio assets			
Retail	**6,429.4**	6,299.2	2.1%
Office	**6,126.9**	5,921.9	3.5%
Logistics	**2,470.2**	1,958.8	26.1%
Total portfolio assets	**15,026.5**	14,179.9	6.0%
Financing and corporate assets	**841.3**	598.1	40.7%
Total assets	**15,867.8**	14,778.0	7.4%
Borrowings	**3,897.5**	4,114.9	(5.3%)
Other liabilities	**643.7**	562.5	14.4%
Total liabilities	**4,541.2**	4,677.4	(2.9%)
Net assets	**11,326.6**	10,100.6	12.1%
Total number of ordinary stapled securities (million)	**1,947.9**	1,804.9	7.9%
NTA ($ per security)	**5.80**	5.58	3.9%

Balance sheet

- The Group achieved a Total Return of 8.7 per cent (2018: 15.8 per cent) being the growth of NTA per stapled security of 22 cents to $5.80 plus the distribution paid / payable per stapled security of 26.48 cents, divided by the opening NTA per stapled security.
- Total portfolio assets increased by 6.0 per cent primarily due to acquisition of 25 per cent of Darling Park 1 & 2 and Cockle Bay Wharf and Logistics assets, development capital expenditure and positive property revaluations partly offset by divestment of MLC Centre.
- GPT undertook an $800 million institutional placement in June 2019 and a Security Purchase Plan (SPP) in July 2019 which together raised a total of $866.8 million to fund the acquisition of 25 per cent of Darling Park 1 & 2 and Cockle Bay Wharf, as well as several other growth opportunities the Group is pursuing. As a result, 143.0 million securities were issued as part of the placement and SPP.
- Total borrowings decreased due to repayments using proceeds from the equity raising and divestment of MLC Centre partially offset by drawdowns for acquisitions, development capital expenditure and fair value adjustments of $161.6 million to the carrying value of foreign currency debt.

Capital management

	31 Dec 19	31 Dec 18	Change
Cost of debt	**3.6%**	4.2%	Down by 60bps
Net gearing	**22.1%**	26.3%	Down by 420bps
Weighted average debt maturity	**7.7 years**	6.3 years	Up 1.4 years
Interest rate hedging	**82.0%**	83.0%	Down 1%
S&P / Moody's credit rating	**A stable / A2 stable**	A stable / A2 stable	Unchanged

GPT continues to maintain a strong focus on capital management.

Key highlights for the year include:

- Net gearing(1) reduced to 22.1 per cent (31 December 2018: 26.3 per cent). This was a result of the $866.8 million equity raising, the MLC Centre divestment and portfolio revaluation gains partially offset by development capital expenditure and acquisitions during the period;
- The Group undertook a US$400 million (A$558.9 million) US Private Placement (USPP) debt issuance for an average term of 12.9 years at an average margin of 170 basis points over 3 month BBSW. Settlement occurred on 25 July 2019;
- Weighted average cost of debt for the year is 3.6 per cent, down from 4.2 per cent in the previous year;
- Available liquidity through cash and undrawn facilities is $1,399.0 million (31 December 2018: $1,059.5 million);
- In conjunction with the sale of MLC Centre, a review of GPT's capital management strategy was undertaken resulting in a restructure and termination of hedges and GPT reducing its level of interest rate hedging. Additional hedging was subsequently put in place after the reduction in market interest rates and RBA rate cuts with the Group's hedging as at December 2019 broadly unchanged at 82%; and
- Mark to market movements on derivatives and borrowings has reduced net tangible assets by $72.7 million as a result of lower market swap interest rates.

(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.

DIRECTORS' REPORT

Year ended 31 December 2019

Cash flows

The cash balance as at December 2019 increased to $104.2 million (2018: $58.7 million).

Operating activities

The following table shows the reconciliation from FFO to the cash flow from operating activities:

For the year ended	**31 Dec 19 $M**	31 Dec 18 $M	Change %
FFO	**613.7**	574.6	6.8%
Less: non-cash items included in FFO	**(31.2)**	(36.2)	(13.8%)
Add: net movement in inventory (excluding impairment reversal)	**31.8**	5.8	448.3%
Movements in working capital and reserves	**0.3**	3.5	(91.4%)
Net cash inflows from operating activities	**614.6**	547.7	12.2%
Less: net movement in inventory (excluding impairment reversal)	**(31.8)**	(5.8)	448.3%
Less: maintenance capex	**(51.4)**	(53.2)	(3.4%)
Less: lease incentives (excluding rent free)	**(33.3)**	(39.7)	(16.1%)
Free cash flow	**498.1**	449.0	10.9%

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 15 of the accompanying financial statements.

Prospects

(i) Group

GPT retains a portfolio of high quality assets with high occupancy levels and structured rental growth. As at 31 December 2019, the Group's balance sheet is in a strong position, with a smooth, long debt expiry profile and net gearing below the Group's target gearing range of 25 to 35 per cent due to the sale of MLC Centre and the equity raise during the period.

(ii) Retail

Despite challenging conditions facing the retail environment, the retail portfolio has delivered positive sales productivity growth with weighted total centre MAT per sqm up 1.1 per cent and total specialty MAT per sqm up 1.9 per cent and remains well leased with occupancy at 99.6 per cent. GPT's assets are predominantly located in NSW and Vic which continue to experience solid economic and population growth. The Group continues to invest in its retail assets to provide engaging places for customers, to attract best in class retailers which will result in delivering consistent long term returns. The expansion of Melbourne Central and Rouse Hill will be opportunities for GPT to deliver leading examples on how retail assets need to evolve and adapt to meet the changing needs of today's retail consumer.

(iii) Office

GPT is progressing its future development pipeline in Sydney and Melbourne. Stage 1 Development Approval has been achieved for the proposed new office tower and retail precinct of up to 73,000sqm at Darling Park in Sydney. An International Design Competition for this project is nearing completion. In Melbourne, the Group is seeking a pre-commitment tenant for a proposed 20,000sqm office tower at Melbourne Central.

The Eastern Seaboard CBD office markets continued to experience favourable conditions during the past 12 months with vacancy rates in Sydney and Melbourne remaining low, at 5.0 per cent and 3.4 per cent respectively as at December 2019. Brisbane's vacancy rate has contracted in the 12 months from 13.2 per cent to 11.7 per cent. Vacancy rates in Sydney and Melbourne are forecast to increase over the short to medium term as new supply is delivered, while Brisbane vacancy is expected to decline as a result of the improving Queensland economy and limited supply forecast to be delivered in the near term.

(iv) Logistics

GPT is executing on its strategy to increase its portfolio weighting to the Logistics sector through the acquisition of investment assets and build out of the development pipeline. Industrial markets continue to benefit from sustained occupier demand, underpinned by infrastructure spending, population growth and e-commerce driving increased supply chain sophistication. These factors, together with strong investor demand for prime logistics facilities has resulted in firming of capitalisation rates.

(v) Funds management

GPT has a large funds management platform which has experienced significant growth in the value of assets under management over the past five years. The funds management team will continue to actively manage the existing portfolios, with new acquisitions, divestments and developments in line with the investment objectives of each fund.

(vi) Guidance for 2020

In 2020 GPT expects to deliver 3.5 per cent growth in FFO per ordinary security and 3.5 per cent growth in distribution per ordinary security. Achieving this target is subject to risks detailed in the following section.

Risk management

GPT's approach to risk management incorporates culture, people, processes and systems to enable the organisation to realise potential opportunities whilst managing potential adverse effects. This commitment to integrated risk management is consistent with AS/NZS ISO 31000:2018: Risk Management.

GPT has an enterprise-wide Risk Management Framework which is overseen by the Board and which consists of the following key elements:

1. **Risk Policy** – The Risk Policy sets out GPT's approach to risk management. It is reviewed annually by the Sustainability and Risk Committee (a sub-committee of the GPT Board) and is available on the GPT website.
2. **Risk Appetite** – The Board sets GPT's risk appetite to align with the company's vision, purpose and strategy. The risk appetite is documented 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 is committed to maintaining a transparent and accountable culture where risk is actively considered and managed in our day-to-day activities.
5. **Risk Management Processes** – GPT has robust processes in place for the identification, assessment, treatment and reporting of risk.

The following table sets out GPT's material risks and opportunities and what we are doing in response to them.

Risks and Opportunities	Our Response
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.	• GPT's portfolio is diversified by sector and geography • Review of market conditions twice a year, including briefings from economists • Scenario modelling and stress testing of assumptions • A disciplined investment 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 management, supplemented with external capabilities where appropriate • A structured program of investor engagement
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 investment 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 • 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
Capital Management Effective capital management is imperative to meet the Group's ongoing funding requirements and to withstand market volatility.	• Maximum gearing range of 25 to 35 per cent consistent with a stable investment grade "A category" credit rating • 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
Health and Safety GPT is committed to promoting and protecting the health, safety and wellbeing of its people, customers, contractors and all users of its 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
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 Code of Conduct (including consequences for non-compliance) • Employee Engagement Surveys every two years 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 • A Diversity and Inclusion Working Group, chaired by the GPT CEO • 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

Risks and Opportunities	Our Response
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.	• An 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 • Supply chain review, changes to the procurement process and amendment of standard contracts in response to Modern Slavery legislation
Technology and Cyber Security Our ability to respond to a major cyber security threat and breaches of our information technology systems is vital to ensure ongoing business continuity and the safety of people and assets.	• Technology risk management framework including third party risk management procedures around cyber security • 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 • An Information Security Risk and Compliance Committee which oversees the Information Security Policy and related policies • Alignment to the National Institute of Standards and Technology (NIST) Cyber Security Framework
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 Code of Conduct and other internal policies and procedures which are regularly reviewed and actively enforced • An ongoing program of training which addresses all key compliance requirements • Active involvement in the Property Council of Australia and other industry bodies

2. TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE

Climate change is a global challenge. GPT recognises that changes to the environment can influence the operation of our business and our assets, and we are committed to identifying and managing climate change risks across our business.

As a market leading owner and manager of a $25.3 billion portfolio of office, logistics and retail properties across Australia, GPT recognises the importance of transparently identifying and managing the foreseeable climate-related risks and opportunities likely to impact on the property sector. These impacts are already starting to manifest, with the world seeing an increase in the frequency and intensity of extreme weather events as a consequence of climate change.

In 2019, GPT undertook work to create a series of climate change disclosures aligned to the Taskforce for Climate-related Financial Disclosure (TCFD) recommendations. The TCFD provides a framework for more effective climate-related financial disclosures, addressing four key areas: governance, strategy, risk management and metrics and targets.

In preparing this report, a cross-functional reference group was established to identify foreseeable risks and opportunities under three different climate change related scenarios and to formulate GPT's ongoing climate change response plans.

GPT's detailed TCFD disclosure statement is available on our website: https://gpt.com.au/index.php/sustainability

Governance

Our approach to managing and reporting climate change risks and opportunities is guided by our overarching commitment to sustainability, outlined in our Sustainability Policy.

Climate change risks and potential financial impacts are assessed within GPT's Risk Management Framework, and GPT's Board of Directors ("Board") has ultimate responsibility for overseeing the application and management of the Framework. The Board established the Sustainability and Risk Committee ("Committee") to assist it in meeting certain areas of its responsibilities. Key areas of responsibility for the Committee includes oversight of the risk management, compliance and internal controls frameworks of GPT. In addition, the Audit Committee also supports the Board by considering material risks in the context of GPT's financial reporting.

DIRECTORS' REPORT
Year ended 31 December 2019

GPT's Chief Executive Officer (CEO) and Managing Director is accountable for ensuring that the Group is identifying, assessing and managing climate change risks and opportunities in accordance with GPT's Risk Management Framework. The Chief Risk Officer (CRO) has direct responsibility for managing GPT's Sustainability Team, which has responsibility for formulating and implementing GPT's sustainability initiatives across the business.

Accountability for the Group's sustainability targets and outcomes is reinforced through Key Performance Indicators (KPIs) that are included in the performance agreements of the CEO, the Leadership Team, all members of the Sustainability Team and key operational level staff members. In the case of the CEO, and the Leadership Team, these KPIs are directly linked to financial outcomes.

Strategy
In October 2017, GPT announced its target to operate its buildings on a carbon neutral basis by 2030. We are focused on eliminating emissions within our control and working proactively to influence and assist others to reduce their emissions. GPT's target, and the approach to managing emissions and energy consumption, are outlined in the Group's Climate Change and Energy Policy and are delivered through an ISO 14001 Environmental Management System.

To better understand the potential impact of climate change on our business, and to test the resilience of our strategy, GPT undertook scenario analysis in line with TCFD recommendations. A detailed summary of the scenarios adopted by GPT and potential risks and opportunities that may impact GPT as identified by this analysis can be found in the Group's detailed TCFD disclosure statement which is available on our website. The following scenarios were considered:

- The high emissions scenario assumed a long term average temperature rise of 4°C. This reflects a business as usual scenario where little to no additional action is taken by the broader global community to curb emissions growth. Under this scenario, physical risks are expected to increase in line with climatic changes, with minimal transitional impacts;
- GPT's medium emissions scenario broadly aligns with the Paris Agreement's 2°C goal and is based on an emissions outcome that would see Australia's economy fully decarbonised by approximately 2050. Under this scenario, the property sector will face a mix of physical and transition climate risks and opportunities; and
- The low emissions scenario represents the most ambitious global emissions outcome and is broadly aligned with limiting global warming to 1.5°C. Under this scenario, global greenhouse gas (GHG) emissions would peak in the near term, declining thereafter.

GPT has developed an Energy Master Plan to support the achievement of our net zero carbon emissions targets. The Plan provides a roadmap for the Group to achieve its net zero carbon emissions targets. The Plan takes a holistic approach to energy management with a view to mitigating the impacts of the transition to a low carbon economy and possible changes in energy policy over time.

GPT's approach to reducing or eliminating carbon emissions as part of our carbon neutral pathway is achieved in several ways, including reducing energy use by the implementation of energy efficiency programs, generating and purchasing renewable energy and eliminating gas use in buildings. As we are not yet able to eliminate all waste, gas or fugitive emissions, GPT purchases carbon offsets to address these residual emissions.

Risk Management
Effective risk management is fundamental to achieving our strategic and operational objectives. GPT's Risk Team applies an enterprise wide Risk Management Framework ("Framework") to monitor the operation of risk management processes and assist in the identification, assessment, treatment and monitoring of identified risks. The Risk Team supports the GPT Leadership Team, Board sub-committees and the GPT Board in ensuring that the business is managing risk appropriately.

To support the business in identifying and assessing climate change risks and opportunities, the TCFD Reference Group was established. The Reference Group identified and assessed the climate change risks and opportunities for each of the three climate scenarios adopted by GPT by applying GPT's Risk Assessment Matrix and Consequence Table, which define measures of likelihood and consequence. The likelihood assessment of physical climate change risks was based on the degree to which the frequency of the event is expected to change in the future under the three climate scenarios. Transition risk likelihood was assessed by considering the likelihood of policy, market, technology and reputational changes impacting GPT based on the expected global emissions reduction ambitions under each scenario.

Climate change risks and potential financial impacts are assessed within the Framework and are recorded in the Sustainability and Risk Committee's Key Risk Dashboard.

The financial effects of GPT's response to identified climate change risks and opportunities are embedded in our capital and operational expenditure plans. Our management of environmental issues is also a qualitative part of the GPT brand that contributes to decision making for our tenants in choosing our buildings and for investors choosing to invest in GPT and our funds.

Metrics & Targets
GPT monitors its direct climate change impacts, and reports on its emissions, energy, water and waste on a property by property basis annually. This information is publicly available in our Environment Data Pack, which includes a portfolio level summary for all indices (electricity, water, fuels, materials, recycling and emissions) since 2005.

The Group obtains external assurance over sustainability performance data including the following climate-related metrics for its portfolio, including: energy consumption and energy production in base building and tenancies, Scope 1, 2 and 3 greenhouse gas, water consumption, waste inputs and outcomes by grade.

The operations of GPT's corporate offices, which includes travel and consumables, have 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 (formerly NCOS). The certifications cover material Scope 1, 2 and 3 emissions. Adjusting for the purchase of Green Power and carbon offsets, GPT's net emissions from its operations are zero.

Next Steps
In 2020, the Group will be progressing the integration of climate change risks and opportunities into GPT's business planning and operations, including additional disclosure of how this is being achieved.

Further detailed analysis of climate scenarios will also be undertaken, with the results of this analysis to be reflected in the Group's strategic plans. GPT will also seek to put plans in place for each sector portfolio to achieve carbon neutrality.

The Group will undertake ongoing analysis of the climate change risks and opportunities, the results of which will be used to update the Group's risk registers and inform future management activities. In addition, the Group plans to adopt relevant metrics to monitor and measure progress in managing climate change risks and opportunities.

3. ENVIRONMENTAL REGULATION

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

GPT is subject to the reporting requirements of the National Greenhouse and Energy Reporting Act 2007 ("NGER Act"). The NGER Act requires GPT to report its annual greenhouse gas emissions and energy use. The measurement period for GPT is 1 July to 30 June each year. GPT has implemented systems and processes for the collection and calculation of the data required which enables submission of its report to the Department of Climate Change and Energy Efficiency within the legislative deadline of 31 October each year. GPT has submitted its report to the Department of Climate Change and Energy Efficiency for the period ended 30 June 2019 within the required timeframe.

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

4. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstances occurring since 31 December 2019 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.

5. DIRECTORS AND SECRETARY

Information on Directors

Vickki McFadden – Chairman
Vickki was appointed to the Board on 1 March 2018 and is also the Chairman of the Nomination Committee and a member of the Human Resources and Remuneration Committee. She brings a broad range of skills and experience to the Group gained during an 19 year career spanning investment banking, corporate finance and corporate law, and through her current and previous board-level positions.

Vickki currently holds Non-Executive directorships in the following listed entities and other entities:
- Tabcorp Holdings Limited (since 2017);
- Newcrest Mining Limited (since 2016); and
- Myer Family Investments Pty Limited (since 2011).

She is also a Member of Chief Executive Women and a Member of the Advisory Board and Executive Committee of the UNSW Business School.

Vickki was previously Chairman of Eftpos Payments Australia Limited, Chairman of Skilled Group Limited (prior to its acquisition by Programmed Maintenance Services Limited), a Non-Executive Director of Leighton Holdings Limited, President of the Takeovers Panel and a Managing Director of Investment Banking at Merrill Lynch Australia.

As at the date of this report she holds 52,525 GPT stapled securities.

Robert Johnston – Chief Executive Officer and Managing Director
Bob was appointed to the Board as Chief Executive Officer and Managing Director in September 2015. Bob is also a member of the Nomination Committee. He has 32 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.

As at the date of this report he holds 1,314,463 GPT stapled securities.

Eileen Doyle (retired in May 2019)
Eileen was appointed to the Board in March 2010. At the time of her retirement from the Board she was the Chairman of the Sustainability and Risk Committee and a member of the Nomination Committee and the Audit Committee. She has diverse and substantial business experience having held senior executive roles and directorships in a wide range of industries, including research, financial services, building and construction, steel, mining, logistics and export. Eileen is also a Fellow of the Australian Academy of Technological Sciences and Engineering.

At the time of her retirement from the Board, Eileen held the position of Non-Executive Director in the following listed and other entities:
- Boral Limited (since 2010); and
- Oil Search Limited (since 2016).

Eileen was also previously a Director of Bradken Limited from 2011 to November 2015.

As at the date of retirement from the Board she held 45,462 GPT stapled securities.

DIRECTORS' REPORT
Year ended 31 December 2019

Swe Guan Lim (retired in December 2019)
Swe Guan was appointed to the Board in March 2015 and at the date of his retirement from the Board was a member of the Nomination Committee and the Audit Committee. Swe Guan bought significant Australian real estate skills and experience and capital markets knowledge to the Board, having spent most of his executive career as a Managing Director in the Government Investment Corporation (GIC) in Singapore.

Swe Guan is currently Chairman of Cromwell European REIT in Singapore (since 2017) and a Director of Sunway Berhad in Malaysia (since 2011). Swe Guan is also a member of the Investment Committee of CIMB Trust Cap Advisors and was formerly a Director of Global Logistics Property in Singapore until January 2018.

As at the date of retirement from the Board he held 39,000 GPT stapled securities.

Michelle Somerville
Michelle was appointed to the Board in December 2015 and is also the Chairman of the Audit Committee and a member of the Nomination Committee and the Sustainability and Risk Committee. She 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 currently holds the position of Non-Executive Director in the following entities:
- IOOF Holdings Limited (since 2019);
- Bank Australia Limited (since 2014);
- Save the Children (Australia) (since 2012); and
- Down Syndrome Australia (since 2011).

Michelle is also an independent consultant to the UniSuper Ltd Audit, Risk and Compliance Committee since 2015 and she was previously a Non-Executive Director of Challenger Retirement and Investment Services Ltd.

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

Gene Tilbrook
Gene was appointed to the Board in May 2010 and is also the Chairman of the Sustainability and Risk Committee and a member of the Nomination Committee and the Audit Committee. He brings extensive experience in finance, corporate strategy, investments and capital management.

Gene currently holds the position of Non-Executive Director in the following listed entities:
- Orica Limited (since 2013); and
- Woodside Petroleum Limited (since 2014).

Gene was also previously a Director of other listed entities including Fletcher Building Limited and Aurizon Holdings Limited (2010 to February 2016).

As at the date of this report he holds 51,071 GPT stapled securities.

Angus McNaughton
Angus was appointed to the Board in November 2018 and is also a member of the Human Resources and Remuneration Committee, Nomination Committee and the Audit Committee. He brings extensive experience in property investment, development and management and funds investment.

Angus was previously the CEO and Managing Director of Vicinity Centres from August 2015 until December 2017. Prior to that time, Angus served as the Managing Director Property for Colonial First State Global Asset Management from 2011, before becoming the CEO and Managing Director of ASX-listed Novion Property Group in 2014. Angus led Novion through to the completion of the merger between Novion and Federation Centres, renamed as Vicinity Centres, in June 2015.

Angus does not currently hold any Non-Executive Director roles in other listed entities. Angus is a member of the REST Due Diligence Review Panel.

He was also previously Director, Real Estate of First State Investments in Singapore and Chief Executive Officer of Kiwi Income Property Trust in New Zealand.

As at the date of this report he holds 8,196 GPT stapled securities.

Tracey Horton AO (appointed 1 May 2019)
Tracey joined the GPT Board in May 2019 and is Chairman of the Human Resources and Remuneration Committee, and a member of the Nomination Committee and the Sustainability and Risk Committee.

Tracey currently holds the position of Non-Executive Director of listed entity Nearmap Ltd (since 2019) and is Acting President of the Australian Takeovers Panel and Deputy Chairman of the Australian Institute of Company Directors. Tracey is also Chair of the Australian Industry and Skills Committee and a Commissioner for Tourism Western Australia.

Tracey was previously a Non-Executive Director of Navitas Limited from June 2012 to July 2019 (Chairman from November 2016 to July 2019), 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's Business School. Prior to that she held executive and senior management roles in North America with Bain & Company in North America, and in Australia with Poynton and Partners and the Reserve Bank of Australia.

As at the date of this report she holds 7,525 GPT stapled securities.

Mark Menhinnitt (appointed 1 October 2019)
Mark joined the GPT Board in October 2019 and is a member of the Nomination Committee and the Sustainability and Risk Committee.

DIRECTORS' REPORT
Year ended 31 December 2019

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

Mark does not currently hold any Non-Executive roles in other listed entities.

Mark is a graduate member of the Australian Institute of Company Directors and a fellow of the Governance Institute of Australia.

As at the date of this report he holds 15,000 GPT stapled securities.

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

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

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

	Board		Audit Committee		Human Resources and Remuneration Committee		Sustainability and Risk Committee		Nomination Committee	
	No. of meetings	Attended	No. of meetings	Attended	No. of meetings	Attended	No. of meetings	Attended	No. of meetings	Attended
Vickki McFadden[1]	13	13	-	-	6	6	-	-	3	3
Bob Johnston[1]	13	13	-	-	-	-	-	-	3	3
Eileen Doyle	4	4	2	2	-	-	1	1	2	2
Tracey Horton AO	10	10	-	-	4	4	3	3	1	1
Swe Guan Lim	13	13	6	6	-	-	3	3	3	3
Angus McNaughton	13	13	6	6	6	6	-	-	3	3
Mark Menhinnitt	4	4	-	-	-	-	1	1	1	1
Michelle Somerville	13	13	6	6	-	-	4	4	3	3
Gene Tilbrook	13	13	4	4	2	2	3	3	3	3

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

6. OTHER DISCLOSURES

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

Subject to specified exclusions, the liabilities insured are for costs that may be incurred in defending civil or criminal proceedings that may be brought against Directors and Officers in their capacity as Directors and Officers of GPT, its subsidiary companies or such other entities, and other payments arising from liabilities incurred by the Directors and Officers in connection with such proceedings. GPT has agreed to indemnify the auditors out of the assets of GPT if GPT has breached the agreement under which the auditors are appointed.

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

Non-audit services
During the year PricewaterhouseCoopers, GPT's auditor, has performed other services in addition to their statutory duties. Details of the amounts paid to the auditor, which includes amounts paid for non-audit services and other assurance services, are set out in note 21 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.

DIRECTORS' REPORT
Year ended 31 December 2019

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 27 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.

7. REMUNERATION REPORT

The Human Resources and Remuneration Committee (the Committee) of the Board presents the Remuneration Report (Report) for the GPT Group. This Report has been audited in accordance with section 308(3C) of the *Corporations Act 2001.*

The Board aims to ensure that the GPT Group's remuneration platform is both market competitive and fair to all stakeholders; aligns performance measures to the achievement of GPT's strategic objectives; and communicates the remuneration outcomes clearly and transparently.

Governance

Who are the members of the Committee?	The Committee consists of the following three Non-Executive Directors: • Tracey Horton AO (Committee Chairman) • Vickki McFadden • Angus McNaughton 2019 saw renewal and change on the Committee in line with changes to the Board: • Tracey Horton joined GPT on 1 May 2019 and was appointed Chairman of the Committee from 16 May 2019 while Gene Tilbrook stepped down from the Committee on 16 May 2019.
What is the scope of work of the Committee?	In 2019 the Committee undertook the following activities on behalf of the Board: • Oversee the management of culture. • Implement, monitor, evaluate and oversee GPT's remuneration framework. • Review and recommend to the Board for approval the remuneration for the Board, Chief Executive Officer and Managing Director (CEO) and approve remuneration for executives that are direct reports to the CEO. • Review and recommend to the Board for approval the key performance indicators for the CEO and assess the CEO's performance against those key performance indicators. • Review compliance with legal and regulatory requirements associated with the activities of the Committee. • Oversee the succession planning process for the Leadership Team (excluding the CEO, which is a responsibility of the Nomination Committee [1]). • Approve and oversee the implementation of GPT's diversity & inclusion strategy, initiatives and policies. • Receive reports in relation to talent development and employee engagement initiatives.
Who is included in the Remuneration Report?	GPT's Key Management Personnel (KMP) 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)).

Committee key decisions and remuneration outcomes in 2019

Platform component	Key decisions and outcomes
Base Pay (Fixed)	• Implemented the annual review of employee base pay effective 1 January 2019, with an overall increase of 2.51%. • Following benchmarking, implemented an annual review of Non-Executive Director base and committee fees effective 1 January 2019, with an average increase of 1.72% to bring Non-Executive Directors' remuneration closer to market.
Short Term Incentive Compensation (STIC)	• Maintained Funds from Operations (FFO) growth per security as the primary measure of Group financial performance. • The Group achieved an FFO growth per security outcome of 2.6%. The Committee exercised its discretion to adjust the FFO per security outcome taking into account the dilution resulting from the equity raise and interest expense savings from the hedge restructure. This resulted in an outcome between target and stretch and a STIC pool of $15.8 million. • Maintained a deferred equity component of STIC vesting in one tranche at the end of the year following the conclusion of the performance period. • Determined that the calculation for the number of securities to be issued under the security-based component of GPT's STIC award be made by reference to the 30-day Volume Weighted Average Price (VWAP) immediately before the end of the relevant performance period from 2020 onward [2].
Long Term Incentive (LTI) Compensation	• Achieved a compound annual Total Return [3] for the 2017-19 period of 13.19%, exceeding the benchmark of 10% for maximum award, and delivered a Total Securityholder Return (TSR) [4] of 41.33% which exceeded the ASX 200 AREIT Accumulation Index (the Index) performance of 40.85% by 0.48%[5]. • Implemented the 2019-2021 LTI with two performance measures, Total Return and Relative TSR. • Maintained the same performance hurdles, ranges and vesting schedules as the prior year's LTI plan. • Determined that the calculation for the number of performance rights issued under future LTI plans be made by reference to the 30-day VWAP immediately prior to the commencement of the performance period from 2020 onward[6]

[1] Effective 1 January 2019 a Nomination Committee was formed consisting of the full Board. Further information about the role and responsibility of both the Committee and the Nomination Committee is set out in their respective Charters, which are available on GPT's website (www.gpt.com.au). No additional fees are paid for membership of the Nomination Committee.
[2] The number of securities to be issued under the security-based component of GPT's STIC and LTI award is currently calculated with reference to the Quarter 4 (Q4), VWAP immediately preceding the commencement of the performance period i.e. 1 October 2018 to 31 December 2018.
[3] Total Return is defined as the sum of the change in Net Tangible Assets (NTA) and distributions over the performance period, divided by the NTA at the beginning of the performance period.
[4] TSR represents an investor's return, calculated as the percentage difference between an initial amount invested in stapled securities and the final value of those stapled securities at the end of the relevant period, assuming distributions were reinvested.
[5] 2017-19 LTI vesting outcome set out in Group Financial Performance and Incentive Outcomes section (refer Table 5).
[6] Refer to footnote 2.

Other employee ownership plans	• Continued the General Employee Security Ownership Plan (GESOP) for 108 STIC eligible employees not in the LTI. Under GESOP each participant receives an amount equal to 10% of their STIC (less tax) delivered in GPT securities, which must be held for at least 1 year. • Continued the Broad Based Employee Security Ownership Plan (BBESOP) for 258 employees ineligible for GESOP. Under BBESOP, subject to GPT achieving the annual FFO growth per security target, participants receive $1,000 worth of GPT securities that cannot be transferred or sold until the earlier of 3 years from the allocation date or cessation of employment (or $1,000 cash (less tax) at the election of the individual).
Policy and governance	• Operated in accordance with the Human Resources and Remuneration Committee Charter [7]. • Completed an annual review of the Charter. • Ensured clear accountabilities for culture and that systems to monitor it were in place. • Ensured that the remuneration framework balances risk and return and promotes appropriate risk taking behaviours. • Oversaw the implementation of key policies and practices in support of GPT's remuneration and incentive framework. • Sought independent external advice on market compensation benchmarks and practice, prevailing regulatory and governance standards [8].

GPT's vision and financial goals linked to remuneration structures

GPT's vision and financial goals			
To be the most respected property company in Australia in the eyes of our Investors, People, Customers and Communities	**Total Return > 8.5%**	**Generate competitive Relative Total Securityholder Return**	**Generate competitive FFO growth per security**

Total remuneration components			
Base pay (Fixed)	**STIC (variable)**	**LTI (variable)**	**Other employee ownership plans (variable)**
• Base level of reward. • Set around Australian market median using external benchmark data. • Reviewed based on employee's responsibilities, experience, skill and performance. • External and internal relativities considered.	• Discretionary, at risk, and with aggregate STIC funding aligned to overall Group financial outcomes. • Set around market median for target performance with potential to achieve top quartile for stretch outcomes. • Determined by GPT and individual performance against a mix of balanced scorecard measures which include financial and non-financial measures. • Financial measures include FFO growth per security, and earnings at portfolio, fund and/or property level as relevant. • Non-financial objectives focus on execution of strategy, delivery of key projects and developments, and people and culture objectives. • Delivered in cash, or (for senior executives), a combination of 50% cash and 50% equity with deferred vesting for 1 year [9].	• Discretionary, at risk performance rights, aligned to overall Group financial outcomes. • Set around market median for target performance with potential to achieve top quartile for stretch outcomes. • Vesting determined by GPT performance against Total Return and Relative TSR financial performance. • Relative TSR is measured against ASX200 AREIT Accumulation Index (including GPT). • Assessed over a 3 year performance period, no re-testing. • No value derived unless GPT meets or exceeds defined performance measures. • Delivered in GPT securities to align executive and securityholder interests.	**GESOP** • Supplementary award for STIC eligible individuals who are ineligible for LTI. • Equal to 10% of STIC outcome (less tax) i.e. subject to same performance criteria as STIC and delivered in GPT securities around the same time as the cash STIC payment. • Must be held for at least 1 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. • 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 or $1,000 cash (less tax) at the election of the individual.

Attract, retain, motivate and reward high calibre executives to deliver superior performance by providing: • Competitive rewards. • Opportunity to achieve incentives beyond base pay based on performance [10].	**Align executive rewards to GPT's performance and securityholder interests by:** • Assessing incentives against financial and non-financial business measures that are aligned with GPT strategy. • Delivering a meaningful component of executive remuneration in the form of equity subject to performance hurdles being achieved. • Enabling the Board to modify remuneration outcomes as a result of adverse circumstances becoming known post the granting, payment or vesting under the STIC or LTI schemes [11].

[7] The Charter is available on GPT's website (www.gpt.com.au).
[8] During 2019, no remuneration recommendations in relation to Key Management Personnel, as defined by Division 1 of Part 1.2 of Chapter 1 of the *Corporations Act 2001*, were made by these or other consultants.
[9] Where deferred securities are awarded, the number allocated is determined by dividing 50% of the value of the total STIC by the Q4, VWAP immediately preceding the commencement 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.
[10] 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.
[11] All GPT employees who participate in STIC and LTI are subject to these awards being clawed back if the recipient has acted fraudulently, dishonestly, or where there has been a material misstatement or omission in the Group's financial statements leading to the receipt of an unfair benefit.

GPT's Values and Culture

GPT is focussed on creating the conditions in which its people can realise their potential and consistently deliver high performance. GPT does this through the combination of a diverse workforce and inclusive culture, a dynamic and flexible work environment, advanced systems, mobile technology and a lean management structure to minimise costs and drive productivity. GPT's shared sense of purpose – to create value by delivering superior returns to investors, and to provide environments that enable our people to excel and customers and communities to prosper – is underpinned by 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**

A Culture Dashboard was developed during 2019 to assist the Committee to monitor GPT's performance in this area. Key areas of focus throughout the year include:

Focus Area	Commentary
Engagement	GPT has a high calibre workforce, characterised by strong levels of employee engagement. Engaged, energised and enabled employees lead to superior business outcomes. GPT strives to enable a consultative work environment where employee views are sought out, respected, and where appropriate, acted upon. Typically, GPT conducts employee engagement surveys every 18 to 24 months and pulse surveys on focussed topics during the intervening period. In 2019, GPT achieved an overall sustainable engagement score of 80% (comparing favourably to the Australian National Norm) and a participation rate of 86%. GPT celebrates this result as it demonstrates strong employee alignment to our vision, purpose, values and strategy.
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. During 2019, GPT achieved its second consecutive Workplace Gender Equality Agency (WGEA) Employer of Choice citation recognising GPT's performance in this area as among the best employers in Australia. Sponsorship of the Property Council of Australia 500 Women in Property program continued as did GPT's commitment to the CareerTrackers Indigenous Internship Program by signing a 10 year partnership with the not for profit organisation.
Behaviour and Consequences	GPT is proud of its reputation for applying the highest ethical and moral standards in all its dealings. The Code of Conduct (the Code) sets out the standard of behaviour expected of all employees, and aligns to GPT's vision to be the most respected property company in Australia. The Code was updated during the year, better clarifying the expectations GPT holds of its employees and emphasising personal responsibility for meeting them. Disciplinary Guidelines were added to the Code and include possible actions should standards not be met. GPT's expectations of its employees are regularly reinforced via compulsory training and direct communications from management.
Safety	Everyone at GPT plays a part in ensuring that our colleagues and people that visit our assets go home safely – whether they be customers, contractors or members of the broader community. GPT is unequivocal in its commitment to ensuring that safety remains a key priority for every employee across every workplace. Safety has always been part of GPT's DNA, and in 2019 the Group sought to emphasise its importance. During the period, GPT engaged an external partner to assist in a safety risk culture review which will form part of a holistic safety program, focussed on cultural transformation and safety leadership. A two day safety leadership conference was held for selected employees with the learnings shared across the broader employee base. The organisational values were also enhanced to include a new value "Safety First – Everyone, Always" demonstrating GPT's explicit objective in this area.
Risk Culture	GPT's approach to risk management incorporates culture, people, processes and systems to enable the organisation to realise potential opportunities whilst managing potential adverse effects. GPT is committed to maintaining a transparent and accountable culture where risk is actively considered and managed in our day-to-day activities.

Employment Terms

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 2019 remuneration arrangements were as follows: **Base pay**: $1,460,000. **STIC**: $0 to $1,825,000 (i.e. 0% to 125% of base pay) based on performance, 50% of the award paid in cash and 50% delivered as deferred GPT securities [12]. 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 restricted 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.
Clawback Policy	All GPT employees who participate in STIC and LTI are subject to these awards being clawed back if the recipient has acted fraudulently, dishonestly, or where there has been a material misstatement or omission in the Group's financial statements leading to the receipt of an unfair benefit.

2. Employment terms – Executive KMP

<table>
<tr><th>Term</th><th>Conditions</th></tr>
<tr><td>Contract duration</td><td>Open ended.</td></tr>
<tr><td>Termination by Executive</td><td>3 months' notice. GPT may elect to make a payment in lieu of notice.</td></tr>
<tr><td>Remuneration Package</td><td>
<table>
<tr><th>Component</th><th>Mark Fookes</th><th>Anastasia Clarke</th></tr>
<tr><td>Base pay</td><td>$830,000</td><td>$850,000</td></tr>
<tr><td>STIC</td><td>$0 to $830,000</td><td>$0 to $850,000</td></tr>
<tr><td>LTI</td><td>$0 to $830,000</td><td>$0 to $850,000</td></tr>
</table>
</td></tr>
<tr><td>Termination by Company for cause</td><td>No notice requirement or termination benefits (other than accrued entitlements).</td></tr>
<tr><td>Termination by Company (other)</td><td>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.</td></tr>
<tr><td>Post-employment restraints</td><td>12 months non-solicitation of GPT employees.</td></tr>
</table>

[12] The percentages vary dependent on the movement of the GPT security price during the performance period. See footnote 9.

DIRECTORS' REPORT

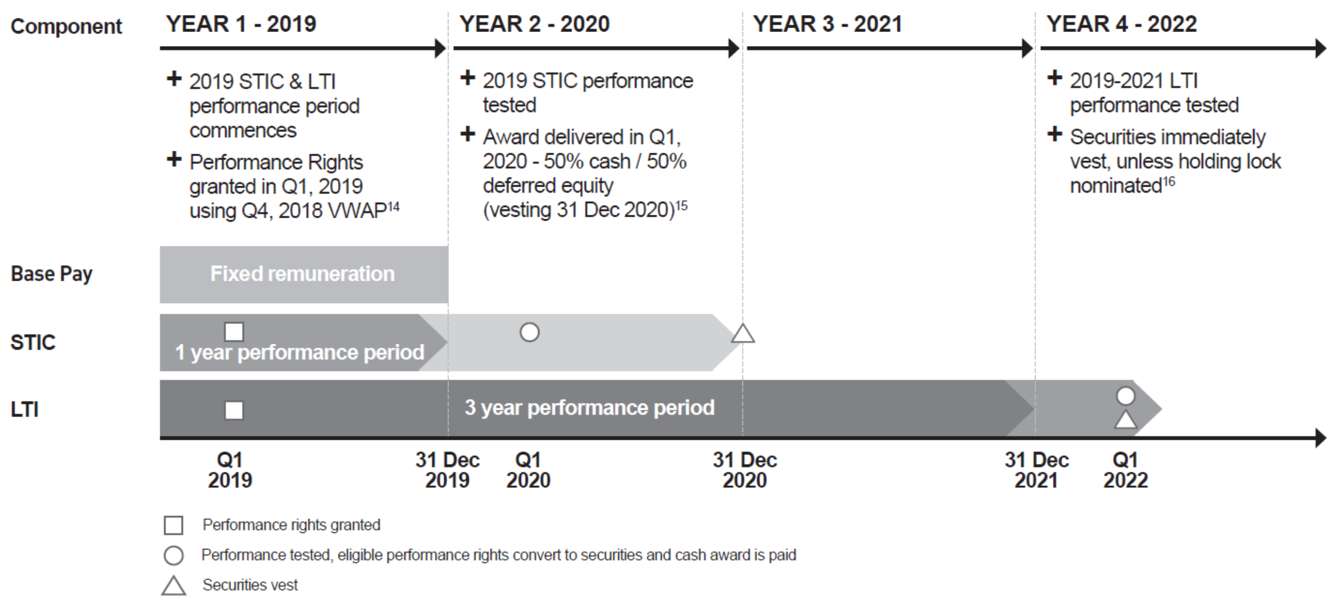
Year ended 31 December 2019

3. Compensation mix at maximum STIC and LTI outcomes

Executive KMP	Fixed remuneration	Variable or "at risk" remuneration [13]	
	Base pay	STI	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

The timeline below outlines how remuneration is delivered using financial year 2019 as an example.



Group Financial Performance and Incentive Outcomes

1. Five year Group financial performance

		2019	2018	2017	2016	2015
Total Securityholder Return (TSR)[17]	%	**9.6**	9.6	6.6	10.1	15.4
Total Return	%	**8.7**	15.8	15.2	15.5	11.5
NTA per security	$	**5.80**	5.58	5.04	4.59	4.17
FFO per security	cents	**32.68**	31.84	30.77	29.88	28.28
FFO per security growth	%	**2.6**	3.5	3.0	5.6	5.5
Security price at end of calendar year	$	**5.60**	5.34	5.11	5.03	4.78

[13] The percentage of each component of total remuneration is calculated with reference to maximum or stretch potential outcomes as set out in the Remuneration Packages detailed in Tables 1 and 2 of the Employment Terms section.
[14] From 2020 onward, the number of securities awarded under the STIC scheme will be made by reference to the 30-day VWAP immediately preceding the conclusion of the performance period. For LTI plans commencing from 2020 onward, the number of performance rights granted will be made by reference to the 30-day VWAP immediately prior to the commencement of the performance period.
[15] The percentages vary dependent on the movement of the GPT security price during the performance period. See footnote 9.
[16] 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. Note also 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.
[17] 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. Summary of CEO Objectives and Performance Outcomes

The CEO objectives and performance outcomes are summarised in the table below. The Board has assessed the CEO against these objectives and has approved an achievement score that results in 67.4 per cent of maximum STIC (84.3 per cent of target) being awarded.

	Performance measure	Weighting	Commentary
Financial	FFO growth per security targets.	50%	The Group achieved the Board approved FFO growth target for 2019. Office & Logistics and Funds Management contributions exceeded their respective targets, while the Retail sector contribution was below target.
Strategy	Strategy objectives focused on exploring growth opportunities for GPT, as well as development and implementation of strategic plans for each division.	25%	Management continued to execute on strategies approved by the Board. This included: • The sale of GPT's interest in the MLC Centre, acquisition of an interest in Darling Park 1 and 2 plus the acquisition of a number of logistics assets consistent with the Group's strategy to increase capital allocation to the Office and Logistics sectors. • Successfully completing an $867 million equity raising to fund acquisition and growth opportunities. • Maintaining prudent gearing levels and enhanced credit metrics. • Strengthening the Group's development pipeline for the Office and Logistics sector.
Performance	Operational objectives focused on driving performance of the investment portfolio, key milestones in the development pipeline, and other projects.	15%	Results across the Group in this area include: • Achievement of Logistics development targets and growth in development pipeline. • Achievement of development targets for 32 Smith Street, Parramatta. • Partial achievement of targets for the Melbourne Central and Rouse Hill developments. • Achievement of leasing targets across the portfolio. • Completion of a successful capital raising for GWOF. • Achievement of Sustainability targets including the establishment of an energy masterplan for the portfolio, strong Dow Jones Sustainability Index (DJSI) and Global Real Estate Sustainability Benchmark (GRESB) performance scores and implementation of reporting in line with Task Force on Climate-related Financial Disclosures (TCFD) requirements.
People	People objectives centred on increasing employee engagement, progressing GPT's diversity and inclusion strategy and embedding a strong risk culture.	10%	Achievements during the period include: • Elevating the Group's focus on safety and safety leadership. • GPT received its second consecutive Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality citation in February 2019. • High levels of employee engagement, as evidenced by the Sustainable Engagement score of 80%. • The percentage of females in the top quartile increased from 42% in 2018 to 46% in 2019. • Establishment of a Risk Culture Dashboard, with favourable results overall demonstrating a strong risk culture across the Group.

3. STIC Framework

The CEO objectives are cascaded (in full or in part) to KMP and all STIC participants where applicable. Performance measures and weightings may vary according to areas of responsibility for each STIC participant. GPT Group and segment financial KPI's and performance KPI's in relation to occupancy, leasing, progress on developments, investment performance and operational efficiency are included. Performance objectives are then measured to determine performance outcomes and generate STIC recommendations.

The following table shows the distribution of the 2018 STIC outcomes as a percentage of the individual's maximum STIC opportunity.

2018 STIC Received as a % of Maximum STIC potential	0-50%	50-60%	60-70%	70-80%	80-90%	90-100%
Percentage of STIC participants	2.92%	11.68%	43.06%	32.85%	9.49%	0.0%

4. 2019 STIC outcomes by Executive KMP [18]

The 2019 STIC outcomes for the KMP are in Table 4 below, while STIC determination for the balance of the eligible employees[19] is to occur in March 2020 post the issue of the 2019 Remuneration Report.

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) [20]
Bob Johnston	Chief Executive Officer and Managing Director	$1,230,000	67.40%	32.60%	$615,000	116,134
Anastasia Clarke	Chief Financial Officer	$640,000	75.29%	24.71%	$320,000	60,428
Mark Fookes	Chief Operating Officer	$610,000	73.49%	26.51%	$305,000	57,595

5. 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 (%)
2017	2017-19	Relative TSR versus ASX200 AREIT Accumulation Index (including GPT) (Index)	10% of performance rights (PR) vest at Index performance, up to 100% at Index plus 10% (pro rata vesting in between)	50%	GPT's TSR performance exceeded the Index by 0.48%	14.32%	57.16%
		Total Return	0% of PR vest at 8% Total Return, up to 100% at 9.5% Total Return (pro-rata vesting in between)	50%	13.19%	100.00%	
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%	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	
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	

[18] Excluding the impact of movements in the GPT security price on deferred STIC value received.
[19] i.e. excluding the KMP.
[20] The number of deferred GPT securities granted are calculated by dividing 50% of the Actual STIC awarded by GPT's Q4 2018 VWAP of $5.2956. The deferred GPT securities vest subject to service on 31 December 2019.

6. 2017-2019 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	452,206	258,481	193,725
Anastasia Clarke	Chief Financial Officer	157,563	90,063	67,500
Mark Fookes	Chief Operating Officer	172,269	98,469	73,800

7. LTI outcomes – fair value and maximum value recognised in future years [21]

Executive KMP		Grant date	Fair value per performance right	Performance rights granted as at 31 Dec 19	Vesting date	Maximum value to be recognised in future years
Bob Johnston	**2019**	**24 May 2019**	**$3.94**	**413,551**	**31 Dec 21**	**$997,079**
Chief Executive Officer and Managing Director	2018	10 May 2018	$2.62	420,467	31 Dec 20	$1,222,712
Anastasia Clarke	**2019**	**2 April 2019**	**$3.94**	**160,511**	**31 Dec 21**	**$447,992**
Chief Financial Officer	2018	29 March 2018	$2.62	153,595	31 Dec 20	$438,169
Mark Fookes	**2019**	**2 April 2019**	**$3.94**	**156,734**	**31 Dec 21**	**$444,531**
Chief Operating Officer	2018	29 March 2018	$2.62	157,435	31 Dec 20	$459,154

8. Reported remuneration – Executive KMP – Actual Amounts Received [22]

		Fixed pay			Variable or "at risk" [23]		
Executive KMP		Base pay	Superannuation	Other [24]	STIC	LTI	Total
Bob Johnston	**2019**	**$1,439,233**	**$20,767**	**$8,455**	**$1,314,232**	**$1,556,288**	**$4,338,975**
Chief Executive Officer and Managing Director	2018	$1,439,710	$20,290	$8,354	$1,237,259	$1,972,002	$4,677,615
Anastasia Clarke	**2019**	**$829,233**	**$20,767**	**$4,985**	**$683,828**	**$542,260**	**$2,081,073**
Chief Financial Officer	2018	$779,710	$20,290	$5,275	$579,807	$610,381	$1,995,463
Mark Fookes	**2019**	**$809,233**	**$20,767**	**$10,050**	**$651,774**	**$592,872**	**$2,084,696**
Chief Operating Officer	2018	$799,710	$20,290	$10,585	$579,807	$751,244	$2,161,636
Total	**2019**	**$3,077,699**	**$62,301**	**$23,490**	**$2,649,834**	**$2,691,420**	**$8,504,744**
	2018	$3,019,130	$60,870	$24,214	$2,396,873	$3,333,627	$8,834,714

[21] 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.
[22] 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.
[23] Gross dollar values for the equity components have been calculated by multiplying the number of securities by GPT's Q4 VWAP for the applicable year; 2019: $6.0209 (2018: $5.2956).
[24] Other may include death and total/permanent disability insurance premiums, service awards, GPT superannuation plan administration fees, professional memberships, subscriptions and/or other benefits.

9. Reported remuneration – Executive KMP – AIFRS Accounting [25]

		Fixed pay		Variable or "at risk"			
Executive KMP		**Base pay**	**Superannuation**	**Other**	**STIC**	**LTI [26]**	**Total**
Bob Johnston	**2019**	**$1,418,885**	**$20,767**	**$8,455**	**$1,302,460**	**$1,038,467**	**$3,789,034**
Chief Executive Officer and Managing Director	2018	$1,520,636	$20,290	$8,354	$1,210,570	$1,168,869	$3,928,719
Anastasia Clarke	**2019**	**$860,899**	**$20,767**	**$4,985**	**$658,420**	**$405,098**	**$1,950,169**
Chief Financial Officer	2018	$794,923	$20,290	$5,275	$548,232	$414,417	$1,783,137
Mark Fookes	**2019**	**$827,474**	**$20,767**	**$10,050**	**$636,642**	**$419,781**	**$1,914,714**
Chief Operating Officer	2018	$825,109	$20,290	$10,585	$559,068	$467,160	$1,882,212
Total	**2019**	**$3,107,258**	**$62,301**	**$23,490**	**$2,597,522**	**$1,863,346**	**$7,653,917**
	2018	$3,140,668	$60,870	$24,214	$2,317,870	$2,050,446	$7,594,068

10. GPT security ownership – Executive KMP as at 31 December 2019

Executive KMP	GPT Holdings (start of period) [27]	Employee Security Schemes (ESS)			Purchase /(Sales) during period [28]	GPT Holdings (end of period) [29]	Gross Value of GPT Holdings [30]	MSHR Guideline [31]
		2019 DSTIC	2017-19 LTI	TOTAL ESS for 2019				
Bob Johnston Chief Executive Officer and Managing Director	1,311,938	116,134	258,481	374,615	2,525	1,689,078	$10,169,770	$2,190,000
Anastasia Clarke Chief Financial Officer	409,206	60,428	90,063	150,491	(170,116)	389,581	$2,345,628	$850,000
Mark Fookes Chief Operating Officer	1,159,315	57,595	98,469	156,064	(93,017)	1,222,362	$7,359,719	$830,000

11. GPT performance rights – Executive KMP

	Performance rights	
Executive KMP	**Performance rights that lapsed in 2019 [32]**	**Performance rights still on foot at 31 Dec 19 [33]**
Bob Johnston Chief Executive Officer and Managing Director	249,904	834,018
Anastasia Clarke Chief Financial Officer	87,327	314,106
Mark Fookes Chief Operating Officer	94,571	314,169

[25] This table provides a breakdown of remuneration for executive KMP in accordance with statutory requirements and Australian accounting standards.
[26] This column records the amount of the fair value of performance rights under the various LTI plans expensed in the relevant financial years, and does not represent actual LTI awards made to executives or the face value grant method.
[27] GPT Holdings (start of period) include GPT securities obtained as sign on grants (Mr Johnston only), DSTIC up to and including 2018, LTI plans up to and including the 2016-18 LTI plan, and private holdings.
[28] 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 2019 calendar year.
[29] 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.
[30] The GPT Holdings (end of period) multiplied by GPT's Q4 2019 VWAP of $6.0209 to derive a dollar value.
[31] 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.
[32] The sum of performance rights that were awarded to a participant in the 2017-2019 LTI that did not vest at the end of the 2017-2019 performance period, and as a result, lapsed and/or performance rights granted under the 2019 DSTIC that also lapsed.
[33] The total of unvested performance rights currently on foot excluding any GPT securities or performance rights that may have lapsed up to 31 December 2019. 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 2018-20 and 2019-21 LTI plans on foot; as such, these performance rights represent the incentive opportunity over multiple future years, are subject to performance and hence "at risk", and as a result may never vest.

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 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 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 [34, 35]

		Board Fee [36]	Audit Committee	Sustainability and Risk Committee	Nomination and Remuneration Committee
Chairman	**2019**	**$430,000**	**$40,000**	**$34,000**	**$34,000**
	2018	$400,000	$37,000	$31,000	$31,000
Members	**2019**	**$170,000**	**$20,000**	**$17,000**	**$17,000**
	2018	$152,000	$18,500	$15,500	$15,500

2. Reported remuneration – Non-Executive Directors – AIFRS accounting [37, 38]

		Fixed pay			Total
Non-Executive Director - Current		**Salary and fees**	**Superannuation**	**Other [39]**	
Vickki McFadden [40]	**2019**	**$409,233**	**$20,767**	**-**	**$430,000**
Chairman	2018	$289,851	$16,481	-	$306,332
Tracey Horton [41]	**2019**	**$132,695**	**$12,606**	**-**	**$145,301**
	2018	-	-	-	-
Swe Guan Lim [42]	**2019**	**$189,041**	**$17,959**	**$507**	**$207,507**
	2018	$186,000	$17,670	$908	$204,578
Mark Menhinnitt [43]	**2019**	**$38,813**	**$3,687**	**-**	**$42,500**
	2018	-	-	-	-
Angus McNaughton [44]	**2019**	**$192,124**	**$18,252**	**-**	**$210,376**
	2018	$27,917	$2,652	-	$30,569
Michelle Somerville	**2019**	**$207,306**	**$19,694**	**-**	**$227,000**
	2018	$204,500	$19,428	-	$223,928
Gene Tilbrook	**2019**	**$197,750**	**$18,786**	**$1,377**	**$217,913**
	2018	$183,000	$17,385	$1,103	$201,488

[34] 'Chairman' used in this sense may refer to the chairperson of the board or a particular committee.
[35] 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.
[36] Fees for Non-Executive Directors are inclusive of superannuation from 2019 onward i.e. 2018 figures represent base salary only.
[37] This table provides a breakdown of remuneration for Non-Executive Directors in accordance with statutory requirements and Australian accounting standards.
[38] No termination benefits were paid during the financial year.
[39] Other may include death and total/permanent disability insurance premiums and/or GPT superannuation plan administration fees.
[40] Ms McFadden joined GPT on 1 March 2018 and was appointed Chairman of GPT from 3 May 2018.
[41] Ms Horton joined GPT on 1 May 2019, and was appointed Chairman of the Human Resources and Remuneration Committee from 16 May 2019.
[42] Mr Lim retired from the GPT Board on 31 December 2019.
[43] Mr Menhinnitt joined GPT on 1 October 2019.
[44] Mr McNaughton joined GPT on 1 November 2018.

Non-Executive Director – Former		Fixed pay: Salary and fees	Fixed pay: Superannuation	Fixed pay: Other[45]	Total
Robert Ferguson[46]	**2019**	**-**	**-**	**-**	**-**
	2018	$137,949	$8,617	-	$146,566
Brendan Crotty[47]	**2019**	**-**	**-**	**-**	**-**
	2018	$159,292	$15,133	-	$174,425
Eileen Doyle[48]	**2019**	**$76,843**	**$7,300**	**-**	**$84,143**
	2018	$214,596	$20,094	-	$234,690
Total	**2019**	**$1,443,805**	**$119,051**	**$1,884**	**$1,564,740**
	2018	$1,403,105	$117,460	$2,011	$1,522,576

3. Non-Executive Director – GPT security holdings

Non-Executive Director	Private holdings (# of securities): Balance 31 Dec 18	Private holdings (# of securities): Purchase/(Sale)	Private holdings (# of securities): Balance 31 Dec 19	Minimum security holding requirement (MSHR): Gross value[49]	Minimum security holding requirement (MSHR): MSHR guideline[50]	MSHR assessment date
Vickki McFadden	50,000	2,525	52,525	$316,248	$430,000	March 2022
Tracey Horton	-	7,525	7,525	$45,307	$170,000	May 2023
Angus McNaughton	-	8,196	8,196	$49,347	$170,000	November 2022
Mark Menhinnitt	-	15,000	15,000	$90,314	$170,000	October 2023
Michelle Somerville	36,663	-	36,663	$220,744	$170,000	December 2019
Gene Tilbrook	48,546	2,525	51,071	$307,493	$170,000	May 2020
Swe Guan Lim	39,000	-	39,000	$234,815	$170,000	March 2020

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

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

Sydney
10 February 2020

[45] Other may include death and total/permanent disability insurance premiums and/or GPT superannuation plan administration fees.
[46] Mr Ferguson retired from the GPT Board on 2 May 2018.
[47] Mr Crotty retired from the GPT Board on 8 November 2018.
[48] Ms Doyle retired from the GPT Board on 15 May 2019.
[49] Non-Executive Directors holdings multiplied by GPT's Q4 2019 VWAP of $6.0209 to derive a dollar value.
[50] 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.

Auditor's Independence Declaration

As lead auditor for the audit of General Property Trust for the year ended 31 December 2019, 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. Horl

Susan Horlin
Partner
PricewaterhouseCoopers

Sydney
10 February 2020

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2019

	Note	31 Dec 19 $M	31 Dec 18 $M
Revenue			
Rent from investment properties	16	**652.9**	634.1
Property and fund management fees		**80.8**	79.2
Development revenue		**58.6**	34.4
Development management fees		**5.6**	4.8
		797.9	752.5
Other income			
Fair value gain on investment properties		**310.8**	637.2
Share of after tax profit of equity accounted investments		**266.3**	497.8
Interest revenue		**1.5**	1.4
Net gain on disposal of assets		**-**	1.3
Gain on financial liability at amortised cost		**2.5**	2.4
Net foreign exchange gain		**-**	0.1
		581.1	1,140.2
Total revenue and other income		**1,379.0**	1,892.7
Expenses			
Property expenses and outgoings		**170.2**	163.2
Management and other administration costs		**73.5**	71.5
Development costs		**52.8**	27.4
Depreciation expense		**1.9**	2.0
Amortisation expense		**5.0**	5.2
Impairment (reversal) / expense		**(12.1)**	11.3
Finance costs		**110.7**	125.8
Net loss on fair value movements of derivatives		**74.4**	40.0
Net impact of foreign currency borrowings and associated hedging loss		**10.8**	1.5
Total expenses		**487.2**	447.9
Profit before income tax expense		**891.8**	1,444.8
Income tax expense	9(a)	**11.8**	9.5
Profit after income tax expense		**880.0**	1,435.3
Profit from discontinued operations		-	16.4
Net profit for the year		**880.0**	1,451.7
Other comprehensive income			
Items that may be reclassified to profit or loss, net of tax			
Movement in hedging reserve	10(c)	**(6.3)**	10.9
Movement in fair value of cash flow hedges	10(c)	**16.3**	(3.8)
Movement in net foreign exchange translation reserve	10(c)	-	(16.8)
Total other comprehensive income		**10.0**	(9.7)
Total comprehensive income for the year		**890.0**	1,442.0
Total comprehensive income for the year from continuing operations		**890.0**	1,442.4
Total comprehensive loss for the year from discontinued operations		-	(0.4)
Net profit attributable to:			
- Securityholders of the Trust		**850.4**	1,417.7
- Securityholders of other entities stapled to the Trust		**29.6**	34.0
Total comprehensive income attributable to:			
- Securityholders of the Trust		**860.4**	1,424.8
- Securityholders of other entities stapled to the Trust		**29.6**	17.2
Basic earnings per unit attributable to ordinary securityholders of the Trust			
Earnings per unit (cents per unit) - profit from continuing operations	11(a)	**45.3**	77.7
Earnings per unit (cents per unit) - profit from discontinued operations	11(a)	-	0.9
Earnings per unit (cents per unit) - Total	11(a)	**45.3**	78.6
Basic earnings per stapled security attributable to ordinary stapled securityholders of the GPT Group			
Earnings per stapled security (cents per stapled security) - profit from continuing operations	11(b)	**46.9**	79.5
Earnings per security (cents per security) - profit from discontinued operations	11(b)	-	0.9
Earnings per security (cents per security) - Total	11(b)	**46.9**	80.4

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

THE GPT GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	31 Dec 19 $M	31 Dec 18 $M
ASSETS			
Current assets			
Cash and cash equivalents		**104.2**	58.7
Trade receivables	4(a)	**46.9**	51.4
Other receivables	4(b)	**48.4**	51.5
Inventories	6	**9.4**	31.0
Derivative assets	14(a)	**7.1**	1.5
Prepayments		**7.8**	12.8
Other assets		**32.8**	23.8
Current tax assets	9(c)	**2.2**	0.8
Total current assets		**258.8**	231.5
Non-current assets			
Investment properties	2	**10,327.5**	10,128.8
Equity accounted investments	3	**4,543.0**	3,905.9
Intangible assets	5	**35.3**	26.8
Inventories	6	**77.8**	113.3
Property, plant and equipment		**10.5**	12.7
Derivative assets	14(a)	**530.8**	338.9
Right-of-use asset (1)		**51.6**	-
Deferred tax assets	9(d)	**20.5**	20.1
Other assets		**12.0**	-
Total non-current assets		**15,609.0**	14,546.5
Total assets		**15,867.8**	14,778.0
LIABILITIES			
Current liabilities			
Payables	7	**456.4**	411.0
Borrowings	13	**478.1**	516.0
Derivative liabilities	14(a)	**2.7**	4.0
Lease liabilities - other property leases (1)		**6.8**	-
Provisions	8	**27.3**	26.2
Total current liabilities		**971.3**	957.2
Non-current liabilities			
Borrowings	13	**3,419.4**	3,598.9
Derivative liabilities	14(a)	**95.5**	120.2
Lease liabilities - investment properties (1)	2	**6.4**	-
Lease liabilities - other property leases (1)		**47.4**	-
Provisions	8	**1.2**	1.1
Total non-current liabilities		**3,569.9**	3,720.2
Total liabilities		**4,541.2**	4,677.4
Net assets		**11,326.6**	10,100.6
EQUITY			
Securityholders of the Trust (parent entity)			
Contributed equity	10(a)	**8,673.2**	7,825.7
Reserves	10(c)	**(23.5)**	(33.5)
Retained earnings	10(d)	**3,123.5**	2,790.0
Total equity of the Trust securityholders		**11,773.2**	10,582.2
Securityholders of other entities stapled to the Trust			
Contributed equity	10(a)	**332.0**	325.9
Reserves	10(c)	**37.3**	37.9
Accumulated losses	10(d)	**(815.9)**	(845.4)
Total equity of other stapled securityholders		**(446.6)**	(481.6)
Total equity		**11,326.6**	10,100.6

(1) Refer to note 25 adoption of new accounting standard for details.

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

THE GPT GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2019

		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 2018		7,814.8	(40.6)	1,828.4	9,602.6	325.7	57.0	(879.4)	(496.7)	9,105.9
Movement in foreign exchange translation reserve	10(c)	-	-	-	-	-	(16.8)	-	(16.8)	(16.8)
Movement in hedging reserve	10(c)	-	10.9	-	10.9	-	-	-	-	10.9
Movement in fair value of cash flow hedges	10(c)	-	(3.8)	-	(3.8)	-	-	-	-	(3.8)
Other comprehensive income for the year		-	7.1	-	7.1	-	(16.8)	-	(16.8)	(9.7)
Profit for the year		-	-	1,417.7	1,417.7	-	-	34.0	34.0	1,451.7
Total comprehensive income for the year		-	7.1	1,417.7	1,424.8	-	(16.8)	34.0	17.2	1,442.0
Transactions with Securityholders in their capacity as Securityholders										
Issue of stapled securities	10(a)	10.9	-	-	10.9	0.2	-	-	0.2	11.1
Movement in employee incentive scheme reserve net of tax	10(c)	-	-	-	-	-	1.9	-	1.9	1.9
Issue of treasury securities for employees	10(c)	-	-	-	-	-	(4.2)	-	(4.2)	(4.2)
Reclassification of employee incentive security scheme reserve to retained earnings / accumulated losses	10(d)	-	-	3.4	3.4	-	-	-	-	3.4
Distributions paid and payable	12	-	-	(459.5)	(459.5)	-	-	-	-	(459.5)
At 31 December 2018		7,825.7	(33.5)	2,790.0	10,582.2	325.9	37.9	(845.4)	(481.6)	10,100.6
Equity attributable to Securityholders										
At 31 December 2018		**7,825.7**	**(33.5)**	**2,790.0**	**10,582.2**	**325.9**	**37.9**	**(845.4)**	**(481.6)**	**10,100.6**
Adoption of new accounting standard [(1)]		**-**	**-**	**1.1**	**1.1**	**-**	**-**	**(0.1)**	**(0.1)**	**1.0**
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**

(1) Refer to note 25 adoption of new accounting standard for details.

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

THE GPT GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2019

	Note	31 Dec 19 $M	31 Dec 18 $M
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		**820.0**	809.4
Payments in the course of operations (inclusive of GST)		**(289.4)**	(286.8)
Proceeds from sale of inventories		**58.6**	28.9
Payments for inventories		**(21.0)**	(21.4)
Distributions received from equity accounted investments		**168.4**	161.3
Interest received		**1.4**	1.4
Income taxes paid		**(10.2)**	(20.9)
Finance costs paid		**(113.2)**	(124.2)
Net cash inflows from operating activities	15(a)	**614.6**	547.7
Cash flows from investing activities			
Payments for acquisition of investment properties		**(280.7)**	(419.5)
Payments for operating capital expenditure on investment properties		**(89.6)**	(81.8)
Payments for development capital expenditure on investment properties		**(284.0)**	(284.2)
Proceeds from disposal of assets (net of transaction costs)		**796.3**	13.3
Payments for property, plant and equipment		**(1.0)**	(2.9)
Payments for intangibles		**(13.5)**	(3.4)
Investment in equity accounted investments		**(540.8)**	(10.8)
Capital return from joint venture		**-**	1.9
Net cash outflows from investing activities		**(413.3)**	(787.4)
Cash flows from financing activities			
Proceeds from issue of stapled securities net of transaction costs		**853.6**	-
Proceeds from borrowings		**2,701.7**	2,862.1
Repayment of borrowings		**(3,081.9)**	(2,164.4)
Repayment of principal elements of lease payments		**(6.2)**	-
Payment for termination and restructure of derivatives		**(137.2)**	-
Distributions paid to securityholders		**(485.8)**	(449.2)
Net cash (outflows) / inflows from financing activities		**(155.8)**	248.5
Net increase in cash and cash equivalents		**45.5**	8.8
Cash and cash equivalents at the beginning of the year		**58.7**	49.9
Cash and cash equivalents at the end of the year		**104.2**	58.7

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 2019

These are the consolidated financial statements of the consolidated entity, GPT Group (GPT), 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 14 - Capital structure: outlines how GPT manages its capital structure and various financial risks.
Notes 15 to 26 - 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 following judgements and estimates have the potential to have a material impact on the financial statements:

Area of judgements and estimates	Assumptions underlying	Note
Lease liabilities	Lease term and incremental borrowing rate	2
Trade receivables	Measurement of expected credit loss	4
Management rights with indefinite life	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	19
Investment properties	Fair value	23
Derivatives	Fair value	23
Investment in equity accounted investments	Assessment of control versus disclosure guidance	24(b)

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 items which are non-cash, unrealised or capital in nature. 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 plus resulting net finance costs, management operating costs and income tax expense.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2019

(a) Segment financial information

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		14.5	4.3	0.1	61.9	-	**80.8**
Management & administrative expenses	b(v)	(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(vi)	21.9	-	36.7	-	-	**58.6**
Development costs	b(vii)	(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 income		-	-	-	-	1.5	**1.5**
Finance costs	b(viii)	-	-	-	-	(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(ix)	-	-	-	-	(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	52.2	12.1	-	586.2	**660.7**
Total Non-Current Assets	**6,429.4**	**6,126.9**	**2,456.5**	**-**	**596.2**	**15,609.0**
Total Assets	**6,429.4**	**6,126.9**	**2,470.2**	**-**	**841.3**	**15,867.8**
Current and non-current liabilities	6.4	47.4	31.9	-	4,455.5	**4,541.2**
Total Liabilities	**6.4**	**47.4**	**31.9**	**-**	**4,455.5**	**4,541.2**
Net Assets	**6,423.0**	**6,079.5**	**2,438.3**	**-**	**(3,614.2)**	**11,326.6**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2019

31 December 2018
The segment financial information provided to the chief operating decision makers for the year ended 31 December 2018 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)	370.5	253.3	127.4	-	-	**751.2**
Property expenses and outgoings	b(iii)	(103.0)	(53.1)	(21.0)	-	-	**(177.1)**
Income from Funds	b(iv)	46.3	69.8	-	-	-	**116.1**
Fee income		15.0	5.8	0.2	58.2	-	**79.2**
Management & administrative expenses	b(v)	(10.2)	(8.1)	(1.8)	(15.6)	(34.2)	**(69.9)**
Operations Net Income		**318.6**	**267.7**	**104.8**	**42.6**	**(34.2)**	**699.5**
Development management fees		2.6	1.7	0.5	-	-	**4.8**
Development revenue	b(vi)	6.6	-	38.5	-	-	**45.1**
Development costs	b(vii)	-	-	(33.1)	-	-	**(33.1)**
Development management expenses	b(v)	(1.6)	(0.7)	(0.8)	-	-	**(3.1)**
Development Net Income		**7.6**	**1.0**	**5.1**	**-**	**-**	**13.7**
Interest income		-	-	-	-	1.4	**1.4**
Finance costs	b(viii)	-	-	-	-	(125.8)	**(125.8)**
Net Finance Costs		**-**	**-**	**-**	**-**	**(124.4)**	**(124.4)**
Segment Result Before Tax		**326.2**	**268.7**	**109.9**	**42.6**	**(158.6)**	**588.8**
Income tax expense	b(viii)	-	-	-	-	(14.2)	**(14.2)**
Funds from Operations (FFO)	b(i)	**326.2**	**268.7**	**109.9**	**42.6**	**(172.8)**	**574.6**

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

	Retail	Office	Logistics	Funds Management	Corporate	Total
Current Assets						
Current assets	16.9	-	14.1	-	200.5	**231.5**
Total Current Assets	**16.9**	**-**	**14.1**	**-**	**200.5**	**231.5**
Non-Current Assets						
Investment properties	5,154.9	3,080.5	1,893.4	-	-	**10,128.8**
Equity accounted investments	1,055.1	2,840.8	-	-	10.0	**3,905.9**
Inventories	62.1	-	51.2	-	-	**113.3**
Other non-current assets	10.2	0.6	0.1	-	387.6	**398.5**
Total Non-Current Assets	**6,282.3**	**5,921.9**	**1,944.7**	**-**	**397.6**	**14,546.5**
Total Assets	**6,299.2**	**5,921.9**	**1,958.8**	**-**	**598.1**	**14,778.0**
Current and non-current liabilities	-	-	-	-	4,677.4	**4,677.4**
Total Liabilities	**-**	**-**	**-**	**-**	**4,677.4**	**4,677.4**
Net Assets	**6,299.2**	**5,921.9**	**1,958.8**	**-**	**(4,079.3)**	**10,100.6**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2019

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

	31 Dec 19 $M	31 Dec 18 $M
(i) FFO to Net profit for the year		
Segment result		
FFO	**613.7**	574.6
Adjustments		
Fair value gain on investment properties	**310.8**	637.2
Fair value gain and other adjustments to equity accounted investments	**72.6**	314.1
Amortisation of lease incentives and costs	**(47.8)**	(46.1)
Straightlining of rental income	**6.6**	5.5
Valuation increase	**342.2**	910.7
Net loss on fair value movement of derivatives	**(74.4)**	(40.0)
Net impact of foreign currency borrowings and associated hedging loss	**(10.8)**	(1.5)
Net foreign exchange loss	**-**	(0.5)
Gain on financial liability at amortised cost	**2.5**	2.4
Financial instruments mark to market and net foreign exchange loss	**(82.7)**	(39.6)
Net gain on disposal of assets	**-**	18.3
Impairment reversal / (expense)	**12.1**	(11.4)
Other items	**(5.3)**	(0.9)
Total other items	**6.8**	6.0
Consolidated Statement of Comprehensive Income		
Net profit for the year	**880.0**	1,451.7
(ii) Rent from investment properties		
Segment result		
Rent from investment properties	**789.4**	751.2
Less: share of rent from investment properties in equity accounted investments	**(94.2)**	(76.5)
Eliminations of intra-group lease payments	**(1.1)**	-
Adjustments		
Amortisation of lease incentives and costs	**(47.8)**	(46.1)
Straightlining of rental income	**6.6**	5.5
Consolidated Statement of Comprehensive Income		
Rent from investment properties	**652.9**	634.1
(iii) Property expenses and outgoings		
Segment result		
Property expenses and outgoings	**(188.3)**	(177.1)
Less: share of property expenses and outgoings in equity accounted investments	**18.1**	13.9
Consolidated Statement of Comprehensive Income		
Property expenses and outgoings	**(170.2)**	(163.2)
(iv) Share of after tax profit of equity accounted investments		
Segment result		
Income from Funds	**117.7**	116.1
Share of rent from investment properties in equity accounted investments	**94.2**	76.5
Share of property expenses and outgoings in equity accounted investments	**(18.1)**	(13.9)
Development revenue - equity accounted investments	**-**	10.7
Development costs - equity accounted investments	**(0.1)**	(5.7)
Adjustments		
Fair value gain and other adjustments to equity accounted investments	**72.6**	314.1
Consolidated Statement of Comprehensive Income		
Share of after tax profit of equity accounted investments	**266.3**	497.8
(v) Management and administration expenses		
Segment result		
Operations	**(70.8)**	(69.9)
Development	**(5.8)**	(3.1)
Eliminations of intra-group lease payments	**1.1**	-
Transfer to Finance costs - leases	**1.2**	-
Less: depreciation expense	**1.9**	2.0
Adjustments		
Other	**(1.1)**	(0.5)
Consolidated Statement of Comprehensive Income		
Management and administration expenses	**(73.5)**	(71.5)

	31 Dec 19 $M	31 Dec 18 $M
(vi) Development revenue		
Segment result		
Development revenue	**58.6**	45.1
Less: share of after tax profit of equity accounted investments	**-**	(10.7)
Consolidated Statement of Comprehensive Income		
Development revenue	**58.6**	34.4
(vii) Development costs		
Segment result		
Development costs	**(52.9)**	(33.1)
Less: development costs - equity accounted investments	**0.1**	5.7
Consolidated Statement of Comprehensive Income		
Development costs	**(52.8)**	(27.4)
(viii) Finance costs		
Segment result		
Finance costs - borrowings	**(109.5)**	(125.8)
Finance costs - leases	**(1.2)**	-
Consolidated Statement of Comprehensive Income		
Finance costs	**(110.7)**	(125.8)
(ix) Income tax expense		
Segment result		
Income tax expense	**(12.6)**	(14.2)
Adjustment		
Tax impact of reconciling items from segment result to net profit for the year	**0.8**	4.7
Consolidated Statement of Comprehensive Income		
Income tax expense	**(11.8)**	(9.5)

(c) Net profit on disposal and derecognition of assets

	31 Dec 19 $M	31 Dec 18 $M
Details of disposals / capital returns during the year:		
Cash consideration	**800.0**	13.4
Less: transaction costs	**(3.7)**	(0.1)
Net consideration	**796.3**	13.3
Carrying amount of net assets sold / derecognised	**(796.3)**	(12.0)
Foreign exchange gain realised on disposal / derecognition	**-**	17.0
Profit on sale and derecognition before income tax	**-**	18.3
The carrying amounts of assets and liabilities as at the date of disposal / derecognition were:		
Investment properties	**796.3**	12.0
Net assets	**796.3**	12.0

OPERATING ASSETS AND LIABILITIES

2. INVESTMENT PROPERTIES

	Note	Investment properties 31 Dec 19 $M	Less lease liabilities 31 Dec 19 $M	Fair value 31 Dec 19 $M	Fair value 31 Dec 18 $M
Retail	(a)	**5,356.6**	**(6.4)**	**5,350.2**	5,154.9
Office	(b)	**2,410.5**	**-**	**2,410.5**	3,018.5
Logistics	(c)	**2,223.8**	**-**	**2,223.8**	1,773.6
Properties under development	(d)	**336.6**	**-**	**336.6**	181.8
Total investment properties	(e)	**10,327.5**	**(6.4)**	**10,321.1**	10,128.8

	Ownership interest [1] %	Acquisition date	Investment properties 31 Dec 19 $M	Less lease liabilities 31 Dec 19 $M	Fair value 31 Dec 19 $M	Fair value 31 Dec 18 $M	Latest independent valuation date	Valuer
(a) Retail								
Casuarina Square, NT	50.0	Oct 1973	**248.0**	**-**	**248.0**	300.8	Dec 2019	Savills Australia
Charlestown Square, NSW	100.0	Dec 1977 / Oct 2002 / Jul 2003	**1,003.0**	**-**	**1,003.0**	977.3	Jun 2019	Cushman & Wakefield
Highpoint Shopping Centre, VIC	16.7	Aug 2009	**412.5**	**-**	**412.5**	435.0	Dec 2019	CB Richard Ellis
Westfield Penrith, NSW	50.0	Jun 1971	**736.0**	**-**	**736.0**	716.3	Jun 2019	M3 Property
Sunshine Plaza, QLD	** 50.0	Dec 1992 / Jun 1999 / Sep 2004	**654.5**	**(2.0)**	**652.5**	577.3	Dec 2019	CB Richard Ellis
Rouse Hill Town Centre, NSW	100.0	Dec 2005	**680.2**	**-**	**680.2**	635.2	Dec 2019	Colliers International
Melbourne Central, VIC - retail portion [2]	** 100.0	May 1999 / May 2001	**1,622.4**	**(4.4)**	**1,618.0**	1,513.0	Dec 2019	Savills Australia
Total Retail			**5,356.6**	**(6.4)**	**5,350.2**	5,154.9		
(b) Office								
Australia Square, Sydney, NSW	50.0	Sep 1981	**593.5**	**-**	**593.5**	557.5	Dec 2019	CB Richard Ellis
MLC Centre, Sydney, NSW	50.0	Apr 1987	**-**	**-**	**-**	775.0	-	-
One One One Eagle Street, Brisbane, QLD	33.3	Apr 1984	**303.0**	**-**	**303.0**	300.0	Dec 2019	Colliers International
Melbourne Central, VIC - office portion [2]	100.0	May 1999 / May 2001	**696.5**	**-**	**696.5**	603.0	Dec 2019	CB Richard Ellis
181 William & 550 Bourke Streets, Melbourne, VIC	50.0	Oct 2014	**404.0**	**-**	**404.0**	380.0	Dec 2019	Savills Australia
60 Station Street, Parramatta, NSW	100.0	Sep 2018	**282.0**	**-**	**282.0**	278.0	Dec 2019	Colliers International
4 Murray Rose Avenue, Sydney Olympic Park, NSW	* 100.0	May 2002	**131.5**	**-**	**131.5**	125.0	Dec 2019	Cushman & Wakefield
Total Office			**2,410.5**	**-**	**2,410.5**	3,018.5		

(1) Freehold, unless otherwise marked with an * which denotes leasehold and ** denotes a combination of freehold and leasehold respectively.
(2) Melbourne Central: 70.0% Retail and 30.0% Office (31 Dec 2018: 71.5% Retail and 28.5% 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 $M	Less lease liabilities 31 Dec 19 $M	Fair value $M	Fair value 31 Dec 18 $M	Latest independent valuation date	Valuer
(c) Logistics								
Citiwest Industrial Estate, Altona North, VIC	100.0	Aug 1994	**102.6**	**-**	**102.6**	90.0	Dec 2019	Savills Australia
Quad 1, Sydney Olympic Park, NSW	* 100.0	Jun 2001	**29.0**	**-**	**29.0**	28.0	Jun 2019	Colliers International
Quad 4, Sydney Olympic Park, NSW	* 100.0	Jun 2004	**62.8**	**-**	**62.8**	58.0	Jun 2019	Colliers International
Sydney Olympic Park Town Centre, NSW [2]	* 100.0	Jun 2001 - Apr 2013	**137.5**	**-**	**137.5**	121.5	Dec 2019	Knight Frank
Rosehill Business Park, Camellia, NSW	100.0	May 1998	**91.5**	**-**	**91.5**	86.0	Dec 2019	Knight Frank
16-34 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**69.5**	**-**	**69.5**	65.0	Jun 2019	Colliers International
67-75 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**26.0**	**-**	**26.0**	26.0	Jun 2019	CB Richard Ellis
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	**195.2**	**-**	**195.2**	182.4	Dec 2019	CB Richard Ellis
4 Holker Street, Newington, NSW	100.0	Mar 2006	**37.7**	**-**	**37.7**	35.5	Dec 2019	Knight Frank
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	**31.3**	**-**	**31.3**	26.5	Dec 2019	M3 Property
18-24 Abbott Road, Seven Hills, NSW	100.0	Oct 2006	**41.6**	**-**	**41.6**	39.3	Jun 2019	Savills Australia
Citiport Business Park, Port Melbourne, VIC	100.0	Mar 2012	**90.8**	**-**	**90.8**	82.5	Jun 2019	Jones Lang LaSalle
83 Derby Street, Silverwater, NSW	100.0	Aug 2012	**41.3**	**-**	**41.3**	40.0	Dec 2019	Jones Lang LaSalle
10 Interchange Drive, Eastern Creek, NSW	100.0	Aug 2012	**39.5**	**-**	**39.5**	33.3	Dec 2019	Colliers International
407 Pembroke Road, Minto, NSW	50.0	Oct 2008	**32.0**	**-**	**32.0**	30.5	Jun 2019	CB Richard Ellis
38 Pine Road, Yennora, NSW [3]	100.0	Nov 2013	**67.0**	**-**	**67.0**	61.0	Dec 2019	Colliers International
16-28 Quarry Road, Yatala, QLD	100.0	Nov 2013	**45.7**	**-**	**45.7**	44.8	Jun 2019	Savills Australia
59 Forest Way, Karawatha, QLD	100.0	Dec 2012	**125.0**	**-**	**125.0**	114.0	Dec 2019	Jones Lang LaSalle
29-55 Lockwood Road, Erskine Park, NSW	100.0	Jun 2008	**113.5**	**-**	**113.5**	104.5	Jun 2019	Colliers International
36-52 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**112.0**	**-**	**112.0**	107.0	Jun 2019	Savills Australia
54-70 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**162.0**	**-**	**162.0**	152.0	Jun 2019	CB Richard Ellis
1A Huntingwood Drive, Huntingwood, NSW	100.0	Oct 2016	**46.8**	**-**	**46.8**	46.0	Jun 2019	Savills Australia
1B Huntingwood Drive, Huntingwood, NSW	100.0	Oct 2016	**26.6**	**-**	**26.6**	25.5	Jun 2019	Savills Australia
55 Whitelaw Place, Wacol, QLD	100.0	Dec 2016	**17.5**	**-**	**17.5**	16.5	Dec 2019	Savills Australia
54 Eastern Creek Drive, Eastern Creek, NSW	100.0	Apr 2016	**52.0**	**-**	**52.0**	51.8	Jun 2019	CB Richard Ellis
50 Old Wallgrove Road, Eastern Creek, NSW [4]	100.0	Jun 2016	**70.3**	**-**	**70.3**	-	Jun 2019	Savills Australia
Sunshine Business Estate, Sunshine, VIC	100.0	Jan 2018	**79.1**	**-**	**79.1**	78.0	Jun 2019	CB Richard Ellis
396 Mount Derrimut Road, Derrimut, VIC	100.0	Nov 2018	**12.9**	**-**	**12.9**	12.4	Jun 2019	Savills Australia
399 Boundary Road, Truganina, VIC	100.0	Dec 2018	**18.4**	**-**	**18.4**	15.6	Dec 2019	Savills Australia
30-32 Bessemer Street, Blacktown, NSW	100.0	May 2019	**41.5**	**-**	**41.5**	-	May 2019	M3 Property
104 Vanessa Street, Kingsgrove, NSW	100.0	May 2019	**24.0**	**-**	**24.0**	-	May 2019	M3 Property
64 Biloela Street, Villawood, NSW	100.0	May 2019	**39.5**	**-**	**39.5**	-	May 2019	M3 Property
57-87 & 89-99 Lockwood Rd, Erskine Park, NSW	100.0	Jul 2019	**107.0**	**-**	**107.0**	-	May 2019	M3 Property
21 Shiny Drive, Truganina, VIC [5]	100.0	Nov 2018	**34.7**	**-**	**34.7**	-	Dec 2019	Jones Lang LaSalle
Total Logistics			**2,223.8**	**-**	**2,223.8**	1,773.6		

(1) Freehold, unless otherwise marked with an * which denotes leasehold and ** denotes a combination of freehold and leasehold respectively.
(2) In November 2019, GPT received letters from the NSW State Government confirming the commencement of commercial negotiation regarding the compulsory acquisition for three of GPT's properties at the Sydney Olympic Park. At 31 December 2019, these three assets have a carrying value of $90.7 million. The negotiation period will be at least six months.
(3) During the year, GPT reclassified a portion of land from investment property in the Logistics portfolio to properties under development.
(4) Following practical completion in January 2019, 50 Old Wallgrove Road, Eastern Creek has been reclassified from properties under development to investment property in the Logistics portfolio.
(5) Following practical completion in December 2019, 21 Shiny Drive, Truganina has been reclassified from properties under development to investment property in the Logistics portfolio.

	Ownership interest (1) %	Acquisition date	Investment properties $M	Less lease liabilities 31 Dec 19 $M	Fair value $M	Fair value 31 Dec 18 $M	Latest independent valuation date	Valuer
(d) Properties under development								
32 Smith, Parramatta, NSW	100.0	Mar 2017	**122.0**	-	**122.0**	62.0	Dec 2019	Colliers International
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	**5.8**	-	**5.8**	5.8	Jun 2019	CB Richard Ellis
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	**38.8**	-	**38.8**	32.8	Dec 2019	CB Richard Ellis
50 Old Wallgrove Road, Eastern Creek, NSW (2)	100.0	Jun 2016	**-**	-	**-**	60.2	-	-
21 Shiny Drive, Truganina, VIC (3)	100.0	Nov 2018	**-**	-	**-**	11.0	-	-
2, 6 & 10 Prosperity Street, Truganina, VIC	100.0	Nov 2018	**10.7**	-	**10.7**	10.0	Nov 2018	Jones Lang LaSalle
38A Pine Road, Yennora, NSW (4)	100.0	Nov 2013	**10.7**	-	**10.7**	-	Dec 2019	Colliers International
2 Ironbark Close, Wembley Business Park, Berrinba, QLD (5)	100.0	Jun 2015	**36.3**	-	**36.3**	-	Dec 2019	Savills Australia
30 Ironbark Close, Wembley Business Park, Berrinba, QLD (5)	100.0	Jun 2015	**16.1**	-	**16.1**	-	Dec 2019	Savills Australia
Stage 3, Wembley Business Park, Berrinba, QLD (5)	100.0	Jun 2015	**19.2**	-	**19.2**	-	Nov 2019	Savills Australia
66 & 67 Niton Drive, Truganina, VIC (6)	100.0	Jul 2019	**36.2**	-	**36.2**	-	Feb 2019	Jones Lang LaSalle
128 Andrews Road, Penrith, NSW	100.0	Jul 2019	**24.1**	-	**24.1**	-	Dec 2019	Colliers International
42 Cox Place, Glendenning, NSW	100.0	Dec 2019	**16.7**	-	**16.7**	-	Dec 2019	Knight Frank
Total Properties under development			**336.6**	**-**	**336.6**	**181.8**		

(1) Freehold, unless otherwise marked with an * which denotes leasehold and ** denotes a combination of freehold and leasehold respectively.
(2) Following practical completion in January 2019, 50 Old Wallgrove Road, Eastern Creek has been reclassified from properties under development to investment property in the Logistics portfolio.
(3) Following practical completion in December 2019, 21 Shiny Drive, Truganina has been reclassified from properties under development to investment property in the Logistics portfolio.
(4) During the year, GPT reclassified a portion of land from investment property in the Logistics portfolio to properties under development.
(5) During the year, GPT transferred land parcels from inventory to properties under development at a total carrying value of $39.6 million.
(6) On 30 July 2019 GPT entered a contract to acquire a 100% interest in 66 & 67 Niton Drive, Truganina for a total consideration of $36.0 million (including transaction costs of $2.4 million). Under the terms of the contract GPT has entered into a 199 year lease and is expected to settle on the asset in March 2020.

(e) Reconciliation

	Retail $M	Office $M	Logistics $M	Properties under development $M	31 Dec 19 $M	31 Dec 18 $M
Opening balance at the beginning of the year	5,154.9	3,018.5	1,773.6	181.8	**10,128.8**	8,745.7
Additions - operating capital expenditure	27.4	17.0	7.0	-	**51.4**	47.9
Additions - development capital expenditure	113.0	36.3	9.1	110.7	**269.1**	273.1
Additions - interest capitalised (1)	2.5	0.6	0.1	6.3	**9.5**	13.7
Asset acquisitions	-	-	223.9	72.5	**296.4**	423.3
Transfers to / (from) properties under development	-	-	92.0	(92.0)	**-**	-
Transfer from / (to) inventory	-	-	-	39.6	**39.6**	(9.0)
Ground leases of investment properties	6.4	-	-	-	**6.4**	-
Disposals	-	(796.3)	-	-	**(796.3)**	(12.0)
Fair value adjustments	41.5	142.6	109.0	17.7	**310.8**	637.2
Lease incentives (includes rent free)	18.3	16.1	10.4	-	**44.8**	41.6
Leasing costs	4.4	2.1	1.7	-	**8.2**	7.9
Amortisation of lease incentives and costs	(12.3)	(25.9)	(9.6)	-	**(47.8)**	(46.1)
Straightlining of leases	0.5	(0.5)	6.6	-	**6.6**	5.5
Closing balance at the end of the year	5,356.6	2,410.5	2,223.8	336.6	**10,327.5**	10,128.8

(1) A capitalisation interest rate of 3.6% (2018: 4.2%) 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 2019

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. The valuation process, critical assumptions underlying the valuations and information on sensitivity are disclosed in note 23.

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

	31 Dec 19 **$M**	31 Dec 18 $M
Less than 1 year	**524.2**	523.9
2 years	**469.0**	456.7
3 years	**413.0**	384.7
4 years	**340.4**	322.3
5 years	**282.9**	254.1
Due after five years	**1,100.2**	989.0
Total operating lease receivables	**3,129.7**	2,930.7

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.

3. EQUITY ACCOUNTED INVESTMENTS

	Note	**31 Dec 19** **$M**	31 Dec 18 $M
Investments in joint ventures	(a)(i)	**1,431.1**	1,358.2
Investments in associates	(a)(ii)	**3,111.9**	2,547.7
Total equity accounted investments		**4,543.0**	3,905.9

(a) Details of equity accounted investments

Name	**Principal Activity**	**Ownership Interest** **31 Dec 19** **%**	31 Dec 18 %	**31 Dec 19** **$M**	31 Dec 18 $M
(i) Joint ventures					
2 Park Street Trust (1)	Investment property	50.00	50.00	**795.8**	763.1
1 Farrer Place Trust (1)	Investment property	50.00	50.00	**594.3**	553.6
Horton Trust	Investment property	50.00	50.00	**29.7**	30.1
Lendlease GPT (Rouse Hill) Pty Limited (1) (2)	Property development	50.00	50.00	**11.3**	11.3
Erskine Park Joint Venture	Property development	50.00	50.00	**-**	-
Total investment in joint venture entities				**1,431.1**	1,358.1
(ii) Associates					
GPT Wholesale Office Fund (1) (3)	Investment property	22.93	23.83	**1,610.6**	1,524.0
GPT Wholesale Shopping Centre Fund (1) (4)	Investment property	28.49	28.57	**949.8**	1,013.7
GPT Funds Management Limited	Funds management	100.00	100.00	**10.0**	10.0
Darling Park Trust (1) (5)	Investment property	41.67	-	**541.5**	-
DPT Operator Pty Limited (1) (6)	Management	91.67	50.00	**-**	0.1
DPT Operator No.2 Pty Limited (1) (6)	Management	91.67	50.00	**-**	-
Total investments in associates				**3,111.9**	2,547.8

(1) The entity has a 30 June balance date.
(2) 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.
(3) Ownership has decreased as a result of GPT not participating in the Distribution Reinvestment Plan (DRP) and equity raisings which occurred during the year.
(4) Ownership has decreased as a result of GPT not participating in the DRP during the year.
(5) On 6 August 2019, GPT acquired a 41.67% interest in the Darling Park Trust which owns 60% of Darling Park 1, 2 & Cockle Bay Wharf.
(6) On 6 August 2019, GPT RE Limited acquired an additional 41.67 per cent in both DPT Operator No.1 Pty Limited and DPT Operator No.2 Pty Limited.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2019

(b) Summarised financial information for associates and joint ventures
The information disclosed reflects the amounts presented in the 31 December 2019 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 19	31 Dec 18	**31 Dec 19**	31 Dec 18	**31 Dec 19**	31 Dec 18	**31 Dec 19**	31 Dec 18
	$M	$M	**$M**	$M	**$M**	$M	**$M**	$M
Current assets								
Cash and cash equivalents	**20.2**	13.7	**12.2**	12.1	**7.9**	12.1	**40.3**	37.9
Other current assets	**1.8**	2.0	**5.7**	5.8	**0.4**	0.1	**7.9**	7.9
Total current assets	**22.0**	15.7	**17.9**	17.9	**8.3**	12.2	**48.2**	45.8
Non-current assets								
Investment properties and loans	**1,590.0**	1,525.0	**1,203.5**	1,129.1	**62.1**	72.5	**2,855.6**	2,726.6
Other non-current assets	**-**	-	**-**	-	**15.0**	-	**15.0**	-
Total non-current assets	**1,590.0**	1,525.0	**1,203.5**	1,129.1	**77.1**	72.5	**2,870.6**	2,726.6
Current liabilities								
Financial liabilities (excluding trade payables, other payables and provisions)	**19.8**	14.4	**24.3**	32.0	**3.1**	1.9	**47.2**	48.3
Other current liabilities	**0.6**	0.1	**8.6**	7.8	**0.3**	-	**9.5**	7.9
Total current liabilities	**20.4**	14.5	**32.9**	39.8	**3.4**	1.9	**56.7**	56.2
Net assets	**1,591.6**	1,526.2	**1,188.5**	1,107.2	**82.0**	82.8	**2,862.1**	2,716.2
Reconciliation to carrying amounts:								
Opening net assets 1 January	**1,526.2**	1,260.2	**1,107.2**	931.8	**82.8**	77.8	**2,716.2**	2,269.8
Profit for the year	**131.2**	323.1	**117.5**	202.7	**0.6**	19.1	**249.3**	544.9
Capital injection	**-**	-	**-**	-	**-**	1.6	**-**	1.6
Capital reduction	**-**	-	**-**	-	**-**	(3.7)	**-**	(3.7)
Issue of equity	**-**	4.3	**9.4**	15.7	**-**	-	**9.4**	20.0
Distributions paid / payable	**(65.8)**	(61.4)	**(45.6)**	(43.0)	**(1.4)**	(12.0)	**(112.8)**	(116.4)
Closing net assets	**1,591.6**	1,526.2	**1,188.5**	1,107.2	**82.0**	82.8	**2,862.1**	2,716.2
GPT's share	**795.8**	763.1	**594.3**	553.6	**41.0**	41.4	**1,431.1**	1,358.1
Summarised statement of comprehensive income								
Revenue	**73.8**	67.2	**61.2**	58.0	**5.2**	21.6	**140.2**	146.8
Profit for the year	**131.2**	323.1	**117.5**	202.7	**0.6**	19.1	**249.3**	544.9
Total comprehensive income	**131.2**	323.1	**117.5**	202.7	**0.6**	19.1	**249.3**	544.9

(ii) Associates

	GPT Wholesale Office Fund		GPT Wholesale Shopping Centre Fund		Darling Park Trust		GPT Funds Management Limited and others		Total	
	31 Dec 19	31 Dec 18	**31 Dec 19**	31 Dec 18	**31 Dec 19**	31 Dec 18	**31 Dec 19**	31 Dec 18	**31 Dec 19**	31 Dec 18
	$M	$M	**$M**	$M	**$M**	$M	**$M**	$M	**$M**	$M
Total current assets	**81.9**	83.0	**49.6**	34.5	**26.3**	-	**10.0**	10.2	**167.8**	127.7
Total non-current assets	**8,725.3**	7,734.5	**4,478.0**	4,809.3	**1,306.5**	-	**-**	-	**14,509.8**	12,543.8
Total current liabilities	**169.1**	148.4	**85.1**	98.1	**33.2**	-	**-**	-	**287.4**	246.5
Total non-current liabilities	**1,614.4**	1,273.4	**1,108.4**	1,197.3	-	-	**-**	-	**2,722.8**	2,470.7
Net assets	**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
Reconciliation to carrying amounts:										
Opening net assets 1 January	**6,395.7**	5,645.3	**3,548.4**	3,500.5	**-**	-	**10.2**	10.2	**9,954.3**	9,156.0
Profit / (loss) for the year	**662.4**	715.1	**(104.5)**	164.7	**46.0**	-	**(0.2)**	-	**603.7**	879.8
Acqusition of units in trust	**-**	-	**-**	-	**1,283.2**	-	**-**	-	**1,283.2**	-
Issue of equity	**253.2**	284.6	**10.2**	28.6	**-**	-	**-**	-	**263.4**	313.2
Distributions paid / payable	**(287.6)**	(249.3)	**(120.0)**	(145.4)	**(29.6)**	-	**-**	-	**(437.2)**	(394.7)
Closing net assets	**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
GPT's share	**1,610.6**	1,524.0	**949.8**	1,013.7	**541.5**	-	**10.0**	10.1	**3,111.9**	2,547.8
Summarised statement of comprehensive income										
Revenue	**550.2**	465.7	**316.5**	325.0	**27.4**	**-**	**-**	-	**894.1**	790.7
Profit / (loss) for the year	**662.4**	715.1	**(104.5)**	164.7	**46.0**	**-**	**(0.2)**	-	**603.7**	879.8
Total comprehensive income / (loss)	**662.4**	715.1	**(104.5)**	164.7	**46.0**	**-**	**(0.2)**	-	**603.7**	879.8
Distributions received / receivable from their associates	**56.5**	37.2	**-**	-	**-**	-	**-**	-	**56.5**	37.2

4. TRADE AND OTHER RECEIVABLES

(a) Trade receivables

	31 Dec 19	31 Dec 18
	$M	$M
Current assets		
Trade receivables (1)	**8.7**	15.9
Accrued income	**13.8**	12.6
Related party receivables (2)	**26.3**	25.1
Less: impairment of trade receivables	**(1.9)**	(2.2)
Total current trade receivables	**46.9**	51.4

(1) This includes trade receivables relating to revenue from contracts with customers. Refer to note 16 for the methodology of apportionment between trade receivables relating to AASB 15 *Revenue* 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 19					31 Dec 18				
	0-30 days	**31-60 days**	**61-90 days**	**90+ days**	**Total**	0-30 days	31-60 days	61-90 days	90+ days	Total
	$M	**$M**	**$M**	**$M**	**$M**	$M	$M	$M	$M	$M
Retail	**2.9**	**0.6**	**-**	**1.5**	**5.0**	3.6	0.2	(0.1)	2.0	5.7
Office	**12.8**	**0.1**	**-**	**0.4**	**13.3**	15.2	0.3	2.0	0.7	18.2
Logistics	**1.9**	**-**	**-**	**-**	**1.9**	1.6	0.3	-	-	1.9
Corporate	**28.2**	**0.2**	**0.2**	**-**	**28.6**	27.1	0.2	0.2	0.3	27.8
Less: impairment of trade receivables	**-**	**-**	**-**	**(1.9)**	**(1.9)**	-	-	-	(2.2)	(2.2)
Total loans and receivables	**45.8**	**0.9**	**0.2**	**-**	**46.9**	47.5	1.0	2.1	0.8	51.4

(b) Other receivables

	31 Dec 19 $M	31 Dec 18 $M
Current assets		
Distributions receivable from associates	**24.6**	26.7
Distributions receivable from joint ventures	**16.9**	13.7
Other receivables	**6.9**	11.1
Total current other receivables	**48.4**	51.5

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.

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.

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

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

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.

5. INTANGIBLE ASSETS

	Management rights $M	IT development and software $M	Total $M
Costs			
Balance at 31 December 2017	55.8	63.2	119.0
Additions	-	1.1	1.1
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**
Accumulated amortisation and impairment			
Balance at 31 December 2017	(45.4)	(42.7)	(88.1)
Amortisation	(0.1)	(5.1)	(5.2)
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)**
Carrying amounts			
Balance at 31 December 2018	10.3	16.5	26.8
Balance at 31 December 2019	**10.3**	**25.0**	**35.3**

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 multiples approach. A range of multiples from 10-15x have been used in the calculation.

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. Amortisation is calculated on a straightline basis over the length of time over which the benefits are expected to be received, generally ranging from 3 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.

6. INVENTORIES

	31 Dec 19	31 Dec 18
	$M	$M
Development properties	**9.4**	31.0
Current inventories	**9.4**	31.0
Development properties	**77.8**	113.3
Non-current inventories	**77.8**	113.3
Total inventories	**87.2**	144.3

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 $5.4 million in finance costs have been capitalised to inventory for the year ended 31 December 2019.

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.

The amount of any write down is recognised as an impairment expense in the Consolidated Statement of Comprehensive Income. An impairment reversal of $15.0 million has been recognised for the year ended 31 December 2019 (2018: impairment expense of $11.4 million).

7. PAYABLES

	31 Dec 19	31 Dec 18
	$M	$M
Trade payables and accruals	**129.9**	128.0
GST payables	**3.8**	2.5
Distribution payable to stapled securityholders	**260.4**	231.9
Interest payable	**11.1**	16.0
Levies payable	**18.9**	17.6
Other payables	**32.3**	15.0
Total payables	**456.4**	411.0

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 19 $M	31 Dec 18 $M
Current provisions		
Employee benefits	**13.4**	12.2
Other	**13.9**	14.0
Total current provisions	**27.3**	26.2
Non-current provisions		
Employee benefits	**1.2**	1.1
Total non-current provisions	**1.2**	1.1

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 19 $M	31 Dec 18 $M
Employee benefits expenses	**115.7**	115.6

9. TAXATION

	31 Dec 19 Gross $M	31 Dec 19 Tax impact $M	31 Dec 18 Gross $M	31 Dec 18 Tax impact $M
(a) Income tax expense				
Current income tax expense		**10.7**		13.2
Deferred income tax expense / (credit)		**1.1**		(3.7)
Income tax expense in the Statement of Comprehensive Income		**11.8**		9.5
Income tax expense attributable to:				
Profit from continuing operations		**11.8**		9.5
Aggregate income tax expense		**11.8**		9.5
(b) Reconciliation of accounting proft to income tax expense and current tax (asset) / liability				
Net profit for the year excluding income tax expense	**891.8**	**267.5**	1,461.2	438.4
Less: Trust profit not subject to tax	**(866.0)**	**(259.8)**	(1,488.4)	(446.6)
Profit / (loss) which is subject to taxation at 30% tax rate	**25.8**	**7.7**	(27.2)	(8.2)
Tax effect of amounts not deductible / assessable in calculating income tax expense:				
Non-deductible revaluation items in the Company	**20.3**	**6.1**	75.0	22.5
Amounts released from foreign currency translation reserve	**-**	**-**	(17.0)	(5.1)
Other income	**(5.6)**	**(1.7)**	-	-
Equity accounted profits from joint ventures in the Company	**-**	**-**	(6.1)	(1.8)
Distribution received from joint ventures taxable to the Company	**-**	**-**	5.1	1.5
Profit used to calculate effective tax rate	**40.5**	**12.1**	29.8	8.9
Other tax adjustments	**(1.0)**	**(0.3)**	2.0	0.6
Income tax expense	**39.5**	**11.8**	31.8	9.5
Effective tax rate		**29%**		32%

	31 Dec 19 $M	31 Dec 18 $M
(c) Current tax assets		
Opening balance at the beginning of the year	**0.8**	(8.6)
Income tax expense	**(11.8)**	(9.5)
Tax payments made to tax authorities	**10.2**	20.9
Other deferred tax asset charged to income	**1.5**	(2.7)
Movements in employee benefits	**(1.5)**	(0.5)
Movements in provisions and accruals	**0.9**	-
Movements in reserves	**2.1**	1.2
Closing balance at the end of the year	**2.2**	0.8
(d) Deferred tax assets		
Employee benefits	**17.5**	15.9
Provisions and accruals	**2.0**	2.9
Other	**1.0**	1.3
Net deferred tax asset	**20.5**	20.1
Movement in temporary differences during the year		
Opening balance at the beginning of the year	**20.1**	16.9
Adoption of AASB 16	**1.2**	-
Income tax (expense) / credit	**(1.1)**	3.7
Movement in reserves	**0.3**	(0.5)
Closing balance at the end of the year	**20.5**	20.1

Trusts
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) for the year ended 30 June 2017 and future years. The AMIT regime is intended to reduce complexity, increase certainty and minimise compliance costs for AMITs and their investors.

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 2019, 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 at 1 January 2018	1,801,640,882	7,814.8	325.7	8,140.5
Securities issued - Long Term Incentive Plan	2,332,026	6.6	0.1	6.7
Securities issued - Deferred Short Term Incentive Plan	875,344	4.1	0.1	4.2
Securities issued - Broad Based Employee Security Ownership Plan	42,174	0.2	-	0.2
Closing securities on issue and contributed equity at 31 December 2018	1,804,890,426	7,825.7	325.9	8,151.6
Opening securities on issue at 1 January 2019	**1,804,890,426**	**7,825.7**	**325.9**	**8,151.6**
Securities issued - institutional placement (1)	**131,795,717**	**794.3**	**5.7**	**800.0**
Security Purchase Plan (1)	**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**

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

Ordinary 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 shares
Treasury shares are shares in GPT that are held by GPT Group Stapled Security Plan Trust for the purpose of issuing shares under various employee share schemes. Refer to note 19 for further information. Securities issued to employees are recognised on a first-in-first-out basis.

	Number of shares	$M
Opening balance 1 January 2018	16,387	-
Issue of securities by the GPT Group Stapled Securities Trust	875,344	4.2
Employee securities issued	(832,703)	(4.2)
Balance at 31 December 2018	59,028	-
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**	**-**

(c) Reserves

	Foreign currency translation reserve		Cash flow hedge reserve		Cost of hedging reserve		Employee incentive scheme reserve		Total reserve	
	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 2018	(26.4)	35.1	(14.7)	-	0.5	-	-	21.9	(40.6)	57.0
Net foreign exchange translation adjustments	-	(16.8)	-	-	-	-	-	-	-	(16.8)
Movement in hedging reserve	-	-	-	-	10.9	-	-	-	10.9	-
Movement in fair value of cash flow hedges	-	-	(3.8)	-	-	-	-	-	(3.8)	-
Security-based payment transactions, net of tax	-	-	-	-	-	-	-	(2.3)	-	(2.3)
Balance at 31 December 2018	(26.4)	18.3	(18.5)	-	11.4	-	-	19.6	(33.5)	37.9
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**

Nature and purpose of reserves

Foreign currency translation reserve

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

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 19 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 2018		1,828.4	(879.4)	949.0
Net profit for the financial year		1,417.7	34.0	1,451.7
Less: Distributions paid/payable to ordinary stapled securityholders	12	(459.5)	-	(459.5)
Reclassification of employee incentive security scheme reserve to retained earnings / accumulated losses		3.4	-	3.4
Balance at 31 December 2018		2,790.0	(845.4)	1,944.6
Balance at 1 January 2019		**2,790.0**	**(845.4)**	**1,944.6**
Restatement of retained earnings on adoption of AASB 16		**1.1**	**(0.1)**	**1.0**
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**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2019

11. EARNINGS PER STAPLED SECURITY

	31 Dec 19 Cents	31 Dec 19 Cents	31 Dec 18 Cents	31 Dec 18 Cents
(a) Attributable to ordinary securityholders of the Trust	**Basic**	**Diluted**	Basic	Diluted
Basic and diluted earnings per security - profit from continuing operations	**45.3**	**45.2**	77.7	77.5
Basic and diluted earnings per security - profit from discontinued operations	**-**	**-**	0.9	0.9
Total basic and diluted earnings per security attributable to ordinary securityholders of the Trust	**45.3**	**45.2**	78.6	78.4
(b) Attributable to ordinary stapled securityholders of the GPT Group				
Basic and diluted earnings per security - profit from continuing operations	**46.9**	**46.8**	79.5	79.4
Basic and diluted earnings per security - profit from discontinued operations	**-**	**-**	0.9	0.9
Total basic and diluted earnings per security attributable to stapled securityholders of the GPT Group	**46.9**	**46.8**	80.4	80.3

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:

(c) Reconciliation of earnings used in calculating earnings per ordinary stapled security	**$M**	**$M**	$M	$M
Net profit from continuing operations attributable to the securityholders of the Trust	**850.4**	**850.4**	1,401.3	1,401.3
Net profit from discontinued operations attributable to the securityholders of the Trust	**-**	**-**	16.4	16.4
Basic and diluted earnings of the Trust	**850.4**	**850.4**	1,417.7	1,417.7
Add: Net profit from continuing operations attributable to the securityholders of other stapled entities	**29.6**	**29.6**	34.0	34.0
Basic and diluted earnings of the Company	**29.6**	**29.6**	34.0	34.0
Basic and diluted earnings of the GPT Group	**880.0**	**880.0**	1,451.7	1,451.7

(d) Weighted average number of ordinary securities	**Millions**	**Millions**	Millions	Millions
WANOS used as the denominator in calculating basic earnings per ordinary stapled security	**1,878.1**	**1,878.1**	1,804.4	1,804.4
Performance security rights at weighted average basis (1)		**1.8**		2.7
WANOS used as the denominator in calculating diluted earnings per ordinary stapled security		**1,879.9**		1,807.1

(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 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 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.

12. DISTRIBUTIONS PAID AND PAYABLE

Distributions are paid to GPT stapled securityholders half yearly.

	Cents per stapled security	**Total amount $M**
Distributions paid / payable		
2019		
6 month period ended 30 June 2019	**13.11**	**253.9**
6 month period ended 31 December 2019 (1)	**13.37**	**260.4**
Total distributions paid / payable for the year	**26.48**	**514.3**
2018		
6 month period ended 30 June 2018	12.61	227.6
6 month period ended 31 December 2018	12.85	231.9
Total distributions paid / payable for the year	25.46	459.5

(1) The December 2019 half yearly distribution of 13.37 cents per stapled security has been declared on 12 December 2019 and is expected to be paid on 28 February 2020 based on the record date of 31 December 2019.

13. BORROWINGS

	31 Dec 19 $M	31 Dec 18 $M
Current borrowings at amortised cost - unsecured	**473.4**	427.5
Current borrowings at amortised cost - secured	**4.7**	88.5
Current borrowings	**478.1**	516.0
Non-current borrowings at amortised cost - unsecured	**1,192.4**	2,101.4
Non-current borrowings at fair value through profit and loss - unsecured (1)	**2,138.6**	1,484.9
Non-current borrowings at amortised cost - secured	**88.4**	12.6
Non-current borrowings	**3,419.4**	3,598.9
Total borrowings (2) - carrying amount	**3,897.5**	4,114.9
Total borrowings (3) - fair value	**3,994.1**	4,170.0

(1) Cumulative fair value movements are shown in the table below.
(2) Including unamortised establishment costs, fair value and other adjustments.
(3) 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 Statement of Comprehensive Income as gain / loss on modification of financial liability. GPT management have assessed the modification of terms requirements within AASB 9 *Financial Instruments* 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 statement of financial position.

	31 Dec 19 $M	31 Dec 18 $M
Nominal amount	**1,715.7**	1,221.8
Unamortised borrowing costs	**(6.0)**	(4.3)
Amortised cost	**1,709.7**	1,217.5
Cumulative fair value movements	**428.9**	267.4
Carrying amount	**2,138.6**	1,484.9

The maturity profile of borrowings as at 31 December 2019 is as follows:

	Total facility (1)(2)(3) $M	Used facility (1) $M	Unused facility (2)(3) $M
Due within one year	478.5	478.2	0.3
Due between one and five years	2,378.5	850.5	1,528.0
Due after five years	2,221.1	2,121.1	100.0
	5,078.1	**3,449.8**	**1,628.3**
Cash and cash equivalents			**104.2**
Total financing resources available at the end of the year			**1,732.5**
Less: commercial paper (2)			**(323.5)**
Less: cash and cash equivalents held for the AFSL			**(10.0)**
Total financing resources available at the end of the year			**1,399.0**

(1) Excluding unamortised establishment costs, fair value and other adjustments and $10.3 million bank guarantee facilities and its $2.3 million utilisation. This reflects the contractual cashflows 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 2019 and no breaches were identified.

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 23.

	31 Dec 19	31 Dec 18
	$M	$M
Derivative Assets		
Interest Rate Swaps - AUD	**112.6**	75.0
Cross Currency Interest Rate Swaps - fair value hedges	**45.3**	-
Cross Currency Interest Rate Swaps - fair value and cash flow hedges	**380.0**	265.4
Total Derivative Assets	**537.9**	340.4
Derivative Liabilities		
Interest Rate Swaps - AUD	**98.2**	123.4
Cross Currency Interest Rate Swaps - fair value and cash flow hedges	**-**	0.8
Total Derivative Liabilities	**98.2**	124.2
Net Derivative Assets	**439.7**	216.2
Net Interest Rate Swaps - AUD	**14.4**	(48.4)
Net Cross Currency Interest Rate Swaps	**425.3**	264.6

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 $94.0 million (2018: $108.2 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 cashflows into Australian dollar floating interest rate cashflows.

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 swap 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 19				31 Dec 18			
	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	**-**	**-**	**1,457.7**	**1,457.7**	-	-	963.8	963.8
Average receive fixed interest rate	**-**	**-**	**3.8%**		-	-	3.8%	
Average contracted FX rate (AUD/USD)	**-**	**-**	**0.8266**		-	-	0.8819	
HKD exposure								
AUD nominal amount	**-**	**-**	**258.0**	**258.0**	-	-	258.0	258.0
Average receive fixed interest rate	**-**	**-**	**3.4%**		-	-	3.4%	
Average contracted FX rate (AUD/HKD)	**-**	**-**	**6.7951**		-	-	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 movement in cash flow hedges and cost of hedging reserve.

	31 Dec 19 $M	31 Dec 18 $M
Fair Value Hedge Movements in Net profit		
Fair value movements on foreign borrowings	**(161.6)**	(116.1)
Movement in Fair value hedges	**150.8**	114.6
Net loss from fair value hedge ineffectiveness in Net profit	**(10.8)**	(1.5)
Movement in Hedge Reserves in OCI		
Movement in Cash flow hedge reserve	**15.6**	(2.4)
Movement in Cost of hedging reserve	**(5.7)**	10.1
Share of movement in Hedge reserves in equity accounted investments	**0.1**	(0.6)
Net increase in Hedge Reserves in OCI	**10.0**	7.1

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.

(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 2019 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 19 $M	31 Dec 18 $M
Fixed Rate Exposure		
Fixed rate borrowings	**2,655.7**	2,346.8
Borrowings hedged via interest rate Swaps	**159.3**	843.2
Effective Fixed Rate Borrowings	**2,815.0**	3,190.0
Floating Rate Exposure		
Floating Rate Borrowings	**794.1**	1,479.7
Borrowings Hedged via interest rate Swaps	**(159.3)**	(843.2)
Effective Floating Rate Borrowings	**634.8**	636.5

Interest rate risk – sensitivity analysis

The impact on interest expense of a 1 per cent increase or decrease in market interest rates is shown below. Finance cost is sensitive to movements in market interest rates on floating rate borrowings (net of any derivatives).

Impact on Statement of Comprehensive Income	31 Dec 19 $M	31 Dec 18 $M
Increase in interest Rates of 1%	**(6.3)**	(6.4)
Decrease in interest Rates of 1%	**6.3**	6.4

(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 19					31 Dec 18				
	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	**456.4**	**-**	**-**	**-**	**456.4**	411.0	-	-	-	411.0
Borrowings	**478.2**	**88.5**	**762.0**	**2,121.1**	**3,449.8**	516.0	312.7	1,201.0	1,796.8	3,826.5
Lease liabilities	**6.8**	**7.8**	**26.9**	**19.1**	**60.6**	-	-	-	-	-
Projected finance cost from borrowings(1)	**98.1**	**94.1**	**256.5**	**386.1**	**834.8**	136.3	132.2	299.4	392.3	960.2
Derivatives										
Projected finance cost from derivative liabilities(1)(2)	**28.2**	**30.5**	**61.3**	**1.2**	**121.2**	23.3	22.2	54.6	11.5	111.6
Total liabilities	**1,067.7**	**220.9**	**1,106.7**	**2,527.5**	**4,922.8**	1,086.6	467.1	1,555.0	2,200.6	5,309.3
Less cash and cash equivalents	**104.2**	**-**	**-**	**-**	**104.2**	58.7	-	-	-	58.7
Total liquidity exposure	**963.5**	**220.9**	**1,106.7**	**2,527.5**	**4,818.6**	1,027.9	467.1	1,555.0	2,200.6	5,250.6
Projected reduction to finance costs from derivative assets(2)	**31.5**	**30.5**	**24.5**	**24.8**	**111.3**	19.9	12.5	16.2	33.1	81.7
Net liquidity exposure	**932.0**	**190.4**	**1,082.2**	**2,502.7**	**4,707.3**	1,008.0	454.6	1,538.8	2,167.5	5,168.9

(1) Projection is based on the likely outcome of contracts given the interest rates, margins, forecast interest rate forward curves as at 31 December 2019 and 31 December 2018 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 2019, 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.

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 19	31 Dec 18	**31 Dec 19**	31 Dec 18
	$M	$M	**$M**	$M
Assets				
Derivative financial instruments	**355.0**	211.0	**70.3**	53.6
	355.0	211.0	**70.3**	53.6
Liabilities				
Borrowings (1)	**1,821.9**	1,182.2	**322.7**	307.0
	1,821.9	1,182.2	**322.7**	307.0

(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 2019 is the carrying amounts of financial assets recognised on GPT's Consolidated Statement of Financial Position. For more information refer to note 4.

OTHER DISCLOSURE ITEMS

15. CASH FLOW INFORMATION

(a) Cash flows from operating activities
Reconciliation of net profit after tax to net cash inflows from operating activities:

	31 Dec 19 $M	31 Dec 18 $M
Net profit for the year	**880.0**	1,451.7
Fair value gain on investment properties	**(310.8)**	(637.2)
Fair value loss on derivatives	**74.4**	40.0
Net impact of foreign currency borrowings and associated hedging loss	**10.8**	1.5
Gain on financial liability at amortised cost	**(2.5)**	(2.4)
Impairment (reversal) / expense	**(12.1)**	11.3
Share of after tax profit of equity accounted investments (net of distributions)	**(97.0)**	(335.2)
Profit on disposal of assets	**-**	(18.3)
Depreciation and amortisation	**6.9**	7.2
Non-cash employee benefits - security based payments	**11.0**	10.7
Non-cash revenue / expense adjustments	**29.1**	24.1
Profit on sale of inventories	**(5.8)**	(1.7)
Proceeds from sale of inventories	**58.6**	28.9
Payment for inventories	**(21.0)**	(21.4)
Movements in working capital and reserves	**(10.8)**	(18.0)
Net foreign exchange loss	**-**	0.5
Other	**3.8**	6.0
Net cash inflows from operating activities	**614.6**	547.7

(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 2018	49.9	-	3,300.6	
Cash inflow / (outflow)	8.8	-	697.7	
Foreign exchange adjustments	-	-	116.1	
Other non-cash movements	-	-	0.5	
31 December 2018	58.7	-	4,114.9	4,056.2
1 January 2019	**58.7**	**-**	**4,114.9**	
Cash inflow / (outflow)	**45.5**	**(6.2)**	**(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	**-**	**-**	**1.2**	
31 December 2019	**104.2**	**60.6**	**3,897.5**	**3,853.9**

16. LEASE REVENUE

	31 Dec 2019				31 Dec 2018			
Segment Result	**Retail**	**Office**	**Logistics**	**Total**	Retail	Office	Logistics	Total
Lease revenue	**291.6**	**142.1**	**137.3**	**571.0**	286.7	145.7	117.9	550.3
Recovery of operating costs	**83.6**	**30.9**	**9.7**	**124.2**	81.9	32.9	9.5	124.3
Share of rent from investment properties in equity accounted investments	**1.1**	**93.1**	**-**	**94.2**	1.9	74.7	-	76.6
	376.3	**266.1**	**147.0**	**789.4**	370.5	253.3	127.4	751.2
Less:								
Share of rent from investment properties in equity accounted investments				**(94.2)**				(76.5)
Amortisation of lease incentives and costs				**(47.8)**				(46.1)
Straightlining of leases				**6.6**				5.5
Eliminations of intra-group lease payments				**(1.1)**				-
Consolidated Statement of Comprehensive Income								
Rent from investment properties				**652.9**				634.1

Rent from investment properties
Rent from investment properties is recognised and measured in accordance with AASB 16 *Leases*. 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.*

17. 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 19	31 Dec 18
	$M	$M
Retail	**31.8**	52.7
Office	**86.1**	44.9
Logistics	**12.5**	14.6
Properties under development	**188.5**	177.7
Corporate	**3.7**	4.9
Total capital expenditure commitments	**322.6**	294.8

In addition to the table above, during the year GPT contracted to purchase a logistics development site in Kemps Creek, Sydney and paid a deposit of $10.0 million with settlement expected to occur in two tranches in 2020 and 2021. A total of $28.7 million is committed to be paid by GPT on settlement of the first tranche in 2020 and an additional $61.1 million on settlement of the second tranche in 2021.

GPT also contracted to purchase two logistics sites in Truganina, Melbourne. The first is a development site at 865 Boundary Road for which GPT paid a deposit of $3.4 million, with $30.6 million committed to be paid at settlement expected to occur in 2022. The second site is a logistics warehouse at 1 Botero Place for which GPT paid a deposit of $1.1 million, with $41.1 million committed to be paid at settlement expected to occur in 2020.

(b) Commitments relating to equity accounted investments

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

	31 Dec 19	31 Dec 18
	$M	$M
Capital expenditure	**133.0**	108.2
Total joint ventures and associates' commitments	**133.0**	108.2

18. 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 the end of 2019, GPT has no material contingent liabilities which need to be disclosed.

19. 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.

(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 during the year.

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

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

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

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

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

Fair value of performance rights issued under DSTI and LTI
The fair value of the performance rights is recognised as an employee benefit expense with a corresponding increase in the employee security scheme reserve in equity. 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.

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

	2019 LTI	2019 DSTI
Fair value of rights	$3.94	$5.60
Security price at valuation date	$6.09	$5.60
Total Securityholder Return	14.3%	N/A
Grant dates	2 April 2019	2 April 2019
Expected vesting dates	31 December 2021	31 December 2020
Security price at the grant date	$6.09	$6.09
Expected life	3 years (2 years remaining)	2 years (1 year remaining)
Distribution yield	4.4%	4.7%
Risk free interest rate	1.4%	N/A
Volatilty (1)	16.3%	N/A

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

(e) Summary table of all employee security schemes

	Number of rights		
	DSTI	LTI	Total
Rights outstanding at 1 January 2018	1,338,498	8,346,213	9,684,711
Rights granted during 2018	1,308,548	2,712,482	4,021,030
Rights forfeited during 2018	(550,030)	(879,580)	(1,429,610)
Rights converted to GPT stapled securities during 2018 (1)	(875,344)	(2,332,026)	(3,207,370)
Rights outstanding at 31 December 2018	1,221,672	7,847,089	9,068,761
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 (2)	**(774,921)**	**(2,146,497)**	**(2,921,418)**
Rights outstanding at 31 December 2019	**1,234,704**	**7,460,654**	**8,695,358**

(1) Rights under the 2017 DSTI plan were converted to GPT stapled securities on 19 March 2018 and rights under the 2015 LTI Plan were converted to GPT stapled securities on 13 February 2018.
(2) 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.

	Number of stapled securities		
	GESOP	BBESOP	Total
Securities outstanding at 1 January 2018	53,982	123,553	177,535
Securities granted during 2018	62,609	37,488	100,097
Securities vested during 2018	(53,982)	(46,277)	(100,259)
Securities outstanding at 31 December 2018	62,609	114,764	177,373
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**

20. 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 19	31 Dec 18
	$'000	$'000
Short term employee benefits	**7,174.0**	6,943.4
Post employment benefits	**181.4**	178.3
Long term incentive award accrual	**1,863.3**	2,050.4
Total key management personnel compensation	**9,218.7**	9,172.1

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 19	31 Dec 18
	$'000	$'000
Transactions with related parties other than associates and joint ventures		
Expenses		
Contributions to superannuation funds on behalf of employees	**(6,521.0)**	(6,172.5)
Transactions with associates and joint ventures		
Revenue and expenses		
Responsible Entity fees from associates	**61,869.6**	58,233.0
Property management fees	**16,643.5**	17,654.2
Development management fees from associates	**6,831.5**	5,196.5
Rent expense	**4,275.8**	1,406.0
Management fees from associates	**6,240.5**	6,356.4
Distributions received / receivable from joint ventures	**56,531.6**	58,183.6
Distributions received / receivable from associates	**112,817.4**	104,331.3
Payroll costs recharged to associates	**9,765.8**	9,519.9
Other transactions		
Loans repaid from joint ventures	**-**	1,839.1
Increase in units in joint ventures	**4,924.7**	10,926.9
Increase in units in associates	**535,322.8**	-

21. AUDITOR'S REMUNERATION

	31 Dec 19	31 Dec 18
	$'000	$'000
Audit services		
PricewaterhouseCoopers Australia		
Statutory audit and review of financial reports	**1,343.5**	1,266.2
Total remuneration for audit services	**1,343.5**	1,266.2
Other assurance services		
PricewaterhouseCoopers Australia		
Regulatory and contractually required audits	**225.9**	197.7
Total remuneration for other assurance services	**225.9**	197.7
Total remuneration for audit and assurance services	**1,569.4**	1,463.9
Non-audit related services		
PricewaterhouseCoopers Australia		
Other services	**-**	170.3
Total remuneration for non audit related services	**-**	170.3
Total auditor's remuneration	**1,569.4**	1,634.2

22. PARENT ENTITY FINANCIAL INFORMATION

	Parent entity	
	31 Dec 19	31 Dec 18
	$M	$M
Assets		
Current assets	**443.0**	102.3
Non-current assets	**16,166.4**	15,431.9
Total assets	**16,609.4**	15,534.2
Liabilities		
Current liabilities	**558.0**	313.1
Non-current liabilities	**4,305.5**	4,533.2
Total liabilities	**4,863.5**	4,846.3
Net assets	**11,745.9**	10,687.9
Equity		
Equity attributable to secutityholders of the parent entity		
Contributed equity	**8,696.5**	7,849.1
Reserves	**4.0**	(5.9)
Retained earnings	**3,045.4**	2,844.7
Total equity	**11,745.9**	10,687.9
Profit attributable to members of the parent entity	**719.1**	1,815.9
Total comprehensive income for the year, net of tax, attributable to members of the parent entity	**719.1**	1,815.9
Capital expenditure commitments		
Retail	**11.3**	32.7
Office	**19.0**	32.4
Logistics	**5.6**	3.9
Properties under development	**126.3**	177.7
Total capital expenditure commitments	**162.2**	246.7

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 2019.

The parent entity had a deficiency of current net assets of $115.0 million (2018: $210.8 million) arising as a result of the inclusion of the provision for distribution payable to stapled securityholders. The parent has access to cash and undrawn financing facilities of $1,399.0 million as set out in note 13.

23. FAIR VALUE DISCLOSURES

The most significant categories of assets for which fair values are used are investment properties and financial instruments. Information about how those values are calculated, including the valuation process, critical assumptions underlying the valuations, information on sensitivity and other information required by the accounting standards, is provided in this note.

(i) Fair value measurement, valuation techniques and inputs

A description of the valuation techniques and key inputs are included in the following table:

Class of assets / liabilities	Fair value hierarchy [1]	Valuation technique	Inputs used to measure fair value	Unobservable inputs 31 Dec 2019	Unobservable inputs 31 Dec 2018
Retail	Level 3	Discounted cash flow (DCF) and income capitalisation method	10 year average specialty market rental growth	2.8% - 3.6%	3.1% - 3.6%
			Gross market rent (per sqm p.a.)	$1,330 - $2,423	$1,279 - $2,306
			Adopted capitalisation rate	4.25% - 6.00%	4.13% - 5.50%
			Adopted terminal yield	4.50% - 6.25%	4.38% - 5.88%
			Adopted discount rate	6.25% - 7.00%	6.25% - 7.00%
			Lease incentives (gross)	5.0% - 7.5%	5.0% - 7.7%
Office	Level 3	DCF and income capitalisation method	Net market rent (per sqm p.a.)	$425 - $1,620	$410 - $1,605
			10 year average market rental growth	3.3% - 4.3%	3.1% - 4.2%
			Adopted capitalisation rate	4.39% - 5.50%	4.63% - 5.50%
			Adopted terminal yield	4.63% - 5.75%	5.00% - 5.75%
			Adopted discount rate	6.25% - 6.75%	6.38% - 6.75%
			Lease incentives (gross)	15.0% - 37.5%	17.5% - 35.0%
Logistics	Level 3	DCF and income capitalisation method	Net market rent (per sqm p.a.)	$65 - $515	$56 - $490
			10 year average market rental growth	2.8% - 3.2%	2.8% - 3.1%
			Adopted capitalisation rate	4.63% - 7.00%	5.25% - 7.25%
			Adopted terminal yield	5.00% - 7.25%	5.50% - 7.50%
			Adopted discount rate	6.25% - 7.50%	6.75% - 7.75%
			Lease incentives (net)	10.0% - 30.0%	10.0% - 25.0%
Properties under development	Level 3	Income capitalisation method, or land rate	Net market rent (per sqm p.a.)	$85 - $655	$118 - $635
			Adopted capitalisation rate	5.13% - 5.63%	5.13% - 5.50%
			Adopted terminal yield	5.50% - 6.00%	5.50% - 5.63%
			Adopted discount rate	6.50% - 6.63%	6.63% - 6.75%
			Land rate (per sqm)	$217 - $531	$184 - $272
			Profit and risk factor	5.0% - 15.0%	10.0% - 14.0%
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).

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 does not include 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.
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.
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.

(ii) 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.

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."

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

Highest and best use

Fair value for investment properties is calculated for 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 2019 to retain its highest and best use as an investment property.

(iii) Sensitivity information – investment properties

Significant inputs	Fair value measurement sensitivity to significant increase in input	Fair value measurement sensitivity to significant decrease in input
Net market rent 10 year average specialty market rental growth 10 year average market rental growth	Increase	Decrease
Adopted capitalisation rate Adopted terminal yield Adopted discount rate Lease incentives	Decrease	Increase

Generally, if the assumption made for the adopted capitalisation rate changes, the adopted terminal yield will change in the same direction. The adopted capitalisation rate forms part of the income capitalisation approach and the adopted terminal yield forms part of the discounted cash flow approach. The mid-point of the two valuations is then typically adopted.

Discounted cash flow approach
When assessing a discounted cash flow, the adopted discount rate and adopted terminal yield have a strong interrelationship because the discount rate will determine the rate at which the terminal value is discounted to the present value. In theory, an increase (softening) in the adopted discount rate and a decrease (tightening) in the adopted terminal yield could potentially offset the impact on fair value, and vice versa. If both the discount rate and terminal yield moved in the same direction, the impact on fair value would be magnified.

Income capitalisation approach
When calculating income capitalisation, the net market rent has a strong interrelationship with the adopted capitalisation rate. This is because the methodology involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value. In theory, an increase in the net market rent and an increase (softening) in the adopted capitalisation rate could potentially offset the impact to the fair value, and vice versa. If the net market rent increases but the capitalisation rate goes down (or vice versa), this may magnify the impact on fair value.

(iv) Financial instruments
The following table presents the changes in level 3 instruments for recurring fair value measurements. GPT's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

	Derivative liabilities $M	Total $M
Opening balance 1 January 2018	(5.1)	(5.1)
Fair value movements in profit or loss	5.1	5.1
Closing balance 31 December 2018	-	-
Opening balance 1 January 2019	**-**	**-**
Fair value movements in profit or loss	-	-
Closing balance 31 December 2019	**-**	**-**

24. ACCOUNTING POLICIES

(a) Basis of preparation

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

- in accordance with the requirements of the Trust's Constitution, *Corporations Act 2001*, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board and International Financial Reporting Standards;
- on a going concern basis in the belief that GPT 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 current assets over current liabilities at 31 December 2019 of $712.5 million arises as a result of the inclusion of the provision for distribution payable to stapled securityholders and borrowings due within 12 months. GPT has access to cash and undrawn financing facilities of $1,399.0 million as set out in note 13;
- 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 10 February 2020.

(b) 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 22.93 per cent equity interest in GPT Wholesale Office Fund (GWOF) and 28.49 per cent equity interest in GPT Wholesale Shopping Centre Fund (GWSCF) as at 31 December 2019. GPT Funds Management Limited (GPTFM), which is wholly owned by the GPT Group is the Responsible Entity (RE) 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

(c) 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.

Other revenue

Rental revenue from investment properties is recognised on a straight line basis for the minimum contract rent over the lease term. An asset is also recognised as a component of investment properties relating to fixed increases in operating lease rentals in future periods. When GPT provides lease incentives to tenants, any costs are recognised on a straight line basis over the lease term. 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.

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

Type of revenue	Description	Recognised
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 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) Expenses
Property expenses and outgoings which include rates, taxes and other property outgoings, are recognised on an accruals basis.

(v) Finance costs
Finance costs include interest 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.

(d) New and amended accounting standards and interpretations adopted from 1 January 2019
GPT has adopted AASB 16 *Leases* at 1 January 2019. AASB 16 replaces AASB 117 Leases and is effective for reporting periods on or after 1 January 2019. The impact on the GPT's previously reported financial position at 31 December 2018, as a result of the adoption of AASB 16 and its application is detailed in note 25.

(e) New accounting standards and interpretations issued but not yet adopted
There are no new standards or amendments to standards relevant to GPT.

25. ADOPTION OF NEW ACCOUNTING STANDARD

AASB 16 *Leases*
GPT has adopted AASB 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening Consolidated Statement of Financial Position on 1 January 2019.

Policies applicable from 1 January 2019
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 $1.2 million for the year.

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.

Additions to the right-of-use assets during the year were $9.7 million.

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. During the year the financial effect of revising lease terms was an increase in recognised liabilities and right-of-use assets of $23.1 million.

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

Ground Leases
On adoption of AASB 16 on 1 January 2019, 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. The weighted average incremental borrowing rate as of 1 January 2019 was 4.8 per cent. At 31 December 2019, $6.4 million of lease liabilities for ground leases at Melbourne Central Retail and Sunshine Plaza has been recognised in the Consolidated Statement of Financial Position.

Adjustments recognised on adoption of AASB 16 *Leases*
On adoption of AASB 16, GPT recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using GPT's weighted average incremental borrowing rate as of 1 January 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.7 per cent.

The difference between the operating lease commitments disclosed at 31 December 2018 of $38.0 million discounted using the incremental borrowing rate as 1 January 2019 and the balance of the lease liabilities recognised at 1 January 2019 reflects:
- the exclusion of leases committed to but for which the term had not yet commenced;
- the removal of contracts reassessed as service agreements; and
- adjustments as a result of different treatment of extension and termination options.

Right-of-use assets were measured on a retrospective basis as if the new rules had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

Practical expedients applied
In applying AASB 16 for the first time, GPT has used the following practical expedients permitted by the standard:
- the use of a single discount rate to the portfolio of property leases where they have reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous; and
- the exclusion of initial direct costs for the measurement of the right-of-use assets at the date of initial application.

GPT has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying AASB 117 and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

26. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstances occurring since 31 December 2019 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 2019

In the Directors of the Responsible Entity's opinion:

(a) The consolidated financial statements and notes set out on pages 28 to 68 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 2019 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 2019 of $712.5 million arises as a result of the inclusion of the provision for distribution payable to stapled securityholders and borrowings due within 12 months. GPT has access to cash and undrawn financing facilities of $1,399.0 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
10 February 2020

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 (GPT or the Registered Scheme) and its controlled entities (together, the Group or The GPT Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2019 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 2019
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

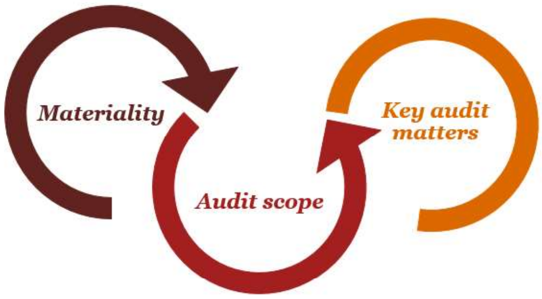
PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

Our audit approach

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

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the 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 $30.5 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	• 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 GPT have been stapled to the shares in GPT Management Holdings Limited (GPT MH). For the purposes of consolidation accounting, GPT is the 'deemed' parent and the financial report reflects the consolidation of GPT and its controlled entities and GPT MH 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	• Amongst other relevant topics, we communicated the following key audit matters to the Audit Committee: – Valuation of investment properties (including those under development) – Carrying value of inventories – Valuation of derivatives • These are further described in the *Key audit matters* section of our report.

it is also within the range of commonly accepted profit related thresholds.	accounted investments in two wholesale real estate investment funds. The auditors of these funds (“component auditors”) assisted in performing procedures on our behalf. • We determined the level of involvement we needed to have in the audit work performed by the component auditors to be able to conclude whether sufficient appropriate audit evidence had been obtained. This included written instructions and active dialogue throughout the year.

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 (including those under development) *$10,327.5 million (2018: $10,128.8 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 23. The value of investment properties is dependent on the valuation methodology adopted and the inputs into the valuation model. Factors such as prevailing market conditions, the individual nature, condition and location of each property and the expected future income for each property directly impact fair values. Amongst others, the following assumptions are key in establishing fair value: • Capitalisation rate	We obtained a selection of the latest independent property market reports to develop an understanding of the prevailing market conditions in which the Group invests. For a sample of leases, we agreed the underlying lease terms to the tenancy schedule and, for a sample of properties, we compared the rental income used in the valuation and internal tolerance check models to the tenancy schedule. We compared capitalisation rates and discount rates used by the Group to the market data we considered to be relevant based on asset category, grade and location. For a sample of properties, including properties where capitalisation rates, discount rates and/or valuation movements fell outside our expectation, we performed the following procedures, amongst others: • discussed the specifics of the individually selected properties with management, for example new leases entered into during the year, lease expiries, capital expenditure and vacancy rates. • agreed significant underlying assumptions to

Key audit matter	*How our audit addressed the key audit matter*
• 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. If a property is not externally valued at balance date, an internal tolerance check is performed to determine whether the book value (most recent valuation plus capital expenditure) is in line with management's estimate of fair value or whether an external valuation is required. We considered this a key audit matter because of the: • Relative size of the investment property balance in the consolidated statement of financial position. • Inherently subjective nature of the key assumptions that underpin the valuations, including capitalisation and discount rates.	supporting documentation such as new lease agreements. • assessed other key inputs in the valuation to observable external market data such as comparable sales. In addition to the above, for selected properties under development we: • compared key inputs in the 'as if complete' valuation to underlying support. • on a sample basis, compared key assumptions used within the development's 'cost to complete' schedule to underlying support, for example, expected future costs to contractor agreements. **External valuations** For all properties externally valued, we agreed the fair value per the final valuation reports to the Group's accounting records. We also: • assessed the competency and capabilities of the external valuers • read relevant aspects of the valuers' terms of engagement to identify whether there are any terms that might have affected their objectivity or imposed limitations on their work relevant to their valuation. **Internal tolerance check (ITC)** We confirmed with management that the capitalisation and discounted cash flow models utilised for the internal tolerance checks were consistent with the prior period. We also compared the total value in the ITC to the last independent external valuation to assess compliance with the valuation policy. For a sample of internal tolerance checks we • performed a mathematical accuracy check of the model. • assessed the capitalisation rate and discount rate against comparable assets.
Carrying value of inventories *$87.2 million (2018: $144.3 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	For each project we obtained the Group's latest feasibility models. We also: • discussed project specifics with management, for example the life cycle of the project, key project risks, changes to project strategy, current and future estimated sales prices, construction progress and costs and any new and previous impairments.

Key audit matter	*How our audit addressed the key audit matter*
realisable value for each inventory project. The cost of the inventory includes the cost of acquisition, development, capitalised interest 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, costs to complete projects and selling costs. 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.	• 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 net realisable value (NRV) to identify projects with potential impairments. • obtained the transfer agreements for the sites transferred from inventory to investment property during the year and agreed the transfer prices in the agreements to the external valuations. • 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.
Valuation of derivatives *$439.7 million (2018: $216.2 million) (net valuation including current assets, non-current assets, current liabilities and non-current liabilities)* *Refer to note 14* The Group issues debt denominated in both foreign and domestic currencies as part of its funding strategy and enters into derivative transactions to manage the associated foreign exchange and interest rate risk. The Group only applies hedge accounting to the borrowings denominated in foreign currencies. Foreign currency and interest rate risk arising from borrowings denominated in foreign currencies is managed with Cross Currency Interest Rate Swaps (CCIRS). Some of the CCIRS are designated in hedge accounting relationships against Hong Kong Dollar and United States Dollar bonds. Other derivatives are not designated in hedge accounting relationships. We considered the valuation of derivatives to be a key audit matter because of the: • Nature and complexity involved in valuing derivative instruments. • Relative size of the derivative balances and potential for variability in the size of these balances year on year.	We developed an understanding of the movements in the derivative balances during the year. We obtained independent counterparty confirmations to confirm the existence of each derivative at year end. We selected a sample of derivative balances to test based on instrument type. For each sample: • we agreed the key terms of the derivatives back to external confirmations or individual counterparty contracts. • together with PwC treasury specialists, we calculated the fair value of the derivatives, independently sourcing market data inputs used in the valuation calculations. Through inquiry with management and inspection of a sample of hedge documentation, we identified the application of hedge accounting on new and existing derivative instruments. To test the application of hedge accounting in accordance with Australian Accounting Standards, we performed the following procedures, amongst others, in conjunction with PwC treasury specialists for a sample of hedge relationships: • assessed whether the Group's hedge documentation, designation and effectiveness testing approach was in accordance with the hedge accounting requirements of Australian

Key audit matter	How our audit addressed the key audit matter
• Complexity involved in the application of hedge accounting in accordance with Australian Accounting Standards.	Accounting Standards. • inspected the hedge documentation for new hedge relationships to assess whether hedge accounting criteria were met. • assessed whether the hedge effectiveness criteria continued to be met. • assessed the appropriateness of hedge accounting journals across the relevant accounts (cash flow hedge reserve, cost of hedging reserve, fair value adjustment of the borrowings and profit or loss) based on changes in fair value of the hedge accounted derivatives and underlying hedged items. The recognition and presentation of gains and losses was agreed to the consolidated financial statements.

Other information

The directors of the Responsible Entity of GPT, GPT RE Limited (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 2019, 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 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: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 16 to 26 of the directors report for the year ended 31 December 2019.

In our opinion, the remuneration report of The GPT Group for the year ended 31 December 2019 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. Horl

Susan Horlin
Partner

Sydney
10 February 2020