GPT Management Holdings Limited

ABN: 67 113 510 188

Annual Financial Report
31 December 2021

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

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

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

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DIRECTORS' REPORT

For the year ended 31 December 2021

The Directors of GPT Management Holdings Limited (the Company), present their report together with the financial statements of GPT Management Holdings Limited and its controlled entities (the Consolidated Entity) for the full year ended 31 December 2021. The Consolidated Entity is a for profit entity and is stapled to the General Property Trust (Trust). The GPT Group (GPT or the Group) financial statements include the results of the stapled entity as a whole.

GPT Management Holdings Limited is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is Level 51, 25 Martin Place, Sydney NSW 2000.

1. OPERATING AND FINANCIAL REVIEW

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

About GPT

GPT is a vertically integrated diversified property group that owns and actively manages a $26.9 billion portfolio of high quality Australian office, logistics and retail assets. The Group leverages its real estate management platform to enhance returns through property development and funds management.

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

GPT's vision is to be the most respected property company in Australia in the eyes of our investors, people, customers and communities. Our purpose is to create value for investors by providing high quality real estate spaces that enable people to excel and our customers and communities to prosper in a sustainable way.

Review of operations and operating result

The Group commenced 2021 with solid momentum and expected to deliver an increase in Funds From Operations. Our interim results demonstrated that we were on track to deliver on these expectations however momentum was disrupted at the end of the second quarter when governments commenced instituting various measures to prevent the spread of the Delta variant of COVID-19 in the community. This culminated in restrictive lockdown measures that extended into the fourth quarter of 2021. The measures implemented by the New South Wales and Victorian governments also included the reintroduction of the Commercial Tenancy Code of Conduct requiring landlords to provide relief to eligible tenants in the form of rent waivers and rent payment deferral. The impact was mainly felt across our Retail assets where only essential stores were able to continue trading. Leasing activity in the Office sector also slowed as customers delayed leasing decisions while most office staff were working from home. Pleasingly, our Logistics portfolio remained resilient throughout the period. When restrictions eased, we saw a strong recovery in Retail rent collection and leasing activity across the Retail and Office portfolios.

Despite the lockdown measures; we continued to make good progress on implementing our strategy to increase our weighting to the Logistics sector, successfully completing several acquisitions and developments. Logistics now represents approximately 27 per cent of the Group's diversified property portfolio.

Office developments at 32 Smith and the GPT Wholesale Office Fund's Queen & Collins were completed during the year and the Fund's development at 51 Flinders Lane commenced in December. We progressed masterplans for mixed-use development schemes at Highpoint Shopping Centre and the Rouse Hill Town Centre. Post the period, we also announced the sale of a non-core retail asset Casuarina Square owned jointly by GPT and the GPT Wholesale Shopping Centre Fund.

The Group's gearing at the end of 2021 of 28.2 per cent remains below the mid-point of our target range of between 25 - 35 per cent, and our balance sheet liquidity position remains strong providing additional capacity for growth.

The Consolidated Entity's financial performance for the year ended 31 December 2021 is summarised below.

The net profit after tax for the year ended 31 December 2021 is $22,503,000 (2020: $67,373,000 loss).

	31 Dec 21	**31 Dec 20 Restated**[(1)]	Change
	$'000	$'000	%
Property management fees	**40,072**	36,374	10 %
Development management fees and revenue	**18,773**	19,693	(5)%
Fund management fees	**99,810**	83,647	19 %
Management costs recharged	**31,545**	29,621	6 %
Proceeds from sale of inventory	**34,864**	1,196	2,815 %
Other income	**982**	4,706	(79)%
Expenses	**(203,992)**	(232,536)	(12)%
Profit/(loss) from continuing operations before income tax expense	**22,054**	(57,299)	138 %
Income tax credit/(expense)	**449**	(10,074)	(104)%
Net profit/(loss) for the year	**22,503**	(67,373)	133 %

(1) The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 25 for details.

Consolidated Entity result

The net profit after tax compared to the loss recognised at 31 December 2020 is largely due to the revaluation increment of financial instruments in 2021, combined with increased proceeds from the sale of inventory and higher fund management fees, partially offset by increased remuneration expense and impairment expense compared to 2020.

DIRECTORS' REPORT

For the year ended 31 December 2021

Property Management

Retail

The Consolidated Entity is responsible for property management activities across the retail sector. Property management fees increased to $22,357,000 in 2021 (2020: $19,969,000) primarily as a result of increased property revenue associated with lower impacts of the COVID-19 pandemic compared to 2020 including lower recognition of rent waivers for tenants affected by the pandemic.

Office

The Consolidated Entity is responsible for property management activities across the office sector. Property management fees increased to $14,448,000 in 2021 (2020: $13,520,000) primarily as a result of lower membership fee waivers provided to Space&Co members during the COVID-19 pandemic compared to the previous year and increased property management fees as more assets became operational.

Logistics

The Consolidated Entity is responsible for property management activities across the logistics sector. Property management fees increased to $3,267,000 in 2021 (2020: $2,885,000) as a result of property acquisitions and the conversion of properties from development assets to operating assets.

Development management fees and revenue

Development management fees have decreased by 5 per cent to $18,773,000 (2020: $19,693,000) compared to the previous year primarily due to a decrease in development activity as a result of the impacts of the COVID-19 pandemic. There was lower utilisation amongst the teams with projects being postponed, including the Melbourne Central Rooftop and the Rouse Hill developments, including the Rouse Hill developments held in inventory.

Funds Management

GPT Wholesale Office Fund (GWOF)

The fund delivered a one year equity IRR of 12.3 per cent. GWOF's total assets increased to $9.8 billion, up $0.8 billion from 31 December 2020. The management fee income earned from GWOF 31 December 2021increased by $1.8 million as compared to 31 December 2020 due to the increase in the value of the portfolio.

GPT's ownership reduced slightly to 21.81 per cent (Dec 2020: 21.87 per cent) due to not participating in GWOF's Distribution Reinvestment Plan (DRP).

GPT Wholesale Shopping Centre Fund (GWSCF)

The fund delivered a one year equity IRR of 6.2 per cent. GWSCF's total assets decreased by $0.4 billion to $3.5 billion, compared to 31 December 2020 with the sale of Wollongong Central in December 2021. The management fee income earned from GWSCF decreased $1.5 million as compared to 31 December 2020 due to the decrease in the value of the portfolio in 2020.

GPT's ownership in GWSCF was unchanged at 28.48 per cent (Dec 2020: 28.48 per cent).

GPT QuadReal Logistics Trust (GQLT)

The GPT QuadReal Logistics Trust is a partnership with QuadReal Property Group to create a prime Australian logistics portfolio with an original $800 million target, that has since been expanded to $1 billion. A number of assets were secured for this partnership during the year with approximately 70 per cent of the $1 billion committed, inclusive of pipeline projects, with $0.2 billion deployed to December 2021 (100 per cent).

Management costs recharged

Management costs recharged increased by 6 per cent to $31,545,000 compared to previous year due to increasing costs at the corporate level passed onto the assets.

Proceeds from sale of inventory

Proceeds from sale of inventory increased sigificantly to $34,864,000 due to the compulsory acquisition of land at Rouse Hill and increased Metroplex sales during the year.

Other income

Other income decreased during the period to $982,000 primarily due to a decrease in the share of profit recognised from the Lendlease GPT (Rouse Hill) Pty Limited joint venture as no sales were made during the year..

Expenses

Expenses have decreased by 12 per cent overall to $203,992,000 compared to previous year primarily due to the revaluation increment of financial arrangements, offset partially by an increase in remuneration expenses caused by the reinstatement of the bonus scheme in the current year and increased costs relating to the sale of inventory.

DIRECTORS' REPORT

For the year ended 31 December 2021

Financial position

	31 Dec 21 $'000	31 Dec 20 Restated(1) $'000	Change %
Current assets	**109,991**	138,816	(21)%
Non-current assets	**217,060**	191,585	13 %
Total assets	**327,051**	330,401	(1)%
Current liabilities	**67,784**	48,452	40 %
Non-current liabilities	**198,742**	242,749	(18)%
Total liabilities	**266,526**	291,201	(8)%
Net assets	**60,525**	39,200	54 %

(1) The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 25 for details.

Total assets decreased by 1 per cent to $327,051,000 in 2021 (2020: $330,401,000) primarily due to a decrease in inventories due to sales occurring in 2021, along with a decrease in intangible assets due to impairment of management rights, offset partially by an increase in other receivables due to the balance owing on the compulsory acquisition of Rouse Hill land.

Total liabilities reduced by 8 per cent to $266,526,000 in 2021 (2020: $291,201,000) due to reduced related party borrowings due to the revaluation increment recognised in 2021, partially offset by an increase in payables mostly in relation to people costs.

Capital management

The Consolidated Entity has an external loan of $2,370,000 relating to the Metroplex joint venture.

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

Going Concern

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

Due to the uncertainty created by the COVID-19 pandemic, GPT has performed additional procedures to assess going concern. GPT believes it is able to meet its liabilities and commitments as and when they fall due for at least 12 months from the reporting date. In reaching this position, GPT has taken into account the following factors:

- Available liquidity, through cash and undrawn facilities, of $934.7 million (after allowing for refinancing of $750.0 million of outstanding commercial paper as at 31 December 2021)
- Weighted average debt expiry of 6.3 years, with less than $55.0 million of debt (excluding commercial paper outstanding) due between the date of this report and 31 December 2022;
- Interest rate hedging level of 60 per cent over the next 12 months
- Primary covenant gearing of 28.4 per cent, compared to a covenant level of 50.0 per cent, and
- Interest cover ratio at 31 December 2021 of 7.5 times, compared to a covenant level of 2.0 times.

Cash flows

The cash balance at 31 December 2021 decreased to $16,590,000 (2020: $22,968,000).

Operating activities:

Net cash inflows from operating activities have increased in 2021 to $28,362,000 (2020: $7,513,000) driven by higher proceeds on sale of inventory and higher cash receipts throughout the course of the year.

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

	31 Dec 21 $'000	31 Dec 20 Restated(1) $'000	Change %
Net profit/(loss) for the year	**22,503**	(67,373)	133 %
Non-cash items included in net profit	**6,854**	109,037	(94)%
Timing difference	**(995)**	(34,151)	(97)%
Net cash inflows from operating activities	**28,362**	7,513	278 %

(1) The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 25 for details

Investing activities:

Net cash outflows from investing activities have decreased to $5,956,000 in 2021 (2020: $13,347,000) due to lower costs associated with the acquisition of intangible assets and property, plant and equipment.

Financing activities:

Net cash outflows from financing activities have decreased to $28,784,000 in 2021 (2020: $7,125,000 inflow) primarily due to repayment of related party borrowings.

Dividends

The Directors have not declared any dividends for the year ended 31 December 2021 (2020: nil).

Prospects

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

The global COVID-19 pandemic continues to disrupt the Australian economy and GPT's operating environment however, the governments' acceleration of vaccinations and booster programs in the second half of 2021 provides optimism that the impacts from COVID-19 should be less severe during the course of 2022 than experienced in prior years.

With the rapid spread of the Omicron variant of COVID-19 in late 2021, health and safety measures were reintroduced in New South Wales (NSW) and Victoria, including mandatory mask-wearing in indoor office and retail settings, and advice to work from home where possible. These measures remain in place and continue to impact office space utilisation and visitations to shopping centres.

Current indications suggest that the Omicron variant will weigh on economic activity for a relatively short period, and severe lockdown measures experienced in the second half of 2021 are less likely to be re-instated. The NSW and Victorian governments announced in January 2022 that the Commercial Tenancy Code of Conduct requiring landlords to provide rent relief to eligible businesses impacted by COVID-19 had been extended to March 2022.

In outlining the Group's prospects, management considers it has applied its best judgement at this point in time. Clearly there remains a high level of uncertainty as we continue to navigate pandemic related impacts, supply chain disruption and the outlook for interest rates and inflation.

GPT has a high quality diversified real estate portfolio currently valued at $16.2 billion. Valuations for high quality assets continue to be supported by ongoing domestic and offshore investor demand particularly for Office and Logistics assets. Portfolio occupancy at 31 December 2021 was 97.7 per cent and we are expecting that the quality of our portfolio will continue to attract ongoing tenant demand.

The Group has a Logistics development pipeline of approximately $1.6 billion, providing the opportunity for further growth in this sector. GPT is also targeting to commence the Rouse Hill Town Centre expansion at the end of 2022.

At 31 December 2021, the Group's net gearing was 28.2 per cent, with cash and undrawn bank facilities totalling $0.9 billion and no significant loan expiries until 2023. GPT has strong credit ratings of 'A negative' and 'A2 stable' by S&P and Moody's respectively.

Office
In 2021 broader adoption of hybrid work practices remained evident, as many of our tenants' employees worked from home for part of their working week. While this trend is expected to continue, tenant feedback suggests that the physical workplace remains important for most organisations to shape culture, facilitate collaboration and learning experiences, and implement business growth opportunities.

Following the lifting of COVID-19 restrictions in the last quarter of 2021, we saw a material increase in office attendance, particularly in Sydney, coupled with a step up in new leasing enquiries. While this has slowed with the Omicron variant, lead indicators for Office demand remain positive, with ongoing economic growth and unemployment falling to the lowest level since 2008. The jobless rate is expected to fall further through the course of 2022.

Office vacancy, however, remains elevated across each of the markets that GPT participates in. Vacancy is expected to remain above long-term average levels for the year ahead and accordingly tenant incentives are likely to continue to be elevated. GPT currently has 7 per cent (by area) of its Office portfolio vacant following the completion of two development projects in 2021. In 2022, 11 per cent of the portfolio's leases (by income) expire, and our team are actively pursuing opportunities to secure tenants for this space. Tenant demand is most robust for prime space, supporting our view that many businesses will take the opportunity to upgrade their space and seek out accommodation in better quality office buildings. Our assets have an average NABERS energy rating of 5.8 Stars and we expect an increasing number of office tenants will seek to be located in assets with strong environmental credentials.

Logistics
The Logistics portfolio continues to deliver strong results for the Group, with structural tailwinds driving tenant and investor demand. Focus on the efficient movement of goods and inventory management, along with increasing penetration of e-commerce is expected to underpin demand for prime Logistics space. Vacancy rates remain low in the core markets nationwide and investor demand for Logistics assets has resulted in strong valuation growth. These trends are expected to be sustained.

The Group successfully completed four developments in 2021 and expects to deliver a further four developments during 2022. The Group's Logistics development pipeline currently has an estimated end value of approximately $1.6 billion, which positions GPT well to continue to benefit from ongoing demand in this sector.[1]

The Group's high quality Logistics portfolio, of which GPT has developed over 40 per cent, has a Weighted Average Lease Expiry of 6.5 years, occupancy of 98.8 per cent and is well supported by a diverse tenant base, with 75 per cent of income generated from ASX listed and multinational companies.

Retail
In the first half of 2021, the Group's Retail portfolio experienced an improvement in customer visitations and sales turnover compared to the previous year. However, in the middle of the year, the reintroduction of lockdowns in NSW and Victoria significantly impacted trading conditions until restrictions lifted towards the end of the year.

The emergence of the Omicron variant of COVID-19 and mandated mask-wearing for indoor retail settings in many of GPT's markets are expected to continue to disrupt the trading environment for the short term. However, as we have seen previously, as COVID-19 cases subside and measures such as mandated mask-wearing lift, we expect an improvement in customer visitations and retail sales at our shopping centres.

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[1] Includes GPT direct and GQLT opportunities.

The recovery of Melbourne Central, our largest retail investment property and one of the leading retail destinations in Australia, is expected to be more protracted than the broader portfolio. As workers return to their offices and the Melbourne CBD is reactivated, we expect the recovery of Melbourne Central's trading performance to accelerate.

In February 2022, GPT and the GPT Wholesale Shopping Centre Fund (GWSCF) announced the sale of Casuarina Square, with settlement expected by the end of March 2022. Casuarina Square was considered a non-core asset for GPT. Capital proceeds from the sale will be redeployed into new opportunities to generate long-term value for investors, such as the expansion of the Rouse Hill Town Centre, which we are targeting to commence at the end of 2022.

Portfolio occupancy as at 31 December was 99.1 per cent, and all specialty store leases continue to have fixed base rents with annual increases. The portfolio revaluation was stable over the year 0.5, with investment metrics supported by several significant transactions completed in the market.

The Group's high quality Retail portfolio, located primarily in trade areas with above average population growth, is anticipated to benefit from the expected economic growth, low unemployment and high household savings rates once conditions normalise.

Funds Management
GPT has a well-established Funds Management platform with $14.0 billion in Assets Under Management (AUM). The GPT Wholesale Office Fund (GWOF) is Australia's largest wholesale office fund with AUM of $9.8 billion, and GWSCF has AUM of $3.5 billion. In 2021 we established a partnership with global investment group QuadReal, to invest in the Logistics sector with an initial fund size of $800 million (GPT share 50.1 per cent). Given the success GPT has had in identifying investment opportunities, GPT and QuadReal agreed to increase their capital allocation to the partnership to target total investments of $1 billion, with GPT's investment in the partnership remaining at 50.1 per cent.

GWOF has an extensive development pipeline of more than $3.5 billion which is continuing to activate to deliver enhanced returns for investors and growth in AUM. The Queen & Collins, Melbourne development, currently valued at $506 million reached practical completion in June 2021, and the development of 51 Flinders Lane, Melbourne, which has an estimated end value of $535 million also commenced during the period.

GWSCF divested Wollongong Central in December 2021 and post year-end exchanged on the sale of Casuarina Square. GWSCF intends to recycle proceeds from these sales into a number of mixed-use development opportunities that it is progressing, which will create longer-term value and growth for the fund.

Outlook
The global pandemic, inflationary pressure and the commencement of unwinding of Reserve Bank of Australia monetary stimulus, continues to provide uncertainty in relation to GPT's operating conditions for the year ahead.

Our current expectation is that the impacts of the Omicron variant will be relatively short lived, and that before the end of the first quarter of 2022 we will see a recovery in retail sales and foot traffic at our shopping centres and an improvement in office leasing conditions as businesses return to their offices. We are also assuming that with high vaccination rates, severe lockdown measures will not be re-imposed.

While uncertainty remains, the Group currently expects to deliver 2022 FFO in the range of 31.7 to 32.4 cents per security and a distribution of 25.0 cents per security.

GPT maintains a strong balance sheet, a high quality diversified portfolio, and an experienced management team focused on creating long term value for securityholders.

Risk Management

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

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

Risk Management Framework

GPT's Risk Management Framework is overseen by the Board and consists of the following key elements:

1. Risk Policy – The Risk Policy sets out the Group's approach to risk management, which is reviewed annually by the Board Sustainability and Risk Committee. The Risk Policy is available on GPT's website.

2. Risk Appetite – The Board sets GPT's risk appetite to align with strategy, having regard to GPT's operating environment and key risks. Risk appetite is documented in our Risk Appetite Statement, against which all key investment decisions are assessed.

3. Risk Governance – The Board is supported in its oversight of the Risk Management Framework by the Sustainability and Risk Committee, which reviews the effectiveness of the Framework, and by the Audit Committee, the Leadership Team and the Investment Committee.

4. Risk Culture – GPT maintains a transparent and accountable culture where risk is actively considered and managed in our day-to-day activities. Risk culture is assessed as part of all internal audits and tracked using a Risk Culture Scorecard.

5. Risk Management Processes and Systems – GPT has robust processes and systems in place for the identification, assessment, treatment, assurance and reporting of risk.

Managing risk in the COVID-19 operating environment
GPT has responded proactively to the COVID-19 pandemic at both the governance and operational levels, with pandemic processes and procedures now incorporated into our usual business activities. In all aspects of our approach we have prioritised health and safety, followed government guidance and directives, and been flexible as the situation continues to evolve.

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

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Health and Safety

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

Governance

GPT's Risk Management Framework has been reviewed to ensure that it continues to function effectively in the COVID-19 operating environment, where a large number of employees are working remotely and certain operations are required to be performed differently. Enhanced governance remains in place to address ongoing disruption.

Materiality assessment

GPT defines what is material to our business by considering risks and opportunities that influence our ability to deliver on our vision, purpose and strategy. Material matters are those that have the highest likelihood and/or consequence of impacting our business and our ability to create value for our stakeholders over the long term, whether by directly impacting our assets or the communities in which we operate.

To identify what is material, GPT researches trends, consults advisors and regularly engages with our stakeholders to consider their views.

In addition, an external materiality assessment was undertaken during 2021 to inform our consideration of potentially material economic, environmental, and social matters. The assessment used the 'double' or 'nested' materiality approach to prioritise topics that are both financially material as well being material from an 'impact' perspective, in line with global best practice. The assessment confirmed that we are focused on the areas where we can make the greatest impact, which include the transition to clean energy, transitioning to a circular economy, capitalising on e-commerce and the digital economy, designing flexible and innovative workspaces, and managing efficient buildings.

We will continue to consider material risks and opportunities when developing our strategy, assessing key risks and opportunities, and preparing our corporate reporting.

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

Risks	Our Response	Change in Risk for 2021	Value Creation Input Affected
Portfolio Operating and Financial Performance Our portfolio operating and financial performance is influenced by internal and external factors including our investment decisions, market conditions, interest rates, economic factors and potential disruption.	• A portfolio diversified by sector and geography • Structured review of market conditions twice a year, including briefings from economists • Scenario modelling and stress testing of assumptions to inform decisions • A disciplined investment and divestment approval process, including extensive due diligence requirements • A development pipeline to enhance asset returns and maintain asset quality • Active management of our assets, including leasing, to ensure a large and diversified tenant base with limited single tenant exposure • Experienced and capable management, supplemented with external capabilities where appropriate • A structured program of investor engagement	**No change** Ongoing disruption as a result of COVID-19, particularly in the second half of 2021, continued to present some risk to GPT's financial performance.	• Our investors • Real estate • Our people • Environment • Our customers, suppliers and communities
Development Development provides the Group with access to new, high quality assets. Delivering assets that exceed our risk adjusted return requirements and meet our sustainability objectives is critical to our success.	• A disciplined acquisition and development approval process, including extensive due diligence requirements • Oversight of developments through regular cross-functional Project Control Group meetings • Scenario modelling and stress testing of assumptions to inform decisions • Experienced management capability • Application of a well defined development risk appetite with metrics around the proportion of a portfolio under development, contractor exposure and leasing pre-commitments	**Decreased** GPT has delivered a number of developments in 2021 and has a significant development pipeline, particularly in the office and logistics portfolios.	• Our investors • Real estate • Our people • Environment • Our customers, suppliers and communities

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Risks	Our Response	Change in Risk for 2021	Value Creation Input Affected
Capital Management Effective capital management is imperative to meet the Group's ongoing funding requirements and to withstand market volatility.	• Target gearing range of 25 to 35 per cent consistent with stable investment grade credit ratings in the "A" range • Maintenance of a minimum liquidity buffer in cash and surplus committed credit facilities • Diversified funding sources • Maintenance of a long weighted average debt term, with limits on the maximum amount of debt expiring in any 12 month period • Hedging of interest rates to keep exposure within prescribed limits • Limits on currency exposure • Limits on exposure to counterparties	**No change** Debt funding market conditions stabilised in 2021 following significant volatility in 2020. Gearing has increased and remains below the mid-point of the target range, with significant liquidity in place	• Our investors
Health and Safety GPT is committed to promoting and protecting the health, safety and wellbeing of its people, customers, contractors and all users of our assets.	• A culture of safety first and integration of safety risk management across the business • Comprehensive health and safety management systems • Training and education of employees and induction of contractors • Engagement of specialist safety consultants to assist in identifying risks and appropriate mitigation actions • Prompt and thorough investigation of all safety incidents to ascertain root causes and prevent future occurrences • Participation in knowledge sharing within the industry • Comprehensive Crisis Management and Business Continuity Plans, tested annually	**No change** COVID-19 continues to present a risk to the health, safety and wellbeing of our employees, customers, contractors and users of our assets. There have been no other changes in 2021 which have materially impacted health and safety risk.	• Real estate • Our people • Our customers, suppliers and communities
People and Culture Our ongoing success depends on our ability to attract, engage and retain a motivated and high-performing workforce to deliver our strategic objectives and an inclusive culture that supports GPT's core values.	• Active adoption and promotion of GPT's values • A comprehensive employee Code of Conduct, including consequences for non-compliance • Employee Engagement Surveys every 18 to 24 months with action plans to address results • An annual performance management process, setting objectives and accountability • Promotion of an inclusive workplace culture where differences are valued, supported by policies and training • Monitoring of both risk culture and conduct risk • An incentive system with capacity for discretionary adjustments and clawback policy • Benchmarking and setting competitive remuneration • Development and succession planning • Workforce planning	**Increased** The employment market has tightened and competition for skilled resources has increased during 2021.	• Our investors • Our people
Environmental and Social Sustainability Delivering sustainable outcomes for investors, customers, communities and the environment, today and for future generations, is essential. GPT understands and recognises that changes to the environment and society can affect our assets and business operations.	• A portfolio of climate resilient assets that we own, develop and maintain through asset-level investment, divestment and capital expenditure strategies • A world-class Environment and Sustainability Management System, including policies and procedures for managing environmental and social sustainability risks • Participation in the S&P Global Corporate Sustainability Assessment, Global Real Estate Sustainability Benchmark and other industry benchmarks • Climate related risks and potential financial impacts are assessed within GPT's enterprise-wide Risk Management Framework • Climate change reporting in line with the recommendations of the Task Force on Climate-related Financial Disclosures • Active community engagement via The GPT Foundation, GPT's Reconciliation Action Plan and other targeted programs • A Modern Slavery Statement and program of work in response to Modern Slavery legislation	**No change** GPT remains at the forefront of environmental and social sustainability, but acknowledges the speed of change in this area and the need to adapt quickly. It is a key focus area.	• Our investors • Real estate • Our people • Environment • Our customers, suppliers and communities

DIRECTORS' REPORT

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Risks	Our Response	Change in Risk for 2021	Value Creation Input Affected
Technology and Cyber Security Our ability to prevent critical outages, ensure ongoing available system access and respond to major cyber security threats and breaches of our information technology systems is vital to ensure ongoing business continuity and the safety of people and assets.	• A comprehensive technology risk management framework including third party risk management procedures around cyber security • Information Management policy, guidelines and standards • Policies, guidelines and standards for Information Management and Privacy • Security testing and training completed by a specialist external security firm, including penetration testing, phishing exercises and social engineering testing • A Disaster Recovery Plan including annual disaster recovery testing, and a comprehensive Cyber Security Incident Response Plan • Regular updates to technology hardware and software incorporating recommended security patches • External specialists and technology solutions in place to monitor GPT platforms • Annual cyber risk assessments • An Information Security Risk and Compliance Committee overseeing information security • Alignment to the National Institute of Standards and Technology (NIST) Cyber Security Framework	**No change** There has been no material change in GPT's technology and cyber security risk profile during 2021. Cyber security threats are assessed on an ongoing basis, with systems and processes to respond to threats tested regularly.	• Real estate • Our people • Our customers, suppliers and communities
Compliance and Regulation We ensure compliance with all applicable regulatory requirements through our established policies and frameworks.	• An experienced management team with Legal, Tax, Finance, Compliance and Risk Management expertise • Engagement of external expert advisors as required • An internal and external audit program overseen by the Audit Committee of the Board • Active management of the Group's Compliance Plans, in accordance with the requirements of the Corporations Law • Internal committees such as a Continuous Disclosure Committee, a Data Privacy Committee and a Cyber Security Governance Committee to monitor key compliance risks • An Anti-money Laundering and Counter-terrorism Financing Policy, a Conflicts Management Policy, a Whistleblower Policy, a Code of Conduct and other internal policies and procedures which are reviewed and enforced • An ongoing program of training which addresses all key compliance requirements • Active involvement in the Property Council of Australia and other industry bodies	**No change** There has been no material change in GPT's compliance and regulatory risk during 2021.	• Our investors • Real estate • Our people • Environment • Our customers, suppliers and communities

2. CLIMATE-RELATED RISKS

GPT outlines the steps that we are taking to identify, assess and manage climate-related risks and opportunities in the Group's Climate Disclosure Statement.

Summarised below, the Group's Climate Disclosure Statement has been prepared with reference to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and is available on GPT's website.

The need for urgent global action to address climate change was never clearer or more widely accepted than during 2021, with rising momentum culminating in the COP26 United Nations Climate Change Conference. The outcome of COP26 highlights the importance of action in this decade to halve emissions by 2030 and have the best chance of keeping global temperatures below 1.5 degrees Celsius.

As the owner and manager of a $26.9 billion portfolio of office, logistics and retail properties across Australia, GPT recognises the importance of identifying, monitoring and transparently reporting the climate change risks and opportunities that could have a material impact on our assets and on the communities in which we operate.

Climate risk considerations inform key decision-making across the Group, both to minimise our emissions and to ensure the resilience of our assets to the changing environment. These range from resilience planning for a fast transition to a low carbon energy supply through to scenario modelling and adaptation planning for future physical impacts during asset acquisitions, major development projects and major lifecycle upgrades.

DIRECTORS' REPORT
For the year ended 31 December 2021

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

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

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

In 2021, our strategy was refined to include sustainability (or ESG) leadership as a strategic priority that will drive our ability to create value into the future.

Our business strategy of owning, managing and developing a diversified, high quality portfolio of property assets principally located in Australian capital cities and established regional centres ensures that we are well positioned to manage stresses and shocks, including those from climate change.

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

GPT has adopted two global warming scenarios to model the potential future impacts of climate change on our business and the resilience of our strategy. The two scenarios we have adopted align with the Representative Concentration Pathways (RCP) recommended by the Intergovernmental Panel on Climate Change (IPCC). We have adopted a low emissions scenario aligned with RCP 2.6 and a high emissions scenario aligned with RCP 8.5.

These scenarios are used to test the resilience of the Group's strategy and to develop strategies that address climate-related risks and opportunities. Through a series of internal workshops, we have determined the risks, opportunities and strategy impacts by considering potential transitional impacts and potential physical impacts under both the low and high emissions scenarios. Potential physical impacts could affect GPT's assets and the regions they are located in and could damage or limit their capacity to operate. Potential transitional impacts could result from policy, regulatory, or technological change and shifts in market and stakeholder expectations.

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

We have implemented a range of mitigation and adaptation strategies in response to climate change, such as:

- Our preference for assets in major cities and urban areas
- Operating efficient carbon neutral buildings
- Setting and achieving carbon neutral targets
- Measuring and reducing embodied carbon
- Ensuring long-term resilience through business and asset life-cycles
- Ensuring our approach aligns with government resilience strategy, and
- Considering the impact of a future carbon price

Further information about these strategies can be found in the Group's Climate Disclosure Statement.

Risk Management
Effective risk management is fundamental to GPT's ability to achieve our strategic and operational objectives. By understanding and effectively managing risk, GPT can create and protect enterprise value and provide greater certainty and confidence for investors, employees, partners, and the communities in which we operate.

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

Climate change risk is included on GPT's Key Risk Dashboard, which is reviewed every six months by the Board Sustainability and Risk Committee and quarterly by the Leadership Team. The Committee receives quarterly updates on the status of the actions and commitments disclosed in the metrics and targets section of GPT's Climate Disclosure Statement.

GPT's cross-functional Sustainability Reference Group meets twice a year to identify and assess the existing climate-related risks and opportunities for each of the climate scenarios adopted by GPT, and to discuss and capture any new risks and opportunities.

In 2021, we developed a Risk Appetite Statement climate risk metric for asset acquisitions, which requires identification of potential physical climate hazards in the long to very long term as part of the due diligence process.

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

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

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

GPT's corporate activities and business premises, including our travel and consumables, has been certified as carbon neutral by Climate Active since 2011. This certification covers material Scope 1, 2 and 3 emissions. GPT aims to reduce emissions through initiatives such as energy efficiency improvements at our offices and using technology to reduce the frequency of business-related flights. Emissions that can't be avoided in these areas are offset to ensure GPT's net emissions from our operations are zero.

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

3. ENVIRONMENTAL REGULATION

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

GPT is subject to the reporting requirements of the National Greenhouse and Energy Reporting Act 2007 ("NGER Act"). The NGER Act requires GPT to report its annual greenhouse gas emissions and energy consumption and generation for the 12 month period from 1 July to 30 June. GPT has implemented systems and processes for the collection and calculation of the data required. The data is assured and submitted to the Australian Government Clean Energy Regulator by the legislative deadline of 31 October each year. GPT complied with the Regulator's submissions requirements for the period ended 30 June 2021 within the required timeframe.

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

4. EVENTS SUBSEQUENT TO REPORTING DATE

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

After the balance date, the Commercial Tenancy Code of Conduct was extended in New South Wales until 13 March 2022 and in Victoria until 15 March 2022, to provide rent relief to qualifying small and medium tenants. GPT continues to work with tenants to provide relief as required to assist with any short-term cash flow impacts.

Other than the above, the Directors are not aware of any matter or circumstances occurring since 31 December 2021 that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial years.

5. DIRECTORS AND SECRETARY

Information on Directors

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

Vickki is an experienced company director and brings a broad range of skills and experience to the Group gained from her current and previous board roles and her executive career spanning investment banking, corporate finance and corporate law.

Vickki holds a Bachelor of Commerce and a Bachelor of Laws. She is a member of Chief Executive Women and the Australian Institute of Company Directors. She was also previously President of the Australian Takeovers Panel, Non-Executive Chairman of Skilled Group Limited, a Non-Executive Director of Myer Family Investments Pty Limited and Leighton Holdings Limited, and a Member of the Executive Council and Advisory Board of the UNSW Business School.

Listed Company Directorships (within the last three years):
- Newcrest Mining Limited (since 2016)
- Tabcorp Holdings Limited (2017–2020)

Other Current Appointments
- Non-Executive Director Allianz Australia Limited

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

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

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

Bob has over 30 years' experience in the property sector including investment, development, project management and construction in Australia, Asia, the US and UK. Prior to joining GPT, Bob was the Managing Director of listed Australand Property Group which became Frasers Australand in September 2014.

Bob holds a Bachelor of Engineering (Hons).

Listed Company Directorships (within the last three years):
- Nil

Other Current Appointments
- Director of the Property Council of Australia

Board Committee Memberships
- Member of the Nomination Committee

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

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

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

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

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

Listed Company Directorships (within the last three years):
- Nearmap Ltd (since 2019)[2]
- Navitas Limited (2012–2019)

Other Current Appointments
- Deputy Chairman of the Australian Institute of Company Directors National Board
- Member of the Australian Takeovers Panel
- Non-Executive Director of Campus Living Villages Pty Ltd
- Chair of the Australian Industry and Skills Committee

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

As at the date of this report she holds 27,525 GPT stapled securities.

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

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

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

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

Listed Company Directorships (within the last three years):
- Nil

Other Current Appointments
- Member of the REST Property Due Diligence Panel

Board Committee Memberships
- Member of the Audit Committee
- Member of the Human Resources & Remuneration Committee
- Member of the Nomination Committee

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

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

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[2] Directorship concluded in February 2021.

DIRECTORS' REPORT
For the year ended 31 December 2021

Mark has significant investment management, construction, development and urban regeneration experience in the real estate and infrastructure sectors, drawn from his 30 year career at Lendlease including as CEO of Lendlease Australia.
Mark holds a Masters of Applied Finance, and a Bachelor of Engineering. He is a Graduate Member of the Australian Institute of Company Directors and fellow of the Governance Institute of Australia.

Listed Company Directorships (within the last three years):
- Nil

Other Current Appointments
- Chairman and Non-Executive Director of Fluent Property Pty Ltd

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

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

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

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

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

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

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

Other Current Appointments
- Non-Executive Director of Epworth Foundation
- Non-Executive Director of Summer Foundation

Board Committee Memberships
- Chairman of the Audit Committee
- Member of the Sustainability & Risk Committee
- Member of the Nomination Committee

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

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

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

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

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

Listed Company Directorships (within the last three years):
- Commonwealth Bank Australia Limited (since 2017)
- Transurban Group (since 2020)

Other Current Appointments
- Nil

Board Committee Memberships
- Chairman of the Sustainability & Risk Committee
- Member of the Audit Committee
- Member of the Nomination Committee

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).

DIRECTORS' REPORT

For the year ended 31 December 2021

Emma Lawler – Senior Legal Counsel and Company Secretary
Emma was appointed as a Company Secretary of GPT in October 2021. She has more than 20 years' corporate governance and company secretarial experience in public and private, listed and unlisted entities. Emma's previous roles include Company Secretary of Link Group, Senior Governance Consultant with Company Matters Pty Limited, Company Secretary at Westpac Banking Corporation and Company Secretary for the former NSW State Rail Authority.

Lisa Bau resigned as Company Secretary in October 2021.

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. There were also two special purpose Board Committees during the year, each attended by Vickki McFadden, Bob Johnston and Michelle Somerville, as appointed by the Board.

	Board		Audit Committee		Human Resources & Remuneration Committee		Nomination Committee		Sustainability & Risk Committee	
	No. of meetings	Attended	No. of meetings	Attended	No. of meetings	Attended	No. of meetings	Attended	No. of meetings	Attended
Vickki McFadden	18	18	—	—	5	5	2	2	—	—
Bob Johnston	18	18	—	—	—	—	2	2	—	—
Tracey Horton AO	18	18	—	—	5	5	2	2	4	4
Angus McNaughton	18	18	6	6	5	5	2	2	—	—
Mark Menhinnitt	18	18	—	—	5	5	2	2	4	4
Michelle Somerville	18	18	6	6	—	—	2	2	4	4
Robert Whitfield AM	18	18	6	6	—	—	2	2	4	4

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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.

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

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

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

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

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

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 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 thousand dollars unless otherwise stated (where rounding is applicable) under the option available to the Consolidated Entity under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Consolidated Entity is an entity to which the Instrument applies.

DIRECTORS' REPORT
For the year ended 31 December 2021

7. REMUNERATION REPORT

Introduction from the Chairman of the Human Resources And Remuneration Committee
On behalf of the Human Resources and Remuneration Committee (the Committee) of the Board, I am pleased to present the 2021 Remuneration Report for the GPT Group. This report provides an overview of GPT's remuneration framework, including strategic objectives, the link to company and individual performance and associated reward outcomes.

Entering 2021, the Committee was pleased to reinstate the Short Term Incentive Compensation (STIC) and Long Term Incentive (LTI) plans, and other employee ownership schemes reflecting a return to more stable market conditions. This followed a difficult 2020, where these programs were withdrawn and executives did not receive any increase to base salaries reflecting uncertainty and the negative impact of the pandemic on the Group's financial performance and the experience of investors and customers.

Unfortunately, the return of stable market conditions was not sustained across all segments of the business for the entire year. Pleasingly, the Group's financial performance for the first half of the year tracked above target. During the second half of the year, the strength of our diversified portfolio saw the Funds Management, Office and Logistics sectors maintain momentum, while the return to pandemic conditions and resulting restrictions adversely impacted Retail's financial performance for the remainder of the year. Regardless, the Retail team worked tirelessly to partner with retailers throughout this period to ensure that they were ready to safely re-open for customers.

The reintroduction and prolonged nature of government restrictions posed significant challenges for many customers and employees. In line with our safety culture, supporting the mental health and wellbeing of our employees was of paramount importance. We are proud of management's response and our employees' resilience during this challenging period.

2021 Remuneration Outcomes
Performance rights granted under the 2019-21 LTI plan will lapse, as the hurdles of Total Return (TR) and Relative Total Securityholder Return (RTSR) were not met. This is the second consecutive LTI plan that has not vested, given the 2018-20 LTI plan also had a nil vesting outcome. As the 2020-23 LTI plan was withdrawn, executives will experience three consecutive years of nil vesting outcomes.

To determine the STIC outcome to be paid in 2022, the Committee considered the achievement of excellent outcomes against our non-financial strategic objectives achieved throughout 2021 (a performance assessment is available in the Group Scorecard on pages 19-20). However, the return to lockdown conditions and the associated effects on the retail sector meant the Group did not meet its primary target financial measure of FFO per security growth for the year, which had been set assuming a return to “normal” conditions. The Committee also carefully weighed the considerations of all stakeholders and each of the Group’s remuneration principles, placing importance on the Group's ability to attract and retain high calibre employees, amidst an increasingly competitive labour market and in the context of nil 2020 STIC and three years of nil vesting for the LTI plan. As a result, the Committee recommended that the Board use its discretion to fund the STIC pool up to $14.0m (equivalent to a target result) allocated to reward strong performance in challenging circumstances also permitting the General Employee Security Ownership Plan (GESOP) and Broad Based Employee Security Ownership Plans (BBESOP) to operate. The Committee retained oversight of any STIC awards for the CEO's direct reports.

In taking this decision, the Committee recognises the incredible efforts demonstrated by our people over a challenging two year period to mitigate the impact of the pandemic for securityholders and we thank employees for their ongoing professionalism, dedication and commitment.

In 2021, the Committee approved a modest budget to implement a base pay review that excluded senior executives, representing an average increase of approximately 1.2 per cent for eligible employees. The budget made available for the 2022 base pay review for employees will be no more than 3 per cent. As GPT remunerates employees on a total package basis, there will be no further increase for the legislated superannuation increase effective 1 July 2022.

Following benchmarking, the Committee determined that no changes to Non-Executive Director fees occur in 2021 (or ahead in 2022).

The Committee also considered the composition of the ASX200 AREIT Accumulation Index (the Index) for the RTSR measure for the 2021 LTI plan, and made a minor change (detailed in Section 4 on page 54) to determine a more appropriate benchmark for the Group’s performance. During the year, a review of the Group's remuneration platform was also undertaken to ensure that it strikes an appropriate balance between retaining and motivating our people to deliver superior performance while aligning reward outcomes to the securityholder experience. Through this review, the Committee determined that the current platform remains fit for purpose and all elements will be retained for the 2022 performance period.

In 2021, the Committee focused on the organisation's response to the Respect@Work Inquiry, and as a result, the Board as well as all employees received sexual harassment and bullying training and reviewed the Group's policies and processes. The Committee retained oversight of all incidences and GPT's response to any sexual harassment or bullying matters.

We welcome feedback and comments from investors and stakeholders regarding this Remuneration Report

Tracey Horton

Tracey Horton AO
Chairman of the Human Resources & Remuneration Committee

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

Sydney
14 February 2022

DIRECTORS' REPORT
For the year ended 31 December 2021

Key Management Personnel
GPT's Remuneration Report discloses information regarding our Key Management Personnel (KMP). In accordance with AASB 124 the KMP identified are the individuals responsible for planning, controlling and managing the GPT Group (being the Non-Executive Directors, Chief Executive Officer and Managing Director (CEO), Chief Financial Officer (CFO), and the Chief Operating Officer (COO)). The individuals appointed to these roles have responsibility for determining the outcomes of key decisions relating to the Group under a diversified business model. In contrast, other executives on the Leadership Team are solely responsible for decisions concerning the relevant divisional area.There have been no changes to the composition of KMP during the reporting period.

Remuneration Framework
GPT's remuneration framework is designed to support the Group's strategy and reward our people for its successful execution and performance. The remuneration principles are the foundation of the framework, and the diagram below describes the typical delivery for remuneration and rewards. The framework also provides a basis for the Board to exercise discretion when determining remuneration outcomes.

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

How We Create Value

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

GPT's Remuneration Principles

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

Executive Remuneration Components[1]

The timeline below outlines how remuneration is delivered. Executives participate in the LTI and the Group's deferred STIC plans. Performance testing of both plans occurs in quarter one of the year following the conclusion of each performance period. Deferred STIC awards are made in equal parts cash and equity (vesting 12 months after the end of the performance period).[2] If LTI plan performance conditions are met, the requisite number of performance rights will convert to GPT securities; alternatively, performance rights will lapse.[3] All vested and unvested awards are subject to malus and clawback provisions.

Component	Year 1	Year 2	Year 3	Year 4
Fixed Remuneration	Salary and statutory superannuation			
STIC	1 year performance period	▲ (Q1, Y2)	■ (31 Dec, Y2)	
LTI	● 3 year performance period			⬟ (Q1, Y4)

Q1, Y1 | 31 Dec, Y1 | Q1, Y2 | 31 Dec, Y2 | 31 Dec, Y3 | Q1, Y4

● Performance rights granted using the prior December 30-day Volume Weighted Average Price (VWAP)[4]
■ Securities vest
▲ Performance tested, deferred equity granted and cash award paid
⬟ Performance tested, eligible performance rights convert to securities unless holding lock nominated

Other Employee Ownership Schemes[5]

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

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

1. Eligibility to participate in the STIC and LTI plans is role-based and typically limited to permanently employed individuals. Generally, participants must satisfy the minimum service criteria applicable under each plan and have not resigned or been subject to any formal performance management process when an award is made.
2. Where deferred securities are awarded, the number allocated is determined by dividing 50% of the value of the total STIC by the 30-day VWAP immediately before the end of the performance period. The value of the award on the conversion date may vary as a result of security price having increased or decreased since that point in time. Any award for non LTI eligible employees is delivered as 100% cash.
3. 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.
4. The CEO's performance rights are granted following the relevant resolution's approval at the Annual General Meeting.
5. Eligibility to participate in the GESOP and BBESOP is subject to the same criteria set out in footnote 1.

DIRECTORS' REPORT

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GPT's Values and Culture

GPT provides a workplace where its people can realise their potential and consistently deliver high performance in a safe and inclusive work environment. Its diverse workforce benefits from a dynamic and flexible work environment, investment in technology and a culture where people feel they can bring their whole selves to work. These key elements that drive value are underpinned by 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 in a sustainable way.

- Our culture is underpinned by the following core values:
- Safety First - Everyone, Always
- Deliver Today, Create Tomorrow
- Value Differences, Play as a Team
- Speak Up
- Raise the Bar

2021 presented another uncertain and challenging operating environment for the business and its stakeholders. The resilience, dedication and collective effort of our people to respond to the challenges of the pandemic brought the strength of GPT's organisational values and culture to the fore. Key areas of focus throughout the year, monitored by the Human Resources and Remuneration Committee via a quarterly review of the Culture Dashboard include:

Focus Area	Commentary
Safety	Safety is the number one priority for every employee, underpinned by the 'Safety First – Everyone, Always' value. All GPT employees play a part in ensuring that colleagues, stakeholders and visitors to GPT's workplaces or assets go home safely. Initiatives to embed the 'Safety First' culture continue to be implemented, including ensuring that all new employees participate in the safety leadership program initially launched during 2020. In addition to the members of the Board, People Managers also received bespoke sexual harassment and bullying training enabling them to continue to actively identify and respond to issues, protecting our employees and allowing the organisation to take a proactive stance against any sexual harassment and bullying matter. Regular and comprehensive training for all employees also continued. An ongoing focus on employee wellbeing was of paramount importance during 2021 given the sustained impact of the pandemic. GPT's people have access to mental health days in addition to sick/carers leave and were also able to access increased support through the Wellness@GPT program throughout the year. Initiatives focused on mental fitness and resilience in response to long periods working from home and managing stress and anxiety due to the impact of the pandemic. Programs to maintain physical fitness were also made available, such as Tai Chi, yoga, and dance classes. In alignment with the framework for workplace action on Domestic and Family Violence published by the Champions of Change Coalition in November 2021 (entitled 'Playing Our Part'), we revised our Domestic and Family Violence Policy to ensure it aligns with best practice. We have also consulted resources produced by Diversity Council Australia and Parents@Work in undertaking our review. In 2022 we will endeavour to run targeted education for employees on domestic and family violence.
Engagement	GPT has an energised, high calibre and committed workforce. Throughout 2021 GPT focused on enabling our people to remain connected, engaged, supported and productive whilst working remotely for many parts of the year, and built management and leadership capability to adapt this new way of working. We also invested heavily in learning and development programs that reflected the shifting capabilities and skills required to navigate through the pandemic. GPT provides a consultative work environment where employee views are sought, respected, and, where appropriate, acted on. This included the approach to Flexible Working and moving to a hybrid model post pandemic. Employee Engagement and Pulse Surveys were conducted throughout the year, allowing the ability to gauge people's wellbeing and satisfaction with the organisation, their altered work arrangements, working from home or working in reduced or hybrid on and off-site teams. The results enabled management to identify priorities and opportunities to support GPT's people in continued engagement, performance and development. The retention and development of our top talent also remained a key area of focus, with turnover for this cohort pleasingly at a lower level than the organisation overall.
Equal Opportunity	GPT promotes an inclusive workplace where the rich diversity of its workforce is respected, supported and valued. Our people possess a unique combination of characteristics: gender, age, ethnicity, cultural or spiritual background, disability, gender identity, sexuality, socio-economic status, education, professional and life experience. GPT provides a safe and welcoming workplace for everyone, recognising that an inclusive culture enhances the Group's performance and delivers long-term benefits for all its stakeholders. GPT is committed to consistently ensuring equal opportunity in all aspects of employment, including recruitment, learning and talent development, promotion, succession and remuneration. In 2021, the Group applied to renew its Workplace Gender Equality Agency (WGEA) Employer of Choice citation, with GPT's performance in this area among Australia's best employers each year since 2018. GPT is also among the first in the property industry to seek external certification as a Family Friendly Workplace. Sponsorship of the Property Council of Australia 500 Women in Property program also continued, as did GPT's commitment to the CareerTrackers Indigenous Internship Program. The Group also was again recognised as a Bronze ranked employer for LGBTQ+ inclusion in the Australian Workplace Equality Index Small Employer category.
Behaviour and Consequences	GPT is proud of our reputation for applying the highest ethical and moral standards in all dealings. The Code of Conduct (the Code) describes the standard of behaviour expected of all employees and aligns with GPT's vision to be the most respected property company in Australia. Directors monitor breaches concerning the Code and Equal Employment Opportunity and Workplace Behaviour Policy, complaints received and resolved and any warnings issued during the reporting period. GPT regularly reinforces its expectations of employees via compulsory training and direct communications from management.
Risk Culture	GPT's approach to risk management incorporates culture, people, processes and systems to enable the organisation to realise potential opportunities whilst managing possible unintended adverse effects. GPT seeks to maintain a transparent and accountable culture where all employees are encouraged to actively consider, discuss and respond to risk as part of their daily activities. Directors monitor several organisational risk culture indicators each quarter aligned to Risk Committee reporting metrics. These include metrics concerning internal audits, compliance and unauthorised Risk Appetite Statement breaches, compliance breaches and reports to the Whistleblower Officer.

Group Financial Performance and Incentive Outcomes

1. Five year Group financial performance

		2021	2020	2019	2018	2017
Total Securityholder Return (TSR)[1]	%	27.8	(17.7)	9.6	9.6	6.6
Total Return[2]	%	14.1	(2.4)	8.7	15.8	15.2
NTA per security[3]	$	6.09	5.57	5.80	5.58	5.04
FFO per security	cents	28.82	28.48	32.68	31.84	30.77
FFO per security growth	%	1.2	(12.9)	2.6	3.5	3.0
Security price at end of calendar year	$	5.42	4.50	5.60	5.34	5.11

1. TSR is calculated as the percentage growth in GPT's security price from the last trading date of the previous financial year to the last trading date of the current financial year, together with the value of distributions received during the year, assuming that all of those distributions are reinvested into new securities. For LTI purposes, the average security price for the last 30 trading days is utilised in the calculation of the TSR.
2. Total Return is defined as the sum of the change in Net Tangible Assets (NTA) per security plus distributions per security over the Performance Period, divided by the NTA per security at the beginning of the performance period.
3. Includes all right-of-use assets of The GPT Group.

2. Summary of Group Scorecard objectives and performance outcomes

An assessment of performance against the primary objectives in the 2021 Group Scorecard is summarised in the table below.

Category	Performance measure	Achievement	Commentary
Safety and People	Reduce the number of notifiable incidents at GPT managed assets		GPT's safety focus continued throughout 2021, with a 29 per cent decrease in material incidents at all sites under GPT's management / control compared to the previous year.
	Improve awareness of and engagement with GPT's safety culture		Safety engagement at GPT scored 94 per cent in the 2021 survey, marginally higher than the prior survey. Our Safety Leadership Program continued to be consistently embedded, with 100 per cent of new hires receiving a safety induction within their first three weeks of commencement.
	Improve responsiveness to identified safety hazards		100 per cent of safety hazard risk audit action items were closed out by year end.
	Maintain and improve a strong and healthy culture		The performance against the majority of indicators on the Culture Dashboard was maintained or improved in 2021. Pulse surveys of our employees noted that the measures GPT had put in place to support their wellbeing have helped them navigate the professional and personal challenges resulting from the pandemic. Our overall engagement score was 66 per cent with the introduction of a new engagement tool, with 85 per cent of GPT's people stating they are proud to work at GPT and 86 per cent consider GPT a Great Place to Work. There were no sexual harassment complaints made in 2021.
	Deliver on diversity and inclusion targets and initiatives to support further advancement		GPT achieved 50 per cent gender diversity in the top quartile throughout 2021, exceeding our goal, as well as decreasing the gender pay gap to 20.73 per cent overall again exceeding target. The Group was also recognised as a Bronze employer for LGBTQ+ inclusion in the Australian Workplace Equality Index Small Employer category.
	Continue to retain and develop our talent		Employee turnover of our top talent was lower than GPT levels for the year, illustrating our focus on retention and the development of our people.
Financial	FFO and distribution growth per security target of at least 9 per cent and 12 per cent, respectively		GPT was well placed to achieve its FFO growth target in the first half of the year. Unfortunately due to the impacts of COVID on our Retail segment in the second half, FFO was impacted with FFO per security growth of 1.2 per cent achieved. A continued drive for leasing in Office, acquisitions in Logistics, and the recovery of debt in Retail became the key drivers to minimise the economic disruption and KPIs for performance outcomes. Spending to invest in the business was balanced with prudent management of operating costs throughout the second half of the year.

Strategy	Portfolio occupancy greater than 96 per cent at year end	▲	Achieved 97.7 per cent per cent occupancy for combined Retail, Office and Logistics portfolio.
	Increase the Group's exposure to the Logistics sector through appropriate acquisitions and developments		GPT increased its exposure to Logistics, which now comprises 27 per cent of the GPT portfolio.
	QuadReal partnership committed to at least 50 per cent		GPT exceeded the QuadReal capital partnership target, with over 70 per cent committed.
	Progress of key developments in the Office and Logistics sectors		Two new logistics developments are underway, Berrinba Stage 3 and Foundation Estate, Truganina. In Office, Queen & Collins achieved practical completion, Cockle Bay Park Stage 2 Development Application was submitted, the site-specific Development Control Plan has been approved for 87-91 George Street, Parramatta, and the 51 Flinders Lane, Melbourne development has commenced.
	GWOF and GWSCF to outperform the relative MSCI benchmarks for peer funds		The Fund's performance was slightly below the goal set, with GWOF at 12.4 per cent versus the benchmark of 12.5 per cent, and GWSCF performing at 6.2 per cent versus 7.2 per cent.
Environment and Social Responsibility	Achieve and maintain environmental certifications	★	ISO 14001 Certification achieved for GPT's Environmental Management System (EMS). GWOF carbon neutral re-certification and new certifications for 4 Murray Rose, Sydney Olympic Park and 60 Station Street, Parramatta achieved. Carbon Neutral Certification pathway for Retail achieved through an aligned NABERS process with Green Star - Performance pathway available for ineligible NABERS assets.
	Achieve Climate Disclosure Statement operational targets		GPT achieved the operational targets disclosed in the Climate Disclosure Statement, except for waste recycling which was narrowly missed as a result of planned tenant engagement and training sessions being postponed due to lockdowns.
	Advance and deliver on social responsibility targets		GPT continued to deliver on its Stretch Reconciliation Action Plan (RAP) 2018-2021 commitments until the next RAP is completed. Actions have advanced in line with the plan for the next Stretch RAP, and stakeholder consultation will commence in Q1, 2022. 88 per cent of employees were engaged in The GPT Foundation's campaigns during 2021. The Group's second Modern Slavery Statement was published on 17 December 2021.

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

3. 2021 STIC outcomes by Executive KMP

GPT's STIC provides executive KMP with the opportunity to be rewarded for their performance toward financial and non-financial objectives consistent with the Group's strategic and operational goals. Performance measures for the Executive KMP are derived from the Group Scorecard in Table 2 above and tailored to reflect their specific areas of responsibility.

The achievement of target FFO per security growth typically acts as a gateway for STIC to be awarded. In 2021 the Board used its discretion to fund a pool of up to $14 million (at target rather than maximum) for payment of STIC awards allocated to reward strong performance in challenging circumstances. The Committee reviewed the performance of KMP versus both the original KPIs and with regard to the activities essential to effectively recover from the pandemic to determine the individual STIC outcomes. For executive KMP these ranged between 54.79 to 65.71 per cent of their maximum STIC opportunity and are set out in the table below. STIC outcomes for the balance of the eligible employees[1] are ordinarily determined in March post the issue of the Remuneration Report.

Executive KMP[2]	Position	Actual STIC awarded	Actual STIC awarded as a % of maximum STIC	% of maximum STIC award forfeited	Cash component	Equity component (# of GPT securities)[3]
Bob Johnston	Chief Executive Officer and Managing Director	$1,000,000	54.79%	45.21%	$500,000	94,411
Anastasia Clarke	Chief Financial Officer	$575,000	65.71%	34.29%	$287,500	54,286
Mark Fookes	Chief Operating Officer	$500,000	59.52%	40.48%	$250,000	47,205

1. i.e. Excluding the KMP.
2. Each KMP held the position as KMP for the whole of 2021.
3. The number of deferred GPT securities is calculated by dividing 50% of the Actual STIC awarded by GPT's 30-day VWAP of $5.296 immediately before the end of the performance period. Vesting subject to service on 31 December 2022.

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4. Group performance measures for LTI plans currently relevant

LTI	LTI performance measurement period	Performance measure[1,2]	Performance measure hurdle	Weighting	Result	Vesting % by performance measure	Overall Plan Vesting Outcome %
2019	2019-21	Relative TSR versus ASX200 AREIT Accumulation Index	10% of PR vest at Index performance, up to 100% at Index plus 10% (pro-rata vesting in between)	50%	TSR result is beneath the Index by 27.89%	0%	0%
		Total Return	10% of PR vest at 8.5% Total Return, up to 100% at 10.0% Total Return (pro-rata vesting in between)	50%	Compound TR result of 6.57% is beneath threshold	0%	
2020	2020-22	Relative TSR versus ASX200 AREIT Accumulation Index	10% of PR vest at Index performance, up to 100% at Index plus 10% (pro-rata vesting)	50%	2020-22 LTI withdrawn		
		Total Return	10% of PR vest at 7.5% Total Return, up to 100% at 9.0% Total Return (pro-rata vesting in between)	50%			
2021	2021-23	Relative TSR versus ASX200 AREIT Accumulation Index	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 4% Total Return, up to 100% at 6% Total Return (pro-rata vesting in between)	50%	N/A	N/A	

1. In early 2021, the HRRC determined that the Relative TSR comparator group in the ASX200 AREIT Accumulation Index be adjusted to exclude GPT and Goodman for LTI plans commencing from 2021 onward.
2. See Footnote 2, Table 1 on page 19

5. 2019-2021 LTI outcomes by Executive KMP

Executive KMP	Position	Performance rights granted	Performance rights vested	Performance rights lapsed
Bob Johnston	Chief Executive Officer and Managing Director	413,551	—	413,551
Anastasia Clarke	Chief Financial Officer	160,511	—	160,511
Mark Fookes	Chief Operating Officer	156,734	—	156,734

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

Executive KMP	Plan	Grant date	Fair value per performance right[2]	Performance rights granted as at 31 Dec 21	Vesting date	Maximum value to be recognised in future years
Bob Johnston	**2021**	21 May 2021	$3.038	470,199 [3]	31 Dec 2023	$953,180
Chief Executive Officer & Managing Director	2020	—	—	—	—	—
Anastasia Clarke	**2021**	26 April 2021	$3.077	187,865	31 Dec 2023	$385,763
Chief Financial Officer	2020	—	—	—	—	—
Mark Fookes	**2021**	26 April 2021	$3.077	180,350	31 Dec 2023	$370,331
Chief Operating Officer	2020	—	—	—	—	—

1. The GPT LTI plan is calculated on face value grants of performance rights based on the VWAP of GPT securities for specified periods; reference to fair value per performance right is included in this table to comply with accounting standards.
2. Reflects fair value per performance right as at the grant date.
3. Approval of the issue of performance rights to Mr Johnston was obtained in accordance with ASX Listing Rule 10.14.

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For the year ended 31 December 2021

7. Remuneration - Executive KMP - Actual Amounts Received

This table discloses the cash, equity 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.

		Fixed Pay		Variable or "at risk" [1]			
Executive KMP	**Year**	**Base Pay**	**Superannuation**	**Other[2]**	**STIC**	**LTI**	**Total**
Bob Johnston	**2021**	**$1,437,869**	**$22,631**	**$7,192**	**$1,000,000**	**$0**	**$2,467,692**
Chief Executive Officer & Managing Director	2020	$1,438,709	$21,348	$7,061	$0	$0	$1,467,118
Anastasia Clarke	**2021**	**$852,869**	**$22,631**	**$3,893**	**$575,000**	**$0**	**$1,454,393**
Chief Financial Officer	2020	$853,709	$21,348	$3,840	$0	$0	$878,897
Mark Fookes	**2021**	**$817,869**	**$22,631**	**$5,868**	**$500,000**	**$0**	**$1,346,368**
Chief Operating Officer	2020	$818,709	$21,348	$7,279	$0	$0	$847,336
Total	**2021**	**$3,108,607**	**$67,893**	**$16,953**	**$2,075,000**	**$0**	**$5,268,453**
	2020	$3,111,127	$64,044	$18,180	$0	$0	$3,193,351

1. Gross dollar values for the equity components have been calculated by multiplying the number of securities by GPT's 30-day VWAP immediately before the end of the relevant performance period of $5.296.
2. Other may include death and total/permanent disability insurance premiums, service awards, GPT superannuation plan administration fees, professional memberships, subscriptions and/or other benefits.

8. Reported remuneration - Executive KMP - AIFRS Accounting

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

		Fixed Pay		Variable or "at risk" 2			
Executive KMP	**Year**	**Base Pay [1]**	**Superannuation**	**Other**	**STIC**	**LTI**	**Total**
Bob Johnston	**2021**	**$1,478,149**	**$22,631**	**$7,192**	**$848,121**	**$578,569**	**$2,934,662**
Chief Executive Officer & Managing Director	2020	$1,468,141	$21,348	$7,061	$272,254	$165,691	$1,934,495
Anastasia Clarke	**2021**	**$863,289**	**$22,631**	**$3,893**	**$454,408**	**$258,350**	**$1,602,571**
Chief Financial Officer	2020	$867,590	$21,348	$3,840	$141,662	$95,489	$1,129,929
Mark Fookes	**2021**	**$832,013**	**$22,631**	**$5,868**	**$410,231**	**$249,102**	**$1,519,845**
Chief Operating Officer	2020	$852,887	$21,348	$7,279	$135,020	$94,664	$1,111,198
Total	**2021**	**$3,173,451**	**$67,893**	**$16,953**	**$1,712,760**	**$1,086,021**	**$6,057,078**
	2020	$3,188,618	$64,044	$18,180	$548,936	$355,844	$4,175,622

1. Base pay includes the increase in provisions for annual leave and long service leave which are long-term benefits as per Corporations Regulation 2M.3.03(1) Item 8. These are $40,280 (2020: $29,432) for Bob Johnston; $10,420 (2020: $13,881) for Anastasia Clarke; and $14,144 (2020: $34,178) for Mark Fookes.
2. This column records the amount of the fair value of the awards under the various STIC and LTI plans expensed in the relevant financial years, and does not represent actual awards made to executives or the face value grant method.
3. The 2020 comparatives have been restated to reflect an amendment to the amortisation methodology for the 2018 and 2019 LTI and 2019 DSTIC.

9. GPT security ownership - Executive KMP as at 31 December 2021

		Employee Security Scheme (ESS)						
Executive KMP	**GPT Holdings (start of period)[1]**	**2020 DSTIC**	**2018-20 LTI**	**Actual ESS received in 2021**	**Purchase / (Sales) during period[2]**	**GPT Holdings (end of period)[3]**	**Value of GPT Holdings[4]**	**MSHR Guideline [5]**
Bob Johnston Chief Executive Officer and Managing Director	1,689,078	Nil	Nil	Nil	Nil	1,689,078	$8,945,357	$2,190,000
Anastasia Clarke Chief Financial Officer	235,428	Nil	Nil	Nil	Nil	235,428	$1,246,827	$875,000
Mark Fookes Chief Operating Officer	1,222,362	Nil	Nil	Nil	Nil	1,222,362	$6,473,629	$840,000

1. GPT Holdings (start of period) include GPT securities obtained via sign-on grants (Mr Johnston only), awards previously received under ESS up to and including the 2019 performance period, private holdings less any prior sales.
2. Movement in GPT security holdings as a result of the sale of vested, unrestricted security holdings and/or the sale or purchase of additional private holdings on the individuals own account during the 2021 calendar year.
3. GPT Holdings (end of period) is the sum of GPT Holdings (start of the period) plus any securities granted during 2021 in respect of the 2020 DSTIC (noting the plan was cancelled) and 2018-20 LTI plan (with a nil vesting outcome) adjusted for any purchases or sales during the period.
4. The GPT Holdings (end of period) multiplied by GPT's December 2021 30-day VWAP of $5.296 to derive a dollar value.
5. GPT's Minimum Security Holding Requirement (MSHR) guideline requires the CEO to acquire and maintain a holding equal to 150% of base salary. For other KMP and Leadership Team members the holding requirement is equal to 100% of base salary. Individuals have four years from commencement of employment to achieve the MSHR before it is assessed.

10. GPT performance rights - Executive KMP

	Performance rights	
Executive KMP	**Performance rights that lapsed in 2021** [1]	**Performance rights still on foot at 31 Dec 21** [2]
Bob Johnston Chief Executive Officer and Managing Director	413,551	470,199
Anastasia Clarke Chief Financial Officer	160,511	187,865
Mark Fookes Chief Operating Officer	156,734	180,350

1. The sum of performance rights allocated under the 2019-21 LTI that will not vest at the end of the performance period, and as a result will lapse.
2. The total of unvested performance rights currently on foot excluding any GPT securities or performance rights that may have lapsed up to 31 December 2021. 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 2021-23 LTI plan. As such, these performance rights represent the incentive opportunity over future years, are subject to performance and hence "at risk", and as a result, may never vest.

Employment Terms

The information regarding the STIC and LTI participation for the CEO and other Executive KMP below reflects their maximum level of opportunity.

1. Employment terms

	Conditions		
Employment Terms	**CEO and Managing Director**	**Other Executive KMP**	
Remuneration Package	Bob Johnston	Anastasia Clarke	Mark Fookes
Fixed Remuneration[1]	$1,460,000	$875,000	$840,000
Range of STIC Opportunity as a percentage of Fixed Remuneration[2]	0% to 125%	0% to 100%	
Range of LTI Opportunity as a percentage of Fixed Remuneration[3]	0% to 150%	0% to 100%	
Contract duration	Ongoing	Ongoing	
Notice period[4]	6 months	3 months	
Termination by Company without cause	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	3 months' notice. Severance payment subject to GPT policy and capped at the three year average of the executive's annual fixed remuneration. Treatment of unvested STIC and LTI will be at the Board's discretion under the terms of the relevant plans and GPT policy	
Termination by Company for cause	No notice requirement or termination benefits (other than accrued entitlements).		
Post Employment Restraints	6 months non-compete (CEO only), and 12 months non-solicitation of GPT employees		

1. Fixed remuneration is inclusive of superannuation.
2. Performance assessed against equally weighted financial and non-financial objectives, with any award generally also subject to the Group achieving FFO performance targets set by the Board at the beginning of each performance period.
3. Face value of performance rights at time of grant. Vesting outcomes dependent on performance and continued service, delivered in GPT securities.
4. GPT may elect to make a payment in lieu of notice.

2. Compensation mix at maximum STIC and LTI outcomes

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

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

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Governance

Who are the members of the Committee?	The Committee consists of the following four Non-Executive Directors: » Tracey Horton AO (HRRC Chairman) » Vickki McFadden » Angus McNaughton » Mark Menhinnitt
What is the scope of work of the Committee?	The Committee operates in accordance with the HRRC Charter and undertakes the following activities on behalf of the Board: » Oversee the management of culture » Consider and recommend any changes to the remuneration framework to the Board for approval » Oversee the implementation of key policies and practices in support of GPT's remuneration framework and from time to time, review their appropriateness » Periodically review and make recommendations to the Board for approval in relation to the remuneration for Non-Executive Directors » Review annually and make recommendations to the Board for approval in relation to the remuneration package for the CEO and any other executive Director. In consultation with the CEO, review and approve remuneration packages for the Leadership Team (excluding the CEO) and approve the annual salary review budget for all other employees » Recommend to the Board for approval the key performance indicators for the CEO and having regard to the performance assessment undertaken by the Chairman of the Board, recommend to the Board incentive plan outcomes for the CEO to the Board for approval » Review the annual Remuneration Report and make recommendations to the Board for its inclusion in the Annual Report » Review and monitor the succession plan for the Leadership Team (excluding the CEO, which is a responsibility of the Nomination Committee[1]) » Review and approve GPT's diversity & inclusion strategy, and oversee the implementation of key processes and procedures in support of this and report progress to the Board » Monitor and oversee talent development and employee engagement initiatives, and oversee the implementation of processes and procedures to support the implementation of those initiatives.

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

Remuneration - Non-Executive Directors

What are the key elements of the Non-executive Director Remuneration Policy?	» The Board determines the remuneration structure for Non-executive Directors based on recommendations from the Human Resources and Remuneration Committee. » Non-executive Directors are paid one fee for participation as a Director in all GPT related companies (principally GPT RE Limited, the Responsible Entity of General Property Trust and GPT Management Holdings Limited). » Non-executive Director remuneration is composed of three main elements: › Main Board fees › Committee fees, and › Superannuation contributions at the statutory superannuation guarantee contribution rate. » Non-executive Directors do not participate in any short or long term incentive arrangements and are not entitled to any retirement benefits other than compulsory superannuation. » Non-executive Directors are subject to the Group's Minimum Security Holding Policy as detailed on page 26 of this Report. » Non-executive Director remuneration is set by reference to comparable entities listed on the ASX (having regard to GPT's industry sector and market capitalisation). » External independent advice on remuneration levels for Non-executive Directors is sought annually. In the event that a review results in changes, the new Board and Committee fees are effective from 1 January in the applicable year and advised in the ensuing Remuneration Report. » Fees (including superannuation) paid to Non-executive Directors are subject to an aggregate limit of $1,800,000 per annum, which was approved by GPT securityholders at the Annual General Meeting on 5 May 2015. As an Executive Director, Mr Johnston does not receive fees from this pool as he is remunerated as one of GPT's senior executives.

1. Board and committee fees[1,2]

		Board Fee	Audit Committee	Sustainability and Risk Committee	Human Resources and Remuneration Committee
Chairman	**2021**	**$450,000**	**$40,000**	**$34,000**	**$34,000**
	2020	$450,000	$40,000	$34,000	$34,000
Members	**2021**	**$170,000**	**$20,000**	**$17,000**	**$17,000**
	2020	$170,000	$20,000	$17,000	$17,000

1. In addition to the fees noted in the table, all Non-executive Directors receive reimbursement for reasonable travel, accommodation and other expenses incurred while undertaking GPT business.
2. Fees for Non-executive Directors are inclusive of superannuation.

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For the year ended 31 December 2021

2. Reported remuneration - Non-Executive Directors - AIFRS Accounting [1]

This table provides a breakdown of remuneration for Non-executive Directors in accordance with statutory requirements and Australian accounting standards.

		Fixed Pay			
Non-executive Director - Current		**Base Fees**	**Superannuation**	**Other[2]**	**Total**
Vickki McFadden	**2021**	**$449,942**	**—**	**—**	**$449,942**
Chairman	2020	$428,652	$21,348	—	$450,000
Tracey Horton AO	**2021**	**$201,368**	**$19,632**	**—**	**$221,000**
	2020	$201,826	$19,173	—	$220,999
Mark Menhinnitt	**2021**	**$185,878**	**$18,122**	**—**	**$204,000**
	2020	$184,453	$17,523	—	$201,976
Angus McNaughton	**2021**	**$188,611**	**$18,389**	**—**	**$207,000**
	2020	$189,041	$17,959	—	$207,000
Michelle Somerville	**2021**	**$206,835**	**$20,165**	**—**	**$227,000**
	2020	$207,306	$19,694	—	$227,000
Robert Whitfield AM[3]	**2021**	**$225,372**	**$20,464**	**—**	**$245,836**
	2020	$97,729	$9,284	—	$107,013

		Fixed Pay			
Non-executive Director – Former		**Base Fees**	**Superannuation**	**Other[2]**	**Total**
Gene Tilbrook [4]	**2021**	**—**	**—**	**—**	**—**
	2020	$204,566	$19,434	$859	$224,859
Total	**2021**	**$1,458,006**	**$96,772**	**—**	**$1,554,778**
	2020	$1,513,573	$124,415	$859	$1,638,847

1. No termination benefits were paid during the financial year.
2. Other may include death and total/permanent disability insurance premiums and/or GPT superannuation plan administration fees.
3. Mr Whitfield joined GPT on 14 May 2020. Total fees for 2021 were $224,000, however an adjustment for unpaid fees in 2020 was made during the period.
4. Mr Tilbrook retired from the GPT Board on 31 December 2020.

3. Non-executive Director - GPT security holdings

	Private holdings (# of securities)			Minimum securityholding requirement (MSHR)		
Non-executive Director	**Balance 31 Dec 20**	**Purchase / (Sale)**	**Balance 31 Dec 21**	**MSHR assessment [1]**	**MSHR guideline [2]**	**MSHR assessment date**
Vickki McFadden	112,525	—	112,525	$595,932	$450,000	March 2022
Tracey Horton AO	22,525	5,000	27,525	$145,772	$170,000	May 2023
Angus McNaughton	25,088	—	25,088	$149,898	$170,000	November 2022
Mark Menhinnitt	30,000	—	30,000	$164,475	$170,000	October 2023
Michelle Somerville	36,663	—	36,663	$194,167	$170,000	December 2021
Robert Whitfield AM [3]	—	15,000	15,000	$79,440	$170,000	May 2024

1. The MSHR is assessed by the higher of cost or the current market value (derived by multiplying the number of holdings at the end of the period by GPT's December 2021 30-day VWAP of $5.296).
2. The MSHR for Non-Executive Directors is equal to 100% of board fees. Individuals have four years from commencement of employment to achieve the MSHR before it is assessed for the first time.
3. Mr Whitfield was appointed to the Board in May 2020.

DIRECTORS' REPORT

For the year ended 31 December 2021

Remuneration Advisors

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

Clawback and Malus

GPT's Clawback Policy provides the Board with the discretion to modify remuneration outcomes as a result of adverse circumstances that arise or become known after remuneration has been granted, paid or vested. Individuals who participate in the STIC and LTI are subject to these awards being adjusted, cancelled or clawed back if a trigger event occurs. No trigger events occurred in 2021, and the Board did not enact the Clawback Policy during the reporting period.

Minimum Security Holding Requirement

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

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

Vickki McFadden	Bob Johnston
Chairman	Chief Executive Officer and Managing Director

Sydney
14 February 2022

Auditor's Independence Declaration

As lead auditor for the audit of GPT Management Holdings Limited for the year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been:

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

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

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

Susan Horlin
Partner
PricewaterhouseCoopers

Sydney
14 February 2022

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 2021

	Note	**31 Dec 21 $'000**	31 Dec 20 Restated(1) $'000
Revenue			
Fund management fees		**99,810**	83,647
Property management fees		**40,072**	36,374
Development management fees		**18,773**	19,693
Management costs recharged		**31,545**	29,621
		190,200	169,335
Other income			
Share of after tax profit of equity accounted investments	2(c)	**903**	4,480
Interest revenue		**79**	226
Proceeds from sale of inventory		**34,864**	1,196
		35,846	5,902
Total revenue and other income		**226,046**	175,237
Expenses			
Remuneration expenses		**122,744**	84,432
Cost of sale of inventory		**30,794**	990
Property expenses and outgoings		**3,602**	3,659
Technology expenses		**14,935**	10,209
Professional fees		**5,566**	6,091
Depreciation of right-of-use asset		**10,223**	9,448
Depreciation		**2,510**	3,597
Amortisation		**2,154**	2,600
Revaluation of financial arrangements		**(33,396)**	94,497
Impairment expense		**18,302**	4,609
Finance costs		**3,369**	3,592
Other expenses		**23,189**	8,812
Total expenses		**203,992**	232,536
Profit/(loss) before income tax		**22,054**	(57,299)
Income tax (credit)/expense	10(a)	**(449)**	10,074
Net profit/(loss) for the year		**22,503**	(67,373)
Other comprehensive income			
Items that may be reclassified to profit and loss			
Net foreign exchange translation adjustments	11(b)	**(1)**	(17)
Total comprehensive profit/(loss) for the year		**22,502**	(67,390)
Net profit/(loss) attributable to:			
- Members of the Company		**22,070**	(69,665)
- Non-controlling interest		**433**	2,292
Total comprehensive income/(loss) attributable to:			
- Members of the Company		**22,069**	(69,682)
- Non-controlling interest		**433**	2,292
Earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted earnings/(loss) per share (cents per share) - total	12(a)	**1.15**	(3.58)

(1) The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 25 for details.

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	Note	**31 Dec 21 $'000**	31 Dec 20 Restated(1) $'000
ASSETS			
Current assets			
Cash and cash equivalents		**16,590**	22,968
Trade receivables	3	**52,018**	46,316
Other receivables		**19,777**	1,685
Inventories	5	**14,565**	61,412
Prepayments		**7,041**	6,435
Total current assets		**109,991**	138,816
Non-current assets			
Intangible assets	4	**13,029**	24,739
Property, plant and equipment	6	**9,154**	10,605
Inventories	5	**94,115**	64,078
Equity accounted investments	2	**24,634**	26,011
Right-of-use assets		**44,436**	45,850
Deferred tax asset	10(d)	**26,625**	15,609
Other assets	7	**5,067**	4,693
Total non-current assets		**217,060**	191,585
Total assets		**327,051**	330,401
LIABILITIES			
Current liabilities			
Payables	8	**29,337**	15,107
Current tax liability	10(c)	**6,083**	2,000
Provisions	9	**19,641**	17,579
Borrowings	14	**2,370**	5,005
Lease liabilities		**10,353**	8,761
Total current liabilities		**67,784**	48,452
Non-current liabilities			
Borrowings	14	**144,367**	192,923
Provisions	9	**6,269**	3,250
Lease liabilities		**48,106**	46,576
Total non-current liabilities		**198,742**	242,749
Total liabilities		**266,526**	291,201
Net assets		**60,525**	39,200
EQUITY			
Contributed equity	11(a)	**331,842**	331,974
Reserves	11(b)	**18,235**	17,982
Accumulated losses	11(c)	**(307,422)**	(329,329)
Total equity attributable to Company members		**42,655**	20,627
Non-controlling interests		**17,870**	18,573
Total equity		**60,525**	39,200

(1) The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 25 for details.

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

		Company				Non-controlling interests			
	Note	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Contributed equity $'000	Accumulated losses $'000	Total $'000	Total equity $'000
Equity attributable to Company Members									
At 31 December 2019		331,974	20,144	(248,104)	104,014	21,172	(4,891)	16,281	120,295
Change in accounting policy[1]	25(a)	—	—	(11,591)	(11,591)	—	—	—	(11,591)
At 1 January 2020		331,974	20,144	(259,695)	92,423	21,172	(4,891)	16,281	108,704
Foreign currency translation reserve	11(b)	—	(17)	—	(17)	—	—	—	(17)
Other comprehensive income for the year		—	(17)	—	(17)	—	—	—	(17)
(Loss)/profit for the year[1]	11(c)	—	—	(69,665)	(69,665)	—	2,292	2,292	(67,373)
Total comprehensive income for the year		—	(17)	(69,665)	(69,682)	—	2,292	2,292	(67,390)
Transactions with Members in their capacity as Members									
Movement in employee incentive security scheme reserve net of tax	11(b)	—	(2,114)	—	(2,114)	—	—	—	(2,114)
Reclassification of employee incentive security scheme reserve to accumulated losses	11(b)	—	(31)	31	—	—	—	—	—
At 31 December 2020		331,974	17,982	(329,329)	20,627	21,172	(2,599)	18,573	39,200
Equity attributable to Company Members									
At 1 January 2021		**331,974**	**17,982**	**(329,329)**	**20,627**	**21,172**	**(2,599)**	**18,573**	**39,200**
Foreign currency translation reserve	11(b)	**—**	**(1)**	**—**	**(1)**	**—**	**—**	**—**	**(1)**
Other comprehensive income for the year		**—**	**(1)**	**—**	**(1)**	**—**	**—**	**—**	**(1)**
Profit for the year	11(c)	**—**	**—**	**22,070**	**22,070**	**—**	**433**	**433**	**22,503**
Total comprehensive income for the year		**—**	**(1)**	**22,070**	**22,069**	**—**	**433**	**433**	**22,502**
Transactions with Members in their capacity as Members									
On-market share buy back	11(a)	**(132)**	**—**	**—**	**(132)**	**—**	**—**	**—**	**(132)**
Movement in employee incentive security scheme reserve net of tax	11(b)	**—**	**91**	**—**	**91**	**—**	**—**	**—**	**91**
Reclassification of employee incentive security scheme reserve to accumulated losses	11(b)	**—**	**163**	**(163)**	**—**	**—**	**—**	**—**	**—**
Distributions	11(c)	**—**	**—**	**—**	**—**	**—**	**(1,136)**	**(1,136)**	**(1,136)**
At 31 December 2021		**331,842**	**18,235**	**(307,422)**	**42,655**	**21,172**	**(3,302)**	**17,870**	**60,525**

(1) The Consolidated Entity's opening accumulated losses and profit for the year have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 25 for details.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Full year ended 31 December 2021

	Note	**31 Dec 21 $'000**	31 Dec 20 Restated(1) $'000
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		**205,399**	184,108
Payments in the course of operations (inclusive of GST)		**(170,148)**	(169,261)
Proceeds from the sale of inventories		**14,864**	1,196
Payments for inventories		**(13,448)**	(7,866)
Interest received		**50**	193
Finance costs paid		**(2,044)**	(2,156)
Income taxes (paid)/received		**(6,311)**	1,299
Net cash inflows from operating activities	16	**28,362**	7,513
Cash flows from investing activities			
Payments for property, plant and equipment		**(1,570)**	(3,539)
Payments for intangibles		**(4,386)**	(9,808)
Net cash outflows from investing activities		**(5,956)**	(13,347)
Cash flows from financing activities			
Payment for on-market buy-back of securities		**(132)**	—
Repayments of related party borrowings		**(175,622)**	(198,640)
Proceeds from related party borrowings		**158,975**	213,462
Repayments of borrowings		**(2,900)**	(169)
Proceeds from borrowings		**263**	509
Principal elements of lease payments		**(9,368)**	(8,037)
Net cash (outflows)/inflows from financing activities		**(28,784)**	7,125
Net cash (decrease)/increase in cash and cash equivalents		**(6,378)**	1,291
Cash and cash equivalents at the beginning of the year		**22,968**	21,677
Cash and cash equivalents at the end of the year		**16,590**	22,968

(1) The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 25 for details.

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 2021

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

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

The notes to the financial statements are organised into the following sections:
Note 1 - Result for the full year: focuses on results and performance of the Consolidated Entity.
Notes 2 to 10 - Operating assets and liabilities: provides information on the assets used to generate the Consolidated Entity's trading performance.
Notes 11 to 15 - Capital structure: outlines how the Consolidated Entity manages its capital structure and various financial risks.
Notes 16 to 27 - Other disclosure items: provides information on other items that must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements.

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

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

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**
Equity accounted investments	Assessment of control versus disclosure guidance	2
Management rights with indefinite life	Impairment trigger and recoverable amounts	4
IT development and software	Impairment trigger and recoverable amounts	4
Inventories	Lower of cost and net realisable value	5
Property, plant and equipment	Useful life	6
Provisions	Estimates of future obligations and probability of outflow	9
Deferred tax assets	Recoverability	10
Related party borrowings at fair value	Fair value	14
Security based payments*	Fair value	20
Investment in financial assets	Fair value	24
Lease liabilities	Lease term and incremental borrowing rate	26(d)(viii)
Right-of-use assets*	Impairment trigger and recoverable amounts	26(d)(viii)

RESULT FOR THE YEAR

1. SEGMENT INFORMATION

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

OPERATING ASSETS AND LIABILITIES

2. EQUITY ACCOUNTED INVESTMENTS

	Note	**31 Dec 21 $'000**	31 Dec 20 $'000
Investments in joint ventures	(i)	**14,633**	16,010
Investments in associates	(ii)	**10,001**	10,001
Total equity accounted investments		**24,634**	26,011

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

(a) Details of equity accounted investments

Name	Principal activity	Ownership interest 31 Dec 21 %	31 Dec 20 %	31 Dec 21 $'000	31 Dec 20 $'000
(i) Joint ventures					
Lendlease GPT (Rouse Hill) Pty Limited [1]	Property development	**50.00**	50.00	**14,633**	16,010
Total investment in joint ventures				**14,633**	16,010
(ii) Associates					
DPT Operator No. 1 Pty Limited	Management	**91.67**	91.67	**—**	—
DPT Operator No. 2 Pty Limited	Management	**91.67**	91.67	**1**	1
GPT Funds Management Limited	Funds management	**100.00**	100.00	**10,000**	10,000
Total investment in associates				**10,001**	10,001

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

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

	31 Dec 21 $'000	31 Dec 20 $'000
Cash and cash equivalents[1]	**25,103**	21,342
Other assets	**22**	18
Property investments and loans	**16,917**	25,023
Total assets	**42,042**	46,383
Liabilities	**3,468**	4,887
Total liabilities	**3,468**	4,887
Net assets	**38,574**	41,496
Consolidated entity's share of net assets	**24,288**	25,748
Additional ownership costs	**346**	263
Total equity accounted investment	**24,634**	26,011

(1) Dec 2021: $10,000,000 relates to the investment in associates (Dec 2020: $10,000,000).

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

	31 Dec 21 $'000	31 Dec 20 $'000
Revenue	**6,968**	23,303
Expenses	**(4,552)**	(9,600)
Profit before income tax expense	**2,416**	13,703
Income tax expense	**(611)**	(4,151)
Profit after income tax expense	**1,805**	9,552
Share of after tax profit of joint ventures and associates	**903**	4,776
Additional ownership costs	**—**	(296)
Share of after tax profit of equity accounted investments	**903**	4,480

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

	31 Dec 21 $'000	31 Dec 20 $'000
Opening balance at the beginning of the year	**26,011**	21,367
Share of after tax profit of joint ventures and associates	**903**	4,776
Distributions paid	**(2,364)**	—
Closing balance at the end of the year	**24,550**	26,143
Additional ownership costs	**84**	(132)
Carrying amount of equity accounted investments	**24,634**	26,011

3. TRADE RECEIVABLES

	31 Dec 21 $'000	31 Dec 20 $'000
Trade receivables[(1)]	**27,440**	26,909
Less: impairment of trade receivables	**—**	(219)
	27,440	26,690
Accrued income	**306**	529
Related party receivables[(2)]	**24,272**	19,097
Trade receivables	**52,018**	46,316

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

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

	31 Dec 21					31 Dec 20				
	Less than 30 days $'000	31-60 days $'000	61-90 days $'000	90+ days $'000	Total $'000	Less than 30 days $'000	31-60 days $'000	61-90 days $'000	90+ days $'000	Total $'000
Trade receivables	**50,535**	**821**	**250**	**412**	**52,018**	45,094	630	175	636	46,535
Impairment of trade receivables	**—**	**—**	**—**	**—**	**—**	—	—	—	(219)	(219)
Total trade receivables	**50,535**	**821**	**250**	**412**	**52,018**	45,094	630	175	417	46,316

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4. INTANGIBLE ASSETS

	Management rights $'000	IT development and software[(1)] $'000	Total $'000
Cost			
At 1 January 2020	55,825	53,820	109,645
Additions	—	8,672	8,672
Transfers	—	(17)	(17)
Write-off	(3,783)	(8,252)	(12,035)
At 31 December 2020	52,042	54,223	106,265
Additions	**—**	**4,357**	**4,357**
Write-off	**—**	**(12,268)**	**(12,268)**
At 31 December 2021	**52,042**	**46,312**	**98,354**
Accumulated amortisation and impairment			
At 1 January 2020	(45,606)	(45,253)	(90,859)
Amortisation	(34)	(2,566)	(2,600)
Impairment	—	(102)	(102)
Write-off	3,783	8,252	12,035
At 31 December 2020	(41,857)	(39,669)	(81,526)
Amortisation	**—**	**(2,154)**	**(2,154)**
Impairment	**(10,185)**	**(3,728)**	**(13,913)**
Write-off	**—**	**12,268**	**12,268**
At 31 December 2021	**(52,042)**	**(33,283)**	**(85,325)**
Carrying amounts			
At 31 December 2020	10,185	14,554	24,739
At 31 December 2021	**—**	**13,029**	**13,029**

(1) The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 25 for details.

Management Rights

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

For the management rights of Highpoint Shopping Centre, management considers the useful life as indefinite as there is no fixed term included in the management agreement. Therefore, the Consolidated Entity tests for impairment at balance date. Assets are impaired if the carrying value exceeds their recoverable amount. The recoverable amount is determined using a discounted cashflow. A 13 per cent pre-tax discount rate and 2.98 per cent growth rate have been applied to these asset specific cash flow projections.

During the full year management tested all inputs in the fair value assessment of the management rights and have adjusted these inputs where they have been impacted by the COVID-19 pandemic. Based on this assessment management has identified that the carrying value is zero at year end and as such the asset has been fully impaired.

IT development and software

Costs incurred in developing systems and acquiring software and licenses that will contribute future financial benefits and which the Consolidated Entity controls (therefore excluding Software as a Service) are capitalised until the software is capable of operating in the manner intended by management. These include external direct costs of materials and services and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over the length of time that 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 indicators exist, management calculates the recoverable amount. The asset is impaired if the carrying value exceeds the recoverable amount. Critical judgements are made by management in setting appropriate impairment indicators and assumptions used to determine the recoverable amount. Impairment is also recognised where management intends to transition software from an on premises solution to a Software as a Service (SaaS) solution in accordance with the IFRIC agenda decision.

Management have reviewed the impairment indicators for the year and have recorded an impairment where appropriate. Management believe the carrying value reflects the recoverable amount.

5. INVENTORIES

	31 Dec 21 $'000	31 Dec 20 $'000
Properties held for sale	**8,400**	—
Development properties	**6,165**	61,412
Current inventories	**14,565**	61,412
Development properties	**94,115**	64,078
Non-current inventories	**94,115**	64,078
Total inventories	**108,680**	125,490

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

Cost
Cost includes the cost of acquisition and any subsequent capital additions. For development properties, cost also includes development, finance costs and all other costs directly related to specific projects including an allocation of direct overhead expenses. Post completion of the development, finance costs and other holding charges are expensed as incurred. When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised . For wholly owned, internally managed developments, this expense is determined on a forward looking, revenue proportional basis.

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 period end and cause any fluctuations of selling price and costs to sell.

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

The Consolidated Entity completed NRV assessments for each inventory asset for the full year and has compared the results to the cost of each asset. As a result impairment expense of $123,000 was reversed during the period in relation to 121 Foundation Road, Truganina.

On 29 November 2021, the Consolidated Entity acquired three assets from the Ascot property portfolio. On the date of acquisition, the cost of the three assets was greater than the valuation performed by an independent third party. As a result, an impairment expense of $319,000 has been recognised. The assets are expected to be sold in the next 12 months and are therefore classified as properties held for sale.

23,448 sqm of the Rouse Hill development site was compulsorily acquired by NSW Health on 16 July 2021. The Consolidated Entity has recorded the disposal at the most recent offer price of $19.9 million as a current receivable. The final sale price to be received is yet to be determined.

6. PROPERTY, PLANT AND EQUIPMENT

	31 Dec 21 $'000	31 Dec 20 $'000
Computers		
At cost	**21,527**	19,541
Less: accumulated depreciation	**(16,151)**	(14,539)
Total computers	**5,376**	5,002
Office fixtures and fittings		
At cost	**15,971**	16,563
Less: accumulated depreciation	**(11,858)**	(10,960)
Less: impairment	**(335)**	—
Total office fixtures and fittings	**3,778**	5,603
Total property, plant and equipment	**9,154**	10,605

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

	Computers $'000	Office fixtures & fittings $'000	Total $'000
At 1 January 2020			
Opening carrying value	2,443	8,049	10,492
Additions	3,547	172	3,719
Disposals	(26)	—	(26)
Transfers	7	10	17
Depreciation	(969)	(2,628)	(3,597)
At 31 December 2020	5,002	5,603	10,605
At 1 January 2021			
Opening carrying value	**5,002**	**5,603**	**10,605**
Additions	**1,492**	**93**	**1,585**
Disposals	**(57)**	**(134)**	**(191)**
Transfers	**551**	**(551)**	**—**
Depreciation	**(1,612)**	**(898)**	**(2,510)**
Impairment	**—**	**(335)**	**(335)**
At 31 December 2021	**5,376**	**3,778**	**9,154**

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

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

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

The Consolidated Entity has assessed the property plant and equipment for impairment indicators and as a result impairment expense of $335,000 was recognised.

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

7. OTHER ASSETS

	31 Dec 21 $'000	31 Dec 20 $'000
Lease incentive assets	**307**	364
Other assets	**4,760**	4,329
Total other assets	**5,067**	4,693

8. PAYABLES

	31 Dec 21 $'000	31 Dec 20 $'000
Trade payables	**1,232**	2,089
Accruals	**25,642**	9,983
Other payables	**2,463**	3,035
Total payables	**29,337**	15,107

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

9. PROVISIONS

	31 Dec 21 $'000	31 Dec 20 $'000
Current provisions		
Employee benefits	**17,079**	15,206
Other	**2,562**	2,373
Total current provisions	**19,641**	17,579
Non-current provisions		
Employee benefits	**4,420**	1,466
Other	**1,849**	1,784
Total non-current provisions	**6,269**	3,250
Total provisions	**25,910**	20,829

	Employee benefits $'000	Other $'000	Total $'000
At 1 January 2020	36,182	5,162	41,344
Arising during the year	9,024	831	9,855
Utilised during the year	(28,534)	(1,836)	(30,370)
At 31 December 2020	16,672	4,157	20,829
At 1 January 2021	**16,672**	**4,157**	**20,829**
Arising during the year	**9,482**	**853**	**10,335**
Utilised during the year	**(4,655)**	**(599)**	**(5,254)**
At 31 December 2021	**21,499**	**4,411**	**25,910**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

10. TAXATION
(a) Income tax (credit)/expense

	31 Dec 21 $'000	31 Dec 20 $'000
Current income tax expense	**10,394**	2,864
Deferred income tax (credit)/expense	**(10,843)**	7,210
Income tax (credit)/expense in the Consolidated Statement of Comprehensive Income	**(449)**	10,074
Income tax (credit)/expense attributable to:		
Profit from continuing operations	**(449)**	10,074
Aggregate income tax (credit)/expense	**(449)**	10,074

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

	31 Dec 21 Gross $'000	**31 Dec 21 Tax effect $'000**	31 Dec 20 Gross $'000	31 Dec 20 Tax effect $'000
Profit/(loss) from continuing operations before income tax expense	**22,054**	**6,616**	(57,299)	(17,189)
Profit/(loss) which is subject to taxation at 30% tax rate	**22,054**	**6,616**	(57,299)	(17,189)
Tax effect of amounts not deductible/assessable in calculating income tax expense:				
(Non-assessable)/non-deductible revaluation items	**(22,876)**	**(6,862)**	94,497	28,349
Equity accounted profits from joint ventures	**(903)**	**(271)**	(4,480)	(1,344)
(Loss)/profit used to calculate effective tax rate	**(1,725)**	**(517)**	32,718	9,816
Other non-deductible items	**228**	**68**	860	258
Income tax (credit)/expense	**(1,497)**	**(449)**	33,578	10,074
Effective tax rate		**26 %**		31 %

(c) Current tax (liability)/asset

	31 Dec 21 $'000	31 Dec 20 $'000
Opening balance at the beginning of the year	**(2,000)**	2,163
Income tax credit/(expense)	**449**	(10,074)
Tax payments to the tax authorities	**6,311**	(1,299)
Other deferred tax asset charged to income	**(5,386)**	(1,700)
Movements in employee benefits	**(5,629)**	10,557
Movement in provisions and accruals	**(1)**	76
Movement in reserves	**173**	(1,723)
Closing balance at the end of the year	**(6,083)**	(2,000)

(d) Deferred tax asset

	31 Dec 21	31 Dec 20
	$'000	$'000
Employee benefits	**10,628**	4,999
Provisions and accruals	**1,939**	1,938
Right-of-use assets	**(13,286)**	(13,401)
Lease liabilities	**17,866**	16,601
Other	**9,478**	5,472
Net deferred tax asset	**26,625**	15,609
Movement in temporary differences during the year		
Opening balance at the beginning of the year	**15,609**	24,542
Income tax credit/(expense)	**10,843**	(7,210)
Movement in reserves	**173**	(1,723)
Closing balance at the end of the year	**26,625**	15,609

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

The Australian Accounting Standards Board have issued a Draft Appendix to the TTC outlining the method to calculate the effective tax rate as shown in the table above, using:

- accounting profit before tax adjusted to exclude transactions which are not reflected in the calculation of income tax expense; and
- tax expense adjusted to exclude carry forward tax losses that have been recognised and prior year under/overstatements.

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

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

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

Deferred income tax assets and liabilities – measurement
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on temporary differences at the reporting date between accounting carrying amounts and the tax cost bases of assets and liabilities, other than for the following where taxable temporary differences relate to investments in subsidiaries, associates and interests in joint ventures:

- Deferred tax liabilities are not recognised if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- Deferred tax assets are not recognised if it is not probable that the temporary differences will reverse in the foreseeable future and taxable profit will not be available to utilise the temporary differences.

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

CAPITAL STRUCTURE

11. EQUITY AND RESERVES

(a) Contributed equity

	Number	$'000
Ordinary stapled securities		
Opening securities on issue at 1 January 2020	1,947,929,316	331,974
Closing securities on issue at 31 December 2020	1,947,929,316	331,974
Opening securities on issue at 1 January 2021	**1,947,929,316**	**331,974**
On-market share buy-back[1]	**(32,351,886)**	**(132)**
Closing securities on issue at 31 December 2021	**1,915,577,430**	**331,842**

(1) On 15 February 2021, GPT announced an on-market buy-back of GPT securities, with transactions occurring between 3 March 2021 and 1 June 2021 at an average price of $4.54 per security. The proportion of the proceeds of the share buy back allocated to the Company was based on the relative net asset value between the Trust and the Company.

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

(b) Reserves

	Foreign currency translation reserve $'000	Employee incentive scheme reserve $'000	Total reserves $'000
Balance at 1 January 2020	18,168	1,976	20,144
Net foreign exchange translation adjustments	(17)	—	(17)
Reclassification to accumulated losses	—	(31)	(31)
Employee incentive schemes expense, net of tax	—	1,394	1,394
Tax on incentives valued at reporting date	—	(1,723)	(1,723)
Vesting of securities	—	(1,785)	(1,785)
Balance at 31 December 2020	18,151	(169)	17,982
Balance at 1 January 2021	**18,151**	**(169)**	**17,982**
Net foreign exchange translation adjustments	**(1)**	**—**	**(1)**
Reclassification to accumulated losses	**—**	**163**	**163**
Employee incentive schemes expense, net of tax	**—**	**52**	**52**
Tax on incentives valued at reporting date	**—**	**173**	**173**
Vesting of securities	**—**	**(134)**	**(134)**
Balance at 31 December 2021	**18,150**	**85**	**18,235**

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

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

(c) Accumulated losses

	Company[1] $'000	Non-controlling interest $'000	Total $'000
Balance at 1 January 2020	(259,695)	(4,891)	(264,586)
Net (loss)/profit for the year	(69,665)	2,292	(67,373)
Reclassification from employee incentive security scheme	31	—	31
Balance at 31 December 2020	(329,329)	(2,599)	(331,928)
Balance at 1 January 2021	**(329,329)**	**(2,599)**	**(331,928)**
Net profit for the year	**22,070**	**433**	**22,503**
Reclassification from employee incentive security scheme	**(163)**	**—**	**(163)**
Distributions	**—**	**(1,136)**	**(1,136)**
Balance at 31 December 2021	**(307,422)**	**(3,302)**	**(310,724)**

(1) The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 25 for details.

12. EARNINGS PER SHARE

(a) Basic and diluted earnings per share

	31 Dec 21 Cents	31 Dec 20 Restated[1] Cents
Total basic and diluted earnings/(loss) per share	**1.15**	(3.58)

(1) The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 25 for details.

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

Profit/(loss) reconciliation - basic and diluted	**31 Dec 21 $'000**	31 Dec 20 Restated[1] $'000
Profit/(loss) from continuing operations	**22,070**	(69,665)
Profit attributed to external non-controlling interest	**433**	2,292
	22,503	(67,373)

(1) The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 25 for details.

(c) WANOS

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

	31 Dec 21 Number of shares '000s	31 Dec 20 Number of shares '000s
WANOS used as denominator in calculating basic earnings per ordinary share	**1,924,332**	1,947,929
Performance security rights (weighted average basis)[1]	**677**	3
WANOS used as denominator in calculating diluted earnings per ordinary share	**1,925,009**	1,947,932

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

Calculation of earnings per share

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

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

13. DIVIDENDS PAID AND PAYABLE

No dividends have been paid or declared for the 2021 financial year (2020: nil).

14. BORROWINGS

	31 Dec 21		31 Dec 20	
	Carrying amount(1)	**Fair value(2)**	Carrying amount(1)	Fair value(2)
	$'000	**$'000**	$'000	$'000
Current borrowings at amortised cost - secured	**2,370**	**2,373**	5,005	5,010
Current borrowings	**2,370**	**2,373**	5,005	5,010
Non-current borrowings from joint ventures at amortised cost	**6,636**	**6,636**	9,000	9,000
Non-current related party borrowings from GPT Trust at amortised cost	**100,862**	**100,862**	113,656	113,656
Non-current related party borrowings from GPT Trust at fair value	**36,869**	**36,869**	70,267	70,267
Non-current borrowings	**144,367**	**144,367**	192,923	192,923
Total borrowings	**146,737**	**146,740**	197,928	197,933

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

The related party borrowings from GPT Trust at fair value are subject to limited recourse based on available funds determined by the repayment fund calculation in the loan agreement. During the period, management determined the fair value of these borrowings by forecasting a best estimate of future repayments. The repayments have been discounted at a risk adjusted rate appropriate to the Consolidated Entity to determine the fair value. This has resulted in a revaluation gain of $33,398,000 being recognised on the face of the Consolidated Statement of Comprehensive Income during the period as a result of the historical loans with the Trust being valued at $36,869,000 at 31 December 2021 (2020: $70,267,000). Refer to note 24 for further information on the fair value calculations.

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

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

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

When the terms of a financial liability are modified, AASB 9 requires an entity to perform an assessment to determine whether the modified terms are substantially different from the existing financial liability. Where a modification is substantial, it will be accounted for as an extinguishment of the original financial liability and a recognition of a new financial liability. Where the modification does not result in extinguishment, the difference between the existing carrying amount of the financial liability and the modified cash flows discounted at the original effective interest rate is recognised in the Consolidated Statement of Comprehensive Income as gain/loss on modification of financial liability. Management has assessed the modification of terms requirements within AASB 9 and have concluded that these will not have a material impact for the Consolidated Entity for the year ended 31 December 2021.

The maturity profile of borrowings is provided below:

	Total facility(1)	**Used facility(1)**	**Unused facility**
	$'000	**$'000**	**$'000**
Due within one year	2,723	2,373	350
Due between one and five years	148,590	106,257	42,333
Due after five years	410,918	397,159	13,759
	562,231	**505,789**	**56,442**
Cash and cash equivalents			**16,590**
Less: cash and cash equivalents held for AFSLs			**(10,150)**
Total financing resources available at the end of the year			**62,882**

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

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

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

15. FINANCIAL RISK MANAGEMENT

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

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

(a) Interest rate risk

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

	Gross exposure		**Net exposure**	
	31 Dec 21	31 Dec 20	**31 Dec 21**	31 Dec 20
	$'000	$'000	**$'000**	$'000
Floating rate interest-bearing borrowings	**103,235**	118,661	**103,235**	118,661
	103,235	118,661	**103,235**	118,661

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

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

	31 Dec 21	**31 Dec 21**	31 Dec 20	31 Dec 20
	(+0.25%)	**(-0.25%)**	(+0.25%)	(-0.25%)
	$'000	**$'000**	$'000	$'000
Impact on Consolidated Statement of Comprehensive Income				
Impact on interest revenue increase/(decrease)	**41**	**(41)**	57	(57)
Impact on interest expense (increase)/decrease	**(258)**	**258**	(297)	297
	(217)	**217**	(240)	240

(b) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity, as a result of its operations:

- will not have sufficient funds to settle a transaction on the due date;
- will be forced to sell financial assets at a value which is less than what they are worth; or
- may be unable to settle or recover a financial asset at all.

The Consolidated Entity manages liquidity risk by maintaining:

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

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

	31 Dec 21				
	1 year or less	**Over 1 year to 2 years**	**Over 2 years to 5 years**	**Over 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Liabilities					
Non-derivatives					
Payables	**29,337**	**—**	**—**	**—**	**29,337**
Lease liability	**10,353**	**10,888**	**26,266**	**10,952**	**58,459**
Borrowings(1)	**2,373**	**—**	**106,257**	**397,159**	**505,789**
Projected interest cost from borrowings	**2,490**	**2,693**	**4,641**	**99**	**9,923**
Total liabilities	**44,553**	**13,581**	**137,164**	**408,210**	**603,508**
Less cash and cash equivalents net of cash held for AFSLs	**6,440**	**—**	**—**	**—**	**6,440**
Total liquidity exposure	**38,113**	**13,581**	**137,164**	**408,210**	**597,068**

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

	31 Dec 20				
	1 year or less $'000	Over 1 year to 2 years $'000	Over 2 years to 5 years $'000	Over 5 years $'000	Total $'000
Liabilities					
Non-derivatives					
Payables	15,107	—	—	—	15,107
Lease liability	8,761	9,493	28,877	8,206	55,337
Borrowings(1)	5,010	—	69,519	449,055	523,584
Projected interest cost from borrowings	2,967	3,341	7,761	122	14,191
Total liabilities	31,845	12,834	106,157	457,383	608,219
Less cash and cash equivalents net of cash held for AFSLs	12,968	—	—	—	12,968
Total liquidity exposure	18,877	12,834	106,157	457,383	595,251

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

(c) Refinancing risk

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

As at 31 December 2021, the Consolidated Entity's exposure to refinancing risk can be monitored by the spreading of its contractual maturities on borrowings in the liquidity risk table above or with the information in note 14.

(d) Foreign exchange risk

Foreign exchange risk refers to the risk that the value of a financial commitment, asset or liability will fluctuate due to changes in foreign exchange rates. The Consolidated Entity's foreign exchange risk arises primarily from:

- firm commitments of highly probable forecast transactions for receipts and payments settled in foreign currencies or with prices dependent on foreign currencies; and
- investments in foreign assets.

Sensitivity to foreign exchange is deemed insignificant.

(e) Credit risk

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

The Consolidated Entity manages this risk by:

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

Receivables are reviewed regularly throughout the year.

The maximum exposure to credit risk as at 31 December 2021 is the carrying amounts of financial assets recognised on the Consolidated Statement of Financial Position. For more information, refer to note 3.

OTHER DISCLOSURE ITEMS

16. CASH FLOW INFORMATION

(a) Cash flows from operating activities

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

	31 Dec 21 $'000	31 Dec 20 Restated(1) $'000
Net profit/(loss) for the year	**22,503**	(67,373)
Share of after tax (profit) of equity accounted investments (net of distributions)	**(903)**	(4,480)
Impairment expense	**18,302**	4,609
Non-cash employee benefits - security based payments	**4,727**	(3,426)
Fair value movement of investment in Trust	**—**	230
Interest capitalised	**(1,554)**	(1,802)
Amortisation of rental abatement	**89**	199
Depreciation expense	**2,510**	3,597
Depreciation of right-of-use assets	**10,223**	9,448
Amortisation expense	**2,154**	2,600
Non-cash finance costs	**4,690**	5,039
Revaluation of financial arrangements	**(33,396)**	94,267
Profit on sale of inventory	**15,930**	(206)
Payments for inventories	**(13,448)**	(7,866)
Proceeds from inventories	**14,864**	1,196
(Increase)/decrease in operating assets	**(31,498)**	12,761
Increase/(decrease) in operating liabilities	**13,157**	(40,036)
Other	**12**	(1,244)
Net cash inflows from operating activities	**28,362**	7,513

(1) The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 25 for details.

(b) Net debt reconciliation

Reconciliation of net debt movements during the year:

	Lease liability $'000	Borrowings(1) $'000	Less: cash $'000	Net Debt $'000
At 1 January 2020	63,384	85,529	21,677	127,236
Cash inflows/(outflows)	(8,037)	39,162	1,291	29,834
Other non-cash movements	(10)	73,237	—	73,227
At 31 December 2020	55,337	197,928	22,968	230,297
At 1 January 2021	**55,337**	**197,928**	**22,968**	**230,297**
Cash inflows/(outflows)	**(9,368)**	**(19,284)**	**(6,378)**	**(22,274)**
Other non-cash movements	**12,490**	**(31,907)**	**—**	**(19,417)**
At 31 December 2021	**58,459**	**146,737**	**16,590**	**188,606**

(1) There were no repayments of unsecured borrowings provided by the Trust at fair value (2020: Repayments of $24,000,000)

17. COMMITMENTS

(a) Capital expenditure commitments

Capital expenditure commitments at 31 December 2021 were $3,256,000 (2020: $1,073,000).

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

The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 25 for details.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

(b) Commitments relating to equity accounted investments

	31 Dec 21	31 Dec 20
	$'000	$'000
Capital expenditure commitments	**61**	32
Total joint venture and associates commitments	**61**	32

The capital expenditure commitments in the Consolidated Entity's equity accounted investments at 31 December 2021 relate to Lendlease GPT (Rouse Hill) Pty Limited (2020: Lendlease GPT (Rouse Hill) Pty Limited).

18. LEASE PAYMENTS TO BE RECEIVED

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

	31 Dec 21	31 Dec 20
	$'000	$'000
Less than 1 year	**2,039**	1,538
2 years	**688**	1,614
3 years	**451**	251
4 years	**464**	—
5 years	**478**	—
Due after 5 years	**1,959**	—
Total lease payments to be received	**6,079**	3,403

19. CONTINGENT LIABILITIES

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

The Company has provided guarantees over GPT RE Limited as responsible entity of the Trust's obligations under various financing arrangements (including bank facilities, US Private Placement issuances, medium term notes and commercial paper program) and derivative obligations. As at 31 December 2021, the maximum value of these obligations assuming all the loans are fully drawn is A$5.4 billion, with the latest maturity covered by these guarantees in December 2035.

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

20. SECURITY BASED PAYMENTS

GPT currently has four employee security schemes – the General Employee Security Ownership Plan (GESOP), the Broad Based Employee Security Ownership Plan (BBESOP), the Deferred Short Term Incentive Plan (DSTI) and the Long Term Incentive (LTI) Scheme.

(a) GESOP

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

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

(b) BBESOP

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

(c) DSTI

Since 2014, STIC is delivered to the senior executives as 50 per cent in cash and 50 per cent in GPT stapled securities (a deferred component). The deferred component is rewarded in restricted securities which vest one year after award, subject to continued employment up to the vesting date.

(d) LTI

At the 2009 Annual General Meeting (AGM), GPT securityholders approved the introduction of a LTI plan based on performance rights.

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 30-day period immediately prior to the commencement of the performance period.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

Fair value of performance rights and restricted securities 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 benefits provision and in the employee security scheme reserve in equity. For 2021, employee benefit expense is $4,727k (2020: ($3,425k)) and employee benefit provision is $4,720k as at 31 December 2021 ($344k as at 31 December 2020). Fair value is measured at each reporting period, recognised over the period from the service commencement date to the vesting date of the performance rights. Non-market vesting conditions are included in the calculation of 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 employee expense and employee benefits provision.

Management have assessed the number of rights that are expected to vest for the 2019 LTI plan in relation to non-market vesting conditions (Total Return) as a result of the impacts of the COVID-19 pandemic and determined that no rights are expected to vest. In the period to 31 December 2020 management reassessed the number of rights expected to vest under the 2018 and 2019 plans, resulting in the reversal of prior period amortisation. No plan was offered in 2020.

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 restricted securities under DSTI is determined using the security price. The following key inputs are taken into account:

	2021 LTI	2021 DSTIC
Fair value of rights / restricted securities at valuation date	$3.81	$5.42
Security price at valuation date	$5.42	$5.42
Out / (under) performance vs Index - plan to date	3.8%	N/A
Expected vesting dates	31 December 2023	31 December 2022
Distribution yield	4.7%	4.7%
Risk free interest rate	0.6%	N/A
Volatility (1)	39.5%	N/A
Correlation	83.2%	N/A

(1) The volatility is based on the historic volatility of the security.
(2) For 2021 LTI, the grant date is 21 May 2021 for CEO and 26 April 2021 for other participants. For 2021 DSTIC, the grant date is based on award date which is expected to be in the first half of 2022.

(e) Summary table of all employee security schemes

		Number of rights	
	DSTI	LTI and Sign on	Total
Rights outstanding at 1 January 2020	1,234,704	7,511,010	8,745,714
Rights forfeited during 2020	(365,633)	(3,578,849)	(3,944,482)
Rights converted to GPT stapled securities during 2020 [1]	(869,071)	(1,566,137)	(2,435,208)
Rights outstanding at 31 December 2020 [2]	—	2,366,024	2,366,024
Rights outstanding at 1 January 2021	**—**	**2,366,024**	**2,366,024**
Rights granted during 2021	**—**	**2,690,585**	**2,690,585**
Rights forfeited during 2021	**—**	**(2,340,846)**	**(2,340,846)**
Rights converted to GPT stapled securities during 2021 [3]	**—**	**(81,549)**	**(81,549)**
Rights outstanding at 31 December 2021	**—**	**2,634,214**	**2,634,214**

(1) Rights under the 2019 DSTI plan were converted to GPT stapled securities on 19 March 2020 and rights under the 2017 LTI Plan were converted to GPT stapled securities on 13 February 2020.
(2) The 31 December 2020 balance has been restated to exclude rights under the 2018 LTI which were lapsed on 31 December 2020.
(3) Rights under the sign on plans were converted to GPT stapled securities on 31 December 2021.

		Number of stapled securities	
	GESOP	BBESOP	Total
Securities outstanding at 1 January 2020	40,920	97,138	138,058
Securities granted during 2020	53,226	46,330	99,556
Securities vested during 2020	(44,153)	(51,119)	(95,272)
Securities outstanding at 31 December 2020	49,993	92,349	142,342
Securities outstanding at 1 January 2021	**49,993**	**92,349**	**142,342**
Securities vested during 2021	**(49,993)**	**(32,773)**	**(82,766)**
Securities outstanding at 31 December 2021	**—**	**59,576**	**59,576**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

21. RELATED PARTY TRANSACTIONS

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

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

All related party transactions have been agreed on commercial terms and conditions.

Key management personnel
Key management personnel compensation was as follows:

	31 Dec 21	31 Dec 20
	$	$
Short term employee benefits	**6,361,170**	5,270,165
Post employment benefits	**164,665**	188,460
Long term incentive award accrual	**1,086,021**	355,844
Total key management personnel compensation	**7,611,856**	5,814,469

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

Transactions with related parties

	31 Dec 21	31 Dec 20
	$	$
Transactions with General Property Trust (Trust):		
Revenue and expenses		
Fund management fees from Trust	**36,395,018**	21,706,560
Property management fees from Trust	**13,661,284**	12,300,271
Development management fees from Trust	**12,343,466**	14,153,001
Management costs recharged from Trust	**7,461,065**	6,506,559
Property rent and outgoings paid to Trust	**(1,939,506)**	(2,061,288)
Interest expense payable to Trust	**(2,718,430)**	(2,959,164)
Receivables		
Current receivables	**24,227,329**	19,097,158
Other non-current asset receivable	**3,126,967**	3,100,922
Borrowings		
Borrowings from Trust - secured	**3,003,939**	14,325,027
Borrowings from Trust - unsecured	**97,858,218**	99,331,164
Other transactions		
Revaluation of arrangements with Trust	**(33,398,000)**	94,267,000
Transactions with employees		
Contributions to superannuation funds on behalf of employees	**(7,267,296)**	(6,643,689)
Transactions with GWOF and GWSCF:		
Revenue		
Responsible Entity fees	**61,440,571**	61,101,769
Asset management fees	**14,318,589**	12,958,674
Development management fees	**8,527,519**	7,220,995
Directors fees recharged	**659,320**	659,320
Management costs recharged	**6,540,157**	6,094,614
Payroll costs recharged	**8,902,539**	8,390,465
Expense		
Rent expenses	**(3,974,113)**	(4,496,179)
Receivables and payables		
Current receivable outstanding	**6,905,921**	7,845,236
Current fund management fee receivable	**15,564,734**	15,016,499
Transactions with GQLT:		
Revenue		
Responsible Entity fees	**498,657**	—
Development management fees	**937,285**	—
Receivables and payables		
Current receivable outstanding	**118,025**	—
Current fund management fee receivable	**155,354**	—

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

22. AUDITORS REMUNERATION

	31 Dec 21	31 Dec 20
	$	$
Audit services		
PricewaterhouseCoopers Australia		
Statutory audit and review of financial reports	**468,244**	318,361
Total remuneration for audit services	**468,244**	318,361
Other assurance services		
PricewaterhouseCoopers Australia		
Regulatory and contractually required audits	**144,394**	109,076
Other assurance services	**111,500**	100,000
Total remuneration for other assurance services	**255,894**	209,076
Total remuneration for audit and assurance services	**724,138**	527,437
Non-audit related services		
PricewaterhouseCoopers Australia		
Other services	**—**	18,000
Total remuneration for non-audit related services	**—**	18,000
Total auditor's remuneration	**724,138**	545,437

23. PARENT ENTITY FINANCIAL INFORMATION

	Parent entity	
	31 Dec 21	31 Dec 20 Restated(1)
	$'000	$'000
ASSETS		
Total current assets	**406,461**	388,238
Total non-current assets	**149,220**	178,109
Total assets	**555,681**	566,347
LIABILITIES		
Total current liabilities	**212,545**	215,820
Total non-current liabilities	**64,588**	82,675
Total liabilities	**277,133**	298,495
Net assets	**278,548**	267,852
EQUITY		
Contributed equity	**331,842**	331,974
Reserves	**2,658**	2,567
Accumulated losses	**(55,952)**	(66,689)
Total equity	**278,548**	267,852
Profit/(loss) attributable to members of the parent entity	**10,737**	(11,306)
Total comprehensive income/(loss) for the year attributable to members of the parent entity	**10,737**	(11,306)

(1) The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 25 for details.

Capital expenditure commitments
The parent entity has $1,970,000 capital expenditure commitments at 31 December 2021 (2020: $591,000).

The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 25 for details.

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

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

24. FAIR VALUE DISCLOSURES

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

(a) Fair value measurement, valuation techniques and inputs

Class of assets / liabilities	Fair value hierarchy	Valuation technique	Classification under AASB 9	Inputs used to measure fair value	Range of unobservable inputs 31 Dec 21	31 Dec 20
Investment in financial assets	Level 1	Market price	Fair value through the profit and loss	Market price	Not applicable - observable input	
Interest free loans from the Trust	Level 3	Discounted cash flow	Fair value through the profit and loss	Discount rate	5.81%	6.13%

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

25. CHANGE IN ACCOUNTING POLICY

Implementation costs relating to Software as a Service (SaaS) platforms
In March 2021, the IFRS Interpretations Committee (IFRIC) released an agenda decision relating to the application of IAS 38 *Intangible Assets* to *Configuration or Customisation Costs in a Cloud Computing Arrangement*. Based on the observations made in IFRIC's agenda decision, the Consolidated Entity considers costs an organisation incurs in relation to the configuration and customisation of SaaS platforms does not meet the criteria for recognition as an intangible asset, as the supplier of the software and not the organisation, controls the software. As a result, these costs should be immediately expensed as incurred.

Under the Consolidated Entity's previous accounting policy, these costs were capitalised and amortised on a straight-line basis over the length of time the benefits were expected to be received (refer to note 4). The Consolidated Entity has updated its accounting policy to comply with the IFRIC agenda decision, and applied AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* to reflect this change.

The Consolidated Entity has restated comparative information in the financial statements to reflect this change in accounting policy, and has adjusted opening balances in the Consolidated Statement of Financial Position as at 1 January 2020.

The notes below disclose the impact of the change in accounting policy in the financial information of the Consolidated Entity at the beginning of the comparative period, during and at the end of the comparative period. Note 25(c) discloses the impact during and at the end of the current period.

(a) Adjustments as at 1 January 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	1 Jan 20 Prior year $'000	Increase / (decrease) $'000	1 Jan 20 Restated $'000
ASSETS			
Non-current assets			
Intangible assets	35,344	(16,558)	18,786
Deferred tax asset	19,576	4,967	24,543
Total non-current assets	**263,600**	**(11,591)**	**252,009**
Total assets	**346,720**	**(11,591)**	**335,129**
Net assets	**120,295**	**(11,591)**	**108,704**
EQUITY			
Accumulated losses	(248,104)	(11,591)	(259,695)
Total equity attributable to Company Members	**104,014**	**(11,591)**	**92,423**
Total equity	**120,295**	**(11,591)**	**108,704**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

(b) Adjustments for the period to 31 December 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Extract)	31 Dec 20 Prior year $'000	Increase / (decrease) $'000	31 Dec 20 Restated $'000
Expenses			
Technology expenses	5,299	4,910	10,209
Amortisation	5,172	(2,572)	2,600
Impairment expense	6,786	(2,177)	4,609
Total expenses	**232,375**	**161**	**232,536**
Loss before income tax	**(57,138)**	**(161)**	**(57,299)**
Income tax expense	10,122	(48)	10,074
Net loss for the year	**(67,260)**	**(113)**	**(67,373)**
Total comprehensive loss for the half year	**(67,277)**	**(113)**	**(67,390)**
Net loss attributable to:			
- Members of the Company	(69,552)	(113)	(69,665)
Total comprehensive loss attributable to:			
- Members of the Company	(69,569)	(113)	(69,682)
Earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted earnings per share (cents per share) from continuing operations	(3.57)	(0.01)	(3.58)
Basic and diluted earnings per share (cents per share) - Total	(3.57)	(0.01)	(3.58)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Extract)	31 Dec 20 Prior year $'000	Increase / (decrease) $'000	31 Dec 20 Restated $'000
ASSETS			
Non-current assets			
Intangible assets	41,457	(16,718)	24,739
Deferred tax asset	10,595	5,014	15,609
Total non-current assets	**203,289**	**(11,704)**	**191,585**
Total assets	**342,105**	**(11,704)**	**330,401**
Net assets	**50,904**	**(11,704)**	**39,200**
EQUITY			
Accumulated losses	(317,625)	(11,704)	(329,329)
Total equity attributable to Company Members	**32,331**	**(11,704)**	**20,627**
Total equity	**50,904**	**(11,704)**	**39,200**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Extract)	31 Dec 20 Prior year $'000	Increase / (decrease) $'000	31 Dec 20 Restated $'000
Equity attributable to Company Members			
Company accumulated losses			
Loss for the year	(69,552)	(113)	(69,665)
Total comprehensive income for the year	**(69,552)**	**(113)**	**(69,665)**
Company total			
Loss for the year	(69,552)	(113)	(69,665)
Total comprehensive income for the year	**(69,569)**	**(113)**	**(69,682)**
Total equity			
Loss for the year	(67,260)	(113)	(67,373)
Total comprehensive income for the year	**(67,277)**	**(113)**	**(67,390)**
Transactions with Members in their capacity as Members			
Company accumulated losses			
At 31 December 2020	**(317,625)**	**(11,704)**	**(329,329)**
Company total			
At 31 December 2020	**32,331**	**(11,704)**	**20,627**
Total equity			
At 31 December 2020	**50,904**	**(11,704)**	**39,200**

CONSOLIDATED STATEMENT OF CASHFLOWS

(Extract)	31 Dec 20 Prior year $'000	Increase / (decrease) $'000	31 Dec 20 Restated $'000
Cash flows from operating activities			
Payments in the course of operations (inclusive of GST)	(164,404)	(4,857)	(169,261)
Net cash inflows from operating activities	**12,370**	**(4,857)**	**7,513**
Cash flows from investing activities			
Payments for intangibles	(14,665)	4,857	(9,808)
Net cash outflows from investing activities	**(18,204)**	**4,857**	**(13,347)**

(c) Adjustments for the period to 31 December 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Extract)	31 Dec 21 Original policy $'000	Increase / (decrease) $'000	31 Dec 21 New policy $'000
Expenses			
Technology expenses	6,679	8,256	14,935
Amortisation	6,613	(4,459)	2,154
Impairment expense	14,618	3,684	18,302
Total expenses	**196,511**	**7,481**	**203,992**
Profit before income tax	**29,535**	**(7,481)**	**22,054**
Income tax expense	1,795	(2,244)	(449)
Net profit for the year	**27,740**	**(5,237)**	**22,503**
Total comprehensive profit for the year	**27,739**	**(5,237)**	**22,502**
Net profit attributable to:			
- Members of the Company	27,307	(5,237)	22,070
Total comprehensive income attributable to:			
- Members of the Company	27,306	(5,237)	22,069
Earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted earnings per share (cents per share) from continuing operations	1.42	(0.27)	1.15
Basic and diluted earnings per share (cents per share) - Total	1.42	(0.27)	1.15

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Extract)	31 Dec 21 Original policy $'000	Increase / (decrease) $'000	31 Dec 21 New policy $'000
ASSETS			
Non-current assets			
Intangible assets	37,228	(24,199)	13,029
Deferred tax asset	19,366	7,259	26,625
Total non-current assets	**234,000**	**(16,940)**	**217,060**
Total assets	**343,991**	**(16,940)**	**327,051**
	—		
Net assets	**77,465**	**(16,940)**	**60,525**
EQUITY			
Accumulated losses	(290,482)	(16,940)	(307,422)
Total equity attributable to Company Members	**59,595**	**(16,940)**	**42,655**
Total equity	**77,465**	**(16,940)**	**60,525**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Extract)	31 Dec 21 Original policy $'000	Increase / (decrease) $'000	31 Dec 21 New policy $'000
Equity attributable to Company Members			
Company accumulated losses			
Profit for the year	27,307	(5,237)	22,070
Total comprehensive income for the year	**27,307**	**(5,237)**	**22,070**
Company total			
Profit for the year	27,307	(5,237)	22,070
Total comprehensive income for the year	**27,306**	**(5,237)**	**22,069**
Total equity			
Profit for the year	27,740	(5,237)	22,503
Total comprehensive income for the year	**27,739**	**(5,237)**	**22,502**
Transactions with Members in their capacity as Members			
Company accumulated losses			
At 31 December 2021	**(290,482)**	**(16,940)**	**(307,422)**
Company total			
At 31 December 2021	**59,595**	**(16,940)**	**42,655**
Total equity			
At 31 December 2021	**77,465**	**(16,940)**	**60,525**

CONSOLIDATED STATEMENT OF CASH FLOWS

(Extract)	31 Dec 21 Original policy $'000	Increase / (decrease) $'000	31 Dec 21 New policy $'000
Cash flows from operating activities			
Payments in the course of operations (inclusive of GST)	(161,861)	(8,287)	(170,148)
Net cash inflows from operating activities	**36,649**	**(8,287)**	**28,362**
Cash flows from investing activities			
Payments for intangibles	(12,673)	8,287	(4,386)
Net cash outflows from investing activities	**(14,243)**	**8,287**	**(5,956)**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

26. ACCOUNTING POLICIES

(a) Basis of preparation
The general purpose financial report has been prepared:

- in accordance with the requirements of the Company's constitution, *Corporations Act 2001*, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board and International Financial Reporting Standards;
- on a going concern basis. The Consolidated Entity has prepared an assessment of its ability to continue as a going concern, taking into account all available information for a period of 12 months from the date of these financial statements. As set out in note 14, the Consolidated Entity has access to $62,882,000 in cash and undrawn loan facilities and future cashflow assessments have been made, taking into consideration appropriate probability-weighted factors. The Consolidated Entity is confident in the belief that it will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial statements. (Refer to section (b) for further information);
- under the historical cost convention, as modified by the revaluation for financial assets and liabilities at fair value through the Consolidated Statement of Comprehensive Income;
- using consistent accounting policies and adjustments to bring into line any dissimilar accounting policies being adopted by the controlled entities, associates or joint ventures; and
- in Australian dollars with all values rounded to the nearest thousand dollars, in accordance with ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191, unless otherwise stated.

Comparatives in the financial statements have been restated to the current year presentation.

The financial report was approved by the Board of Directors on 14 February 2022.

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

Due to the uncertainty created by the COVID-19 pandemic, GPT has performed additional procedures to assess going concern. GPT believes it is able to meet its liabilities and commitments as and when they fall due for at least 12 months from the reporting date. In reaching this position, GPT has taken into account the following factors:

- Available liquidity, through cash and undrawn facilities, of $934.7 million (after allowing for refinancing of $750.0 million of outstanding commercial paper as at 31 December 2021)
- Weighted average debt expiry of 6.3 years, with less than $55.0 million of debt (excluding commercial paper outstanding) due between the date of this report and 31 December 2022;
- Interest rate hedging level of 60 per cent over the next 12 months
- Primary covenant gearing of 28.4 per cent, compared to a covenant level of 50.0 per cent, and
- Interest cover ratio at 31 December 2021 of 7.5 times, compared to a covenant level of 2.0 times.

(c) Basis of consolidation
Controlled entities
The consolidated financial statements of the Consolidated Entity report the assets, liabilities and results of all controlled entities for the financial year.

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

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

Associates
Associates are entities over which the Consolidated Entity has significant influence but not control, generally accompanying voting or decision making rights of between 20 per cent and 50 per cent. Management considered if the Consolidated Entity controls its associates and concluded that it does not based on its level of control over each associate.

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

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

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

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

Other accounting policies include:

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

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

The following table summarises the revenue recognition policies.

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

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

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

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

(iii) Government grants
In the period to 31 December 2020 the Consolidated Entity had received $8,764,500 under the Federal Government's JobKeeper program. This was accounted for as a government grant under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*. The standard provides the option to present these amounts as income or as a reduction in employee benefits expense. The Consolidated Entity elected to present these amounts as a reduction in employee benefits expense as this best reflected the underlying substance of the transaction for the Consolidated Entity. The Consolidated Entity has not received any government grants in the current period.

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

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

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

(vi) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

Foreign operations

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

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

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

(vii) Goods and Services Tax (GST)

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

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

(viii) Leases

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

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

Lease liabilities are subsequently measured by:

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

Interest on the lease liabilities and any variable lease payments not included in the measurement of the lease liabilities are recognised in the Consolidated Statement of Comprehensive Income in the period in which they relate. Interest on lease liabilities included in finance costs in the Consolidated Statement of Comprehensive Income totalled $1,904,000 for the year (2020: $1,997,000).

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

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

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

Additions to the right-of-use assets during the year were $13,063,000 (2020: nil).

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

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

The Consolidated Entity has assessed the right-of-use assets for impairment indicators in light of the COVID-19 pandemic and has calculated the recoverable amount where indicators exist. This has resulted in net impairment expense of $3,801,000 for the year (Dec 2020: $4,225,000).

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

(e) New and amended accounting standards and interpretations adopted from 1 January 2021

AAAS 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform Phase 2 AASB 2020-8
Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform Phase 2 amends a number of existing Accounting Standards to introduce practical expedients in relation to accounting for the modification of financial contracts and/or leases if a change results directly from IBOR reform. IBOR reform refers to the global reform of interest rate benchmarks, which includes the replacement of some interbank offered rates (IBOR) with alternative benchmark rates. Amendments also allow a series of exemptions from the regular hedge accounting rules and introduce additional disclosure requirements.

The Company has no financial instruments that reference an impacted IBOR benchmark rate. Some impacted IBOR benchmark rates are however utilised as inputs in the hedge accounting valuations and the transition to alternative benchmark rates by June 2023 is being assessed but is not expected to be material to the Company.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of new and amended standards and interpretations commencing 1 January 2021 that have been adopted where applicable. The Group has restated comparative information to reflect the March 2021 IFRIC agenda decision on *Configuration or Customisation Costs in a Cloud Computing Arrangement* (IAS 38 *Intangible Assets)*. Refer to note 25.

Other than the above, there are no significant changes to the Consolidated Entity's financial performance and position as a result of the adoption of the new and amended accounting standards and interpretations effective for annual reporting periods beginning on or after 1 January 2021.

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

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Consolidated Entity. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

27. EVENTS SUBSEQUENT TO REPORTING DATE

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

After the balance date, the Commercial Tenancy Code of Conduct was extended in New South Wales until 13 March 2022 and in Victoria until 15 March 2022, to provide rent relief to qualifying small and medium tenants. GPT continues to work with tenants to provide relief as required to assist with any short-term cash flow impacts.

Other than the above, the Directors are not aware of any matter or circumstances occurring since 31 December 2021 that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial year.

DIRECTORS' DECLARATION

Year ended 31 December 2021

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

(a) the consolidated financial statements and notes set out on pages 28 to 60 are in accordance with the *Corporations Act 2001*, including:
  – complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  – giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 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 26 to the financial statements.

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

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

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

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

GPT Management Holdings Limited

Sydney
14 February 2022

Independent auditor's report

To the members of GPT Management Holdings Limited

Report on the audit of the financial report

Our opinion

In our opinion:

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

(a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its financial performance for the year then ended

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

What we have audited

The Consolidated Entity financial report comprises:

- the Consolidated Statement of Financial Position as at 31 December 2021
- the Consolidated Statement of Comprehensive Income for the year then ended
- the Consolidated Statement of Changes in Equity for the year then ended
- the Consolidated Statement of Cash Flows for the year then ended
- the Notes to the Financial Statements, which include significant accounting policies and other explanatory information
- the Directors' Declaration.

Basis for opinion

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

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

Independence

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

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

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

Our audit approach

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

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

Materiality	***Audit scope***	***Key audit matters***
• For the purpose of our audit we used overall Consolidated Entity materiality of $2.26 million, which represents approximately 1% of the Consolidated Entity's total revenue and other income. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose the Consolidated Entity's total revenue and other income as the Consolidated Entity generates income from funds management, property management and development management fees, whilst expenses within	• Our audit focused on where the Consolidated Entity made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit Committee: – Revenue recognition – Carrying value of Inventory • These are further described in the *Key audit matters* section of our report.

the Consolidated Entity are recharged to General Property Trust which can be altered based on the recharge model utilised.

- We selected a 1% threshold based on our professional judgement, noting it is also within the range of commonly acceptable revenue related thresholds.

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.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Revenue recognition
$190.20 million
Refer to Consolidated Statement of Comprehensive Income

The Consolidated Entity earns revenue through its role as a fund and property manager. It also earns development revenue through the development of property, either for third parties, or directly on its own account for ultimate sale.

Total revenue for the year ended 31 December 2021 comprised the following:

• Fund management fees
• Property management fees
• Management costs recharged
• Development management fees

We considered this a key audit matter due to the magnitude of revenue and there being multiple revenue streams increasing the complexity of recognition.</td><td>For each material revenue stream, we developed an understanding of how revenue is calculated and the process by which revenue is recognised and recorded. We also identified the key controls including bank account reconciliations.

For fund and property management fees, we inspected a sample of agreements to develop an understanding of the basis for which revenue is earned. We recalculated a sample of the fees by applying the fee percentage per agreement to the relevant benchmark, such as funds' gross asset value or property revenue.

For management costs recharged during the year, we discussed with management the terms under which costs are recharged by the Consolidated Entity to assets it manages. Additionally:

• We developed an understanding of the budgeting process and obtained evidence of management review of the 2021 related budget, via signed-off memos.
• We reconciled the approved management cost recharge budget to the general ledger.</td></tr>
</table>

Key audit matter	*How our audit addressed the key audit matter*
	• We agreed payroll recharge amounts to the audit procedures performed over the Consolidated Entity's remuneration expense. Development management fees are charged in accordance with development management agreements. We recalculated a sample of development management fees and agreed relevant inputs of the calculation back to source data, for example approved day rates.
Carrying value of inventories *$108.68 million* *Refer to note 5* The Consolidated Entity develops a portfolio of sites for future sale which are classified as inventory. The Consolidated Entity's inventories are held at the lower of the cost and net realisable value for each inventory project. The cost of the inventory includes the cost of acquisition, development, capitalised finance costs and all other costs directly related to specific projects including an allocation of direct overhead expenses. We considered the carrying value of inventories a key audit matter given the significant judgement required by the Consolidated Entity, for example in estimating future selling prices. These judgements may have a material impact on the calculation of net realisable value and therefore in determining whether the value of a project should be written down or have a previous impairment reversed.	For each project we obtained the Consolidated Entity's latest Net Realisable Value (NRV) models. We developed an understanding of how the Consolidated Entity identified the relevant assumptions and sources of data that are appropriate for calculating the NRV. We performed the following procedures, amongst others: • discussed project specifics with management, for example the life cycle of the project, key project risks and the impact of COVID-19 and how it has been reflected in the NRV models. • compared the estimated selling prices to market sales data in similar locations or to recent sales in the project. • compared the carrying value to the NRV to identify projects with potential impairments. • traced each inventory disposal to the supporting settlement statement, contract and cash support. • traced a sample of capital expenditure additions to supporting documentation and tested whether they were valid costs that could be capitalised in accordance with the requirements of Australian Accounting Standards. • tested the operating effectiveness of the control surrounding the Valuation Committee's review of inventory valuations. • assessed the reasonableness of the disclosures relating to inventories in the Consolidated Entity's financial report against the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 16 to 26 of the Directors' report for the year ended 31 December 2021.

In our opinion, the remuneration report of GPT Management Holdings Limited for the year ended 31 December 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

PricewaterhouseCoopers

PricewaterhouseCoopers

S. Horl

Susan Horlin
Partner

Sydney
14 February 2022