Annual Financial Report 2024

GARDA PROPERTY GROUP

Comprising the consolidated financial reports of Garda Holdings Limited (ACN 636 329 774) and Garda Diversified Property Fund (ABN 17 982 396 608, ARSN 104 391 273)

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Garda Property Group

Annual Financial Report
30 June 2024

Comprising the combined consolidated financial reports of

Garda Holdings Limited
ABN 92 636 329 774
Level 21, 12 Creek Street
Brisbane QLD 4000

and

Garda Diversified Property Fund
ARSN 104 391 273

CHAIRMAN'S REPORT

1 August 2024

Dear Securityholders,

I am pleased to present Garda's Annual Report for the year ended 30 June 2024 (**FY24**).

The REIT market has again been dominated by uncertainty of underlying asset values as demonstrated by the material divergence between security prices and underlying value (NTA).

The Garda security price has fluctuated widely throughout the year. Understandably investors continue to question book values and appropriate valuation inputs as there is little clarity on Australia's pathway and timing through continuing high inflation and resultant high interest rates.

However, these conditions will not persist forever, even if Australia does lag the rest of the world in what is expected to be a loosening bias globally in FY25.

We expect the valuation cycle for industrial is nearing the bottom, although the difference of value from one asset to another has never been more acute with widely varying ranges of passing to market rents and the ability or timing to access rental reversion.

The various property sectors have been impacted and responded differently with particularly the office sector suffering most.

Industrial, which now comprises 83% of the Garda portfolio, has weathered this environment reasonably well as that sector continues to be structurally undersupplied nationally, both for built form and land. Historically high industrial rental growth has all but offset material capitalisation rate decompression.

Garda's industrial portfolio weighted average capitalisation rate has expanded from 4.27% to 5.58% since December 2022 and some further expansion is likely, as is continued offsetting rental growth.

There has been a dearth of capital markets activity over the past two years with very few asset sales completed to provide confidence to market participants. I expect this to continue until the market can reasonably form a view that interest rates have peaked, and an environment exists that will allow these to fall.

In early 2022 Garda formed a view that it must exit its Melbourne commercial office portfolio, and this was ultimately achieved by February this year. The sobering cost of this exit has been felt by all of us, however, the cost of retaining ownership was expected to have been far worse. A decision that can only be measured with the passage of time.

Our sole remaining office building, the Cairns Corporate Tower continues to perform strongly, although it also is not entirely resistant to some valuation movement.

Looking to the future, Garda is very well positioned as a develop-to-own industrial REIT, endowed with a substantial development pipeline (100,000m^2+) underpinned by approved land and proven inhouse skills to deliver. This core activity is complemented by the market dominating Cairns Corporate Tower (17% of portfolio) and a small (~$30m allocated at year end) but revenue-important amount of property lending.

Our already young modern industrial portfolio continues to be improved as each of our new projects is completed. Throughout the year the 14,777m^2 Acacia Ridge construction got underway (completion expected December 2024) and our pre-leased 12,912m^2 Richland facility was completed.

Bulk earthworks were completed on our 25ha (100,000m^2+ NLA) North Lakes project and civil works are underway and expected to be completed early in 2025. At that time development approvals for more than 40,000m^2 of built form are likely to be held, providing substantial choice in the type of built form to meet the market.

The site for the Pinnacle East project proposed at 372 Progress Road was unconditionally sold after year end and settlement is due in mid-August. With finite capital and numerous other development options the decision to re-allocate the capital invested in that land and the further required capital for construction, totaling some $50 million, to other higher returning projects was made.

Construction costs appear to have stabilised and there is some possible evidence of a minor easing. Rents continue to increase, however, the volume of leasing activity has moderated while remaining historically very strong with vacancy rates continuing below accepted market equilibrium levels.

Garda unwaveringly manages its business with a predominant focus on balance sheet and value per security. Gearing at year end was 36%, marginally above its targeted 30%-35% range.

Value per security of $1.71 at year end compared to a high of $2.05 two years ago. This 16.6% reduction in value is felt by all of us but compares favourably to many peers in the sector. Throughout the year Garda undertook a security buy back acquiring ~9.6m securities at an average price of $1.21 some 30% below NTA.

Importantly Garda has exited those assets that it believed would continue to lose value and has reallocated capital to the highest returning options.

The heightened interest rate environment of the past two years has consumed much of the increased revenue generated from completion of new industrial buildings. Nevertheless, Garda beat its FY24 earnings guidance and met its distribution guidance of 6.3cps (98% payout ratio) while again providing this 100% tax deferred.

I am hopeful that FY25 will see improved capital markets confidence and some recent activity is supportive of this.

We expect industrial leasing demand and rental levels to remain robust and this will support the continued delivery of our industrial projects. The 15,000m^2 Acacia Ridge project will be the only built form completion during FY25, thereafter followed by components of the substantial (100,000m^2+ NLA) North Lakes Pinnacle North project commencing in FY26.

Matthew Madsen
Executive Chairman

OPERATIONAL REVIEW

INVESTMENT PORTFOLIO

Overview

30 June 2024	Industrial Established	Industrial Projects	Office	Total
Number of properties	8	3	1	**12**
Carrying value ($000)	285,802	139,782	83,080	**508,664**
Occupancy (%)	93.4	-	95.6	**94.4**
WALE (years)	5.6	-	3.2	**4.8**

At 30 June 2024, Garda's investment property portfolio was valued at $508,664,000, with approximately 83% of the portfolio comprising industrial buildings and land.

Transactions

During FY24, Garda sold its three commercial office buildings in Melbourne and a land parcel in Townsville.

Property		Settlement	Gross proceeds $000
Richmond:	572-576 Swan Street (Botanicca 7)	31 January 2024	80,000
Richmond:	588A Swan Street (Botanicca 9)		
Hawthorn East:	8-10 Cato Street	8 December 2023	24,100
Townsville:	39 Palmer Street	1 November 2023	2,000

Garda's portfolio now comprises eight established industrial properties and three industrial development sites in Brisbane and Cairns Corporate Tower.

One of the industrial development sites, Pinnacle East in Wacol with a carrying value of $13,298,000, was being held for sale at year end. An unconditional contract for sale was executed after year end, with settlement scheduled for 20 August 2024.

Developments

In December 2023, Garda completed the construction of its pre-leased 12,912m^2 industrial facility at 56-72 Bandara Street, Richlands. Development activity is now focused on the in-construction 14,777m^2 Acacia Ridge development and the North Lakes project.

Project	Estimated GFA m^2	Status of DA approval	Estimated completion date	Current independent valuation $000
Development sites				
Acacia Ridge, 38-56 Peterkin Street	15,000	granted	Q2 FY25	19,700
North Lakes	100,000	granted	FY26-27	69,500
Established assets – infill opportunities				
Acacia Ridge, Stage 1B, 69 Peterkin Street	3,000	-	-	4,100
Morningside	5,700	granted	-	6,500
Total	**123,700**	**-**	**-**	**99,800**

Sustainability

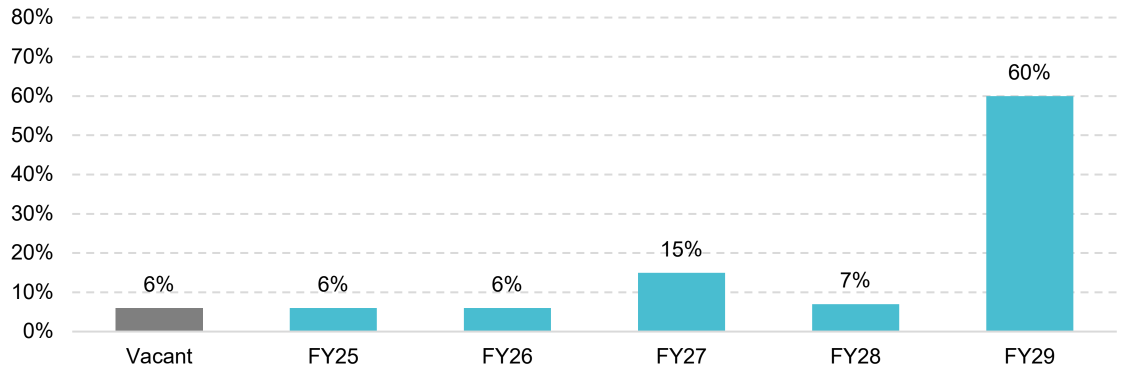
Garda continues to optimise the efficiency of its operationally controlled buildings through energy and water initiatives. Our efforts during the reporting period were rewarded with our rank in the NABERS Sustainable Portfolios index improving from 8th to 7th.

The Australian government has introduced its mandatory climate-related financial disclosures legislation to Parliament. Known as *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024*, it will be applicable to Group 1 entities for financial years commencing on or after 1 January 2025.

While the new legislation does not apply to Garda due to not meeting the reporting thresholds, it is Garda's intention to voluntarily adopt the new reporting regime, to the extent practicable, as though it was a "Group 3" entity. In the interim, Garda's intention is to continue publishing an annual, standalone sustainability report.

Leasing

Garda's lease expiry profile at 30 June 2024 was as follows:



Tenant profile

Garda has a diversified base of tenants by ownership structure and industry. The high proportion of tenants being government, listed or multinational, with none being heavily exposed to the retail and consumer discretionary sectors, provides resiliency to Garda's rental income.

Top 10 Tenants (30 June 2024)	**Type**	**% of Gross Income**	**Expiry**
Volvo Group	Industrial	13.3%	Jul 28
Ausdeck	Industrial	9.9%	Dec 33
Komatsu	Industrial	9.5%	Jul 26
Pinkenba Operations	Industrial	8.5%	Aug 33
Qld Govt (DTMR)	Office	5.2%	Nov 28
James Energies	Industrial	4.6%	Mar 28
CNW	Industrial	4.3%	Sep 28
YHI	Industrial	4.3%	Sep 31
Tas. Freight	Industrial	3.1%	Mar 30
BDO	Office	2.9%	Nov 29
Total Top 10		**65.6%**	

Valuations

Six of Garda's properties, or 44% of our properties by value, were externally valued for the FY24 Annual Report, with the balance of the portfolio being carried at directors' valuation.

Development and refurbishment costs (other than repairs and maintenance) are capitalised where they result in an enhancement in the future economic benefits of a property. Where those costs were incurred subsequently to last independent valuation, they are disclosed separately as value accretive expenditure.

As at 30 June		Valuation Type	2024 $000	2023 $000	Movement $000
Industrial					
Established					
Acacia Ridge	69 Peterkin Street	Directors	22,120	21,400	720
Berrinba	1-9 Kellar Street	External	16,000	15,400	600
Heathwood	67 Noosa Street	External	16,900	15,500	1,400
Morningside	326 & 340 Thynne Road	External	61,000	54,500	6,500
Pinkenba	70 - 82 Main Beach Road	External	32,200	35,500	(3,300)
Richlands	56 - 72 Bandara Street	Directors	39,454	13,700	25,754
Wacol	41 Bivouac Place	External	52,500	58,500	(6,000)
Wacol	498 Progress Road (Pinnacle West)	External	45,500	45,900	(400)
Value accretive capital expenditure		Directors	128	2,219	(2,091)
Developments					
Acacia Ridge	38-56 Peterkin Street	Directors	31,073	18,350	12,723
North Lakes	109 - 135 Boundary Road	Directors	95,411	69,500	25,911
Wacol	372 Progress Road (Pinnacle East)		-	11,000	(11,000)
Value accretive capital expenditure		Directors	-	10,786	(10,786)
Total industrial			**412,286**	**372,255**	**40,031**
Office					
Cairns	7-19 Lake Street	Directors	83,080	87,750	(4,670)
Hawthorn East	8-10 Cato Street	Directors	-	25,000	(25,000)
Value accretive capital expenditure		Directors	-	3,778	(3,778)
Total office			**83,080**	**116,528**	**(33,448)**
Total investment properties (non-current assets)			**495,366**	**488,783**	**6,583**
Held for sale					
Wacol	372 Progress Road (Pinnacle East)	Directors	13,298	-	13,298
Richmond	572-576 Swan Street (Botanicca 7)		-	50,500	(50,500)
Richmond	588A Swan Street (Botanicca 9)		-	60,000	(60,000)
Townsville	39 Palmer Street		-	1,250	(1,250)
Total investment properties held for sale (current assets)			**13,298**	**111,750**	**(98,452)**
Total investment properties			**508,664**	**600,533**	**(91,869)**

FINANCIAL SUMMARY

FINANCIAL PERFORMANCE

Key metrics

Year ended 30 June	2024	2023	Change
FFO ($000)	13,280	14,933	(1,653)
Distributions ($000)	12,945	15,027	(2,082)
Payout ratio	97.5%	100.6%	(3.1%)

Funds from operations

Garda recorded statutory net loss after tax for the year of $42,926,000 (FY23: loss of $4,934,000). This includes items which are non-cash in nature, incur infrequently and/or relate to realised or unrealised changes in the values of assets and liabilities. Accordingly, in the opinion of the Directors, statutory profit should be adjusted to allow securityholders to gain a better understanding of Garda's operating profit or FFO.

Year ended 30 June	2024 $000	2023 $000
Loss after tax	**(42,926)**	**(4,934)**
Adjustments for non-cash items included in net profit after tax:		
Valuations – (deduct increases) / add back decreases:		
Investment properties	39,295	6,470
Derivatives	3,385	(638)
Asset disposals – (deduct gains) / add back losses:		
Investment properties	11,163	11,729
Other accounting reversals – (deduct income) / add back expenses:		
Security based payments	1,637	719
Net lease contract and rental items	713	1,565
Other	13	22
FFO	**13,280**	**14,933**

FINANCIAL POSITION

Key Metrics

	2024	2023
NTA per stapled security	**$1.71**	$1.96
Gearing	**36.5%**	33.7%
LVR	**46.1%**	38.7%

Net tangible assets

Garda experienced a 12.8% decrease in NTA per security in FY24 driven by:

- movements in values of its investment properties; and
- losses incurred on its exit from the Melbourne office market.

Borrowings

Garda has a $270,000,000 syndicated debt facility which, at 30 June 2024, had headroom of $52,808,986. Garda's weighted average cost of debt (fully drawn) at year end was approximately 4.66% (FY23: 4.68%) and its gearing 36.5% (FY23: 33.7%).

Derivatives

Garda has in place $150,000,000 (30 June 2023: $150,000,000) of interest rate hedges comprising:

- $50,000,000 of interest rate swaps at a rate of 2.61%, expiring 3 June 2025;
- $10,000,000 of interest rate swaps at a rate of 0.80%, expiring 4 March 2027;
- $60,000,000 interest rate swaps at a rate of 0.82%, expiring 4 March 2027; and
- $30,000,000 interest rate swaps at a rate of 0.98%, expiring 4 March 2030.

These derivatives are currently “in the money” with a valuation at 30 June 2024 of $12,142,000.

Issued Capital

	Securities
Total Garda issued stapled securities at 30 June 2024	217,651,293
Less:	
Stapled securities held as treasury stock	(1,993,489)
Stapled securities issued or transferred under the Garda Employee Security Plan	(14,840,000)
Stapled securities transferred under the Garda Equity Incentive Plan as deferred securities (unvested)	(536,260)
Garda stapled securities in accordance with Australian Accounting Standards[1]	**200,281,544**

On 17 April 2023, Garda commenced an on-market buy-back program for 12 months which was extended by a further 12 months, commencing on 22 April 2024. At 30 June 2024, 9,993,068 stapled securities had been bought back and cancelled, of which 9,584,419 were cancelled during the reporting period.

[1] Pursuant to Australian Accounting Standards, treasury securities and ESP securities and the distributions attaching thereto are not included in statutory accounts.

STRATEGY AND OUTLOOK

STRATEGY

Objective

Garda's objective is to deliver enduring value to securityholders through our expertise in real estate.

Inherent in our objective is an unambiguous focus on capital management and optimisation of securityholder equity. Distributions are made within this balance sheet context.

Significantly, all Directors and employees are securityholders, ensuring alignment with Garda's objective and the interests of other securityholders.

Strategic focus

Garda is a long term investor but will actively adjust its investment focus in anticipation of, or in response to, changing economic conditions.

In recent years, this agility allowed Garda to place early strategic emphasis on the industrial sector in south east Queensland.

It also resulted in Garda acquiring scarce industrial development sites at a time when development was more value accretive than acquisition of established buildings.

FY24 activities and outcomes

In FY24 Garda continued to increase its exposure to the south east Queensland industrial sector through development activities at Acacia Ridge, North Lakes and Richlands.

This industrial exposure was accentuated by Garda's decision to exit the Melbourne office market.

Garda is now a pure play industrial real estate group, with a single office building in Cairns and a small but profitable commercial lending operation.

OUTLOOK

At a macro-economic level, persistent inflation is negatively impacting interest rates and property valuations and is having an insidious effect on investor confidence.

Nevertheless, the medium-term outlook for Garda is encouraging:

- Market rental growth in its established buildings continues to offset adverse valuation impacts from increasing capitalisation;
- 15,000m^2 of prime industrial property at Acacia Ridge will be completed in the first half of FY25 with attractive starting rents expected;
- construction of industrial facilities at North Lakes may commence late in FY25 following completion of all bulk earth and civil works; and
- low vacancy rates continue to underpin tenant demand and rents for our existing and future industrial buildings.

KEY RISKS

RISK MANAGEMENT

Risk management framework

Effective risk management is critical to Garda achieving its objective.

We are committed to high standards of risk management in the way we conduct business and actively identify and manage risks that may impact the realisation of our strategy.

Garda conducts its activities within a risk management framework promulgated by the Board and overseen by the Audit, Risk and Sustainability Committee.

Investment and operational decisions must fall within the ambit of our risk appetite statement and strategic priorities and day to day activities are regularly considered through our strategic and operational risk registers, respectively.

Strategic risks

In its most recent review of strategic risks, the Board prioritised risks according to their potential likelihood and the consequences for Garda.

Common to the more highly ranked strategic risks was inflation and the possible ramifications of "higher for longer interest rates" on:

i) capitalisation rates and valuations;

ii) borrowing costs and covenants;

iii) business conditions generally;

iv) tenant financial viability; and

v) industrial market rents.

The Board's assessment was that while these risks warranted a 'high' rating, adequate mitigants are in placed to manage them, including:

- a portfolio of sought-after industrial assets where market rent increases are largely offsetting capitalisation rate decompression;
- occupancy levels approaching 100%;
- financially sound tenants with material time left on their lease terms;
- headroom on borrowing facilities and covenants; and
- adequate interest rate hedges in place.

Cyber risks

While not currently considered high risk, cyber security is regularly assessed at a strategic and operational level.

Board and management are satisfied that Garda has the appropriate infrastructure, data handling and storage protocols and training and education programs to sufficiently mitigate cyber risks.

Sustainability

Garda pursues its sustainability objectives through a framework comprising three pillars:

- *environment pillar*: acquire, develop and own properties that will stand the test of time and sustainably manage them in a manner that will satisfy stakeholder expectations;
- *social pillar*: understand the sustainability issues that matter to its stakeholders and respond appropriately; and
- *governance pillar*: pursue governance, risk and compliance activities that are best practice for its size, stage of development and ambitions.

Within each pillar we have identified issues that may impact Garda's operations and investments and prioritised them according to an assessment of:

i) significance to Garda and its stakeholders; and

ii) likely impact of action by the Garda Board and management to mitigate or remediate the particular issue.

The five material topics that form the basis of Garda's annual sustainability reporting are:

i) efficient operations;

ii) sustainable development;

iii) aligned employees;

iv) financial strength; and

v) ESG reporting.

As at the date of this Annual Report, Garda has not identified new or increased risks and issues that warrant inclusion in its sustainability reporting.

GARDA

BOARD OF DIRECTORS

Matthew Madsen
Executive Chairman

Appointed September 2011.

Professional experience

Matthew has been Garda's Managing Director and Executive Chairman since 2011. He has more than 25 years' experience in real estate, real estate finance and funds management

Matthew is Chair of the Advisory Board for residential land developer, Trask Development Corporation.

Listed entity directorships

Listed entity directorships in the last three years: None.

Qualifications

Diploma in Financial Services, Diploma in Financial Markets, Affiliate Member of the Securities Institute of Australia.

Garda securities

Ordinary:	5,950,000
ESP securities:	10,960,000

Mark Hallett
Executive Director

Appointed January 2011.

Executive Director from February 2020.

Professional experience

Mark has more than 30 years' industry and legal experience. After qualifying as a solicitor, he had a range of diverse industry experiences across all aspects of corporate litigation, restructuring and commercial property. Mark was legal practice director of Hallett Legal and is now a consultant at Macpherson Kelley.

Mark has managed successful property syndicates for business associates and continues to advise participants in the industry on property investment and corporate restructuring.

Listed entity directorships

Listed entity directorships in the last three years: None.

Qualifications

Bachelor of Laws

Garda securities

Ordinary:	1,533,469
ESP securities:	1,000,000
Performance rights:	48,262

Paul Leitch
Independent Director

Appointed March 2020.

Chair of the Audit, Risk and Sustainability Committee from March 2023.

Chair of the Nomination and Remuneration Committee from March 2020.

Professional experience

Paul has more than 20 years' experience as a senior executive with public and private sector organisations. He has held leadership roles in financial services including as Chief Operating Officer for QIC. He has significant experience in professional services and is currently director of a private advisory firm. Paul's company director roles have encompassed charity, family and listed entities.

Paul is the independent director of Charles Porter and Sons.

Listed entity directorships

Listed entity directorships in the last three years: None.

Qualifications

Bachelor of Arts (Music), post graduate qualifications in Education, Member of the AICD, Member of Australian Human Resources Institute.

Garda securities

Ordinary:	47,411

Andrew Thornton
Non-Executive Director

Appointed March 2020.

Member of the Audit, Risk and Sustainability Committee

Member of the Nomination and Remuneration Committee.

Professional experience

Andrew is a director of Great Western Corporation, a private group with interests in commercial and industrial property, general manufacturing, agricultural equipment and investments. He joined Great Western Corporation in 1995 before becoming Joint Managing Director in 2010.

Andrew previously served as Treasurer of both the Volvo Truck & Bus Dealer Council and the Daimler Truck Dealer Council.

He is a director of HGT Investments Pty Ltd, Garda's largest securityholder.

Listed entity directorships

Listed entity directorships in the last three years: None.

Qualifications

Bachelor of Business, Member of the AICD.

Garda securities

Ordinary:	1,255,005

DIRECTORS' REPORT

Introduction

Garda Property Group (**Garda** or the **Group**) is an ASX-listed stapled entity whereby shares in Garda Holdings Limited (**GHL** or the **Company**) are stapled to units in Garda Diversified Property Fund (**GDF** or the **Fund**) on a one-for-one basis.

Shares of the Company and units of the Fund cannot be traded separately and may only be traded together as stapled securities.

The Directors of the Company and of Garda Capital Limited as responsible entity for the Fund present their report and the consolidated financial statements for the year ended 30 June 2024 for both:

- the Group - comprising the Company, the Fund and their controlled entities; and
- the Company - comprising only the Company and its controlled entities.

The parent entity of the Group is the Fund.

Directors

The Directors of the Company and Garda Capital Limited at any time during the financial year and up to the date of this report are listed below. The Directors are also directors of all Group subsidiaries.

Matthew Madsen	Executive Chairman
Mark Hallett	Executive Director
Paul Leitch	Independent Director
Andrew Thornton	Non-executive Director

Profiles of the Directors may be found on page 10.

Company Secretary

Garda's Company Secretary and General Counsel throughout FY24 was Lachlan Davidson. He has been Company Secretary since July 2016.

Lachlan has over 25 years' experience in corporate law, fund raising and managed investments.

He holds a Law degree, a BSc in Genetics and Biochemistry and an MBA. He is a Justice of the Peace (Qualified) and a Graduate of the AICD Directors Course.

Principal activities

Garda is an internally managed real estate investment, development and funds management group. The Fund invests in, owns, manages and develops industrial and commercial real estate in accordance with the provisions of the Fund's constitution. The Company, through its subsidiaries, acts as the responsible entity of the Fund.

Group strategy

Garda's objective is to deliver enduring value to securityholders through its expertise in real estate.

In pursuing this objective, Garda acts as a long-term owner of real estate, being market cycle aware and seeking out only those risks it wishes to take.

More information on Garda's strategy is provided on page 8.

Review of operations

A detailed review of operations, including details of Garda's properties, is provided in the Operational Review commencing on page 3.

Financial result

Garda recorded statutory net loss after tax for FY24 of $42,926,000 (FY23: net loss after tax $4,934,000). This includes items which are non-cash in nature, incur infrequently and/or relate to realised or unrealised changes in the values of assets and liabilities.

After adjusting for these items, Garda's funds from operations (**FFO**) for FY24 were $13,280,000 (FY23: $14,933,000) and a reconciliation to statutory net loss after tax is provided in the Financial Summary commencing on page 6.

Dividends and Distributions

The table below provides details of distributions[2] paid by Garda in respect of the financial year:

	Dividend per security	Distribution per security	Total per security	Total $000	Franked amount	Record date	Payment date
2024							
Interim	-	1.575c	1.575c	3,283	-	29 Sep 23	17 Oct 23
Interim	-	1.575c	1.575c	3,304	-	29 Dec 23	18 Jan 24
Interim	-	1.575c	1.575c	3,195	-	28 Mar 24	16 Apr 24
Final	-	1.575c	1.575c	3,163	-	28 Jun 24	16 Jul 24
	-	**6.30c**	**6.30c**	**12,945**	**-**		
2023							
Interim	-	1.80c	1.80c	3,758	-	30 Sep 22	17 Oct 22
Interim	-	1.80c	1.80c	3,759	-	30 Dec 22	17 Jan 23
Interim	-	1.80c	1.80c	3,759	-	31 Mar 23	19 Apr 23
Final	-	1.80c	1.80c	3,751	-	30 Jun 23	17 Jul 23
	-	**7.20c**	**7.20c**	**15,027**	**-**		

Outlook

Garda will continue to execute its strategy in FY24 with its key priorities being the delivery of its industrial development pipeline and managing ongoing capital requirements and gearing levels.

Please refer to page 8 for more information.

Subsequent events

On 10 July 2024, Garda announced the unconditional sale of its Pinnacle East asset at Wacol with settlement scheduled for 20 August 2024. The net sale proceeds are $13,298,000.

Otherwise, there are no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect:

- Garda's operations in future financial years;
- the results of those operations in future years; or
- the state of affairs of Garda in future years.

Significant changes in state of affairs

Other than as set out in this Annual Report, there were no significant changes in the operating activities of the Group (including controlled entities) during the year.

Corporate governance

Garda's Corporate Governance Statement may be found on page 71 of this Annual Report.

2 Total distributions exclude distributions paid in respect of treasury securities and securities granted under the Garda ESP.

Meetings of Directors

Attendance at meetings of Directors during the year was as follows:

	Board of Directors		Nomination and Remuneration Committee		Audit, Risk and Sustainability Committee	
	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend
Matthew Madsen	10	10	0	invited	0	invited
Mark Hallett	10	10	0	invited	0	invited
Paul Leitch	10	10	3	3	2	2
Andrew Thornton	10	10	3	3	2	2

Directors' remuneration

Directors' remuneration is set out in the Remuneration Report commencing on page 15.

Remuneration of officers

Remunerated officers of the Group other than the directors are the Chief Operating Officer and Company Secretary. Their remuneration arrangements, including equity grants, are described in the Remuneration Report on pages 15-26.

Unissued securities under options or performance rights

Details of performance rights issued to employees during the year, including performance rights outstanding at 30 June 2024 and up to the date of this report, are disclosed in Note 18.

Securities issued on the exercise of options or performance rights

There were no securities issued during the year and up to the date of the report as a result of the exercise of options or rights over unissued securities in Garda.

Audit, Risk and Sustainability Committee

The Audit, Risk and Sustainability Committee comprising independent and non-executive directors meets regularly with the management team and auditor to consider the nature and scope of the assurance activities, the effectiveness of the risk and control systems, and monitor Garda's sustainability initiatives.

Auditor

Pitcher Partners is the auditor of the Group.

Securityholder details

A summary of Garda's substantial securityholders and 20 largest securityholders is provided on page 72.

Indemnification and insurance of directors, officers and auditor

Garda has agreed to indemnify current and former directors and certain key officers against all liabilities to another person (other than the Group or a related entity) that may arise from their position as director or employee of the Group, except where the liability arises out of conduct involving lack of good faith.

The agreement stipulates that the Group will meet the full amount of any such liabilities, including costs and expenses.

The indemnities were limited as required under the *Corporations Act 2001*.

The Group has paid insurance premiums on behalf of its officers for liability and legal expenses for the year ended 30 June 2024.

The relevant insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been directors or officers of the Group.

Details of the nature of the liabilities covered or the amount of the premium paid have not been included, as such disclosure is prohibited under the terms of the relevant contracts.

The Group has not indemnified its auditor.

Proceedings on behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purposes of taking responsibility on behalf of the Group for all or any part of those proceedings.

Environmental regulation

The Group's operations were not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Directors believe Garda has adequate systems in place for the management of its environmental requirements and are not aware of any breach of those environmental requirements.

Rounding

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191* and therefore the amounts contained in this report and in the financial report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Non-audit services

Non-audit services in the form of regulatory services and business advisory services were provided by the Group's auditor, Pitcher Partners, during the year (refer to Note 20 for details).

The Directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.*

The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit, Risk and Sustainability Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermines the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* may be found on page 27 following the Remuneration Report.

REMUNERATION REPORT (AUDITED)

CHAIR OF THE NOMINATION AND REMUNERATION COMMITTEE

Dear Securityholders,

As Chair of Garda's Nomination and Remuneration Committee, I am pleased to present the Remuneration Report for the year ended 30 June 2024.

Approach to remuneration

Each year, the Committee reviews the Group's executive remuneration practices to ensure they remain aligned with our strategic objectives and are consistent with the practices adopted by our ASX-listed peers. This ensures Garda continues to retain, attract and motivate talented individuals with the requisite talent, expertise, experience and relationships to take the Group forward.

Review of remuneration practices

Our remuneration practices in FY24 were consistent with prior years, with executive remuneration continuing to comprise a mix of fixed remuneration and short and long term incentives.

In its annual review, the Committee was particularly engaged on prevailing economic conditions and the potential for factors outside Garda's control to adversely and unfairly impact the likelihood of vesting of long term incentives.

Ultimately, the Committee's recommendation to the Board was that new long term incentives should comprise, at least temporarily, deferred security awards in lieu of performance rights. The Board accepted this adjustment would ensure long term incentives remained relevant and effective in the current environment.

The key elements of Garda's remuneration structure, which the Board believes are fit for purpose and align the interests of our people with those of our securityholders, are set out in section 6 below.

FY24 outcomes

Garda was particularly active in FY24, managing portfolio exposures and progressing its industrial development projects.

Garda exited the Victorian market with the sales of Botanicca 7, Botanicca 9, and Hawthorn East, leaving only Cairns Corporate Tower in the Australian commercial office market.

Proceeds from these disposals were earmarked for our industrial developments with Richlands now complete and material progress being made at North Lakes and Acacia Ridge.

Considering the macro-economic environment, our portfolio has proven reasonably resilient with NTA per security falling 12.8% to $1.71, compared with $1.96 at 30 June 2023. This 12.8% decrease compares favourably with valuations and transactions recently announced by our peers.

5,000,000 ESP securities, 223,425 performance rights and 1,225,740 deferred security awards met their tenure hurdles during the year and vested. In addition, with all performance and services hurdles likely to be achieved, the final 223,435 performance rights from the December 2021 tranche is expected to vest in August 2024.

Conclusion

This Remuneration Report has been approved by the Board and is intended to be a useful and informative document, while also complying with our statutory obligations. I commend it to you.

Yours sincerely,

Paul Leitch
Independent Director
Chair of Nomination and Remuneration Committee
1 August 2024

1. BASIS OF PREPARATION

This Remuneration Report is in respect of the financial year ended 30 June 2024. It provides information about remuneration arrangements for key management personnel (**KMP**), including Non-executive Directors, Executive Directors and other senior executives.

The Remuneration Report has been prepared in accordance with section 300A of the *Corporations Act 2001 (Cth)* (**Act**), has been audited as required by section 308(3C) of the Act, and forms part of the Directors' Report.

2. KEY MANAGEMENT PERSONNEL

The following persons had authority and responsibility for planning, directing and controlling the activities of Garda during the financial year:

KMP	Role	Term
Independent Directors and Non-executive Directors		
Paul Leitch	Independent Director	Full term
Andrew Thornton	Non-executive Director	Full term
Executive Directors		
Matthew Madsen	Executive Chairman	Full term
Mark Hallett	Executive Director	Full term
Other Senior Executives		
David Addis	Chief Operating Officer	Full term
Lachlan Davidson	General Counsel & Company Secretary	Full term

3. REMUNERATION GOVERNANCE

The Board has an established Nomination and Remuneration Committee (**Committee**) which operates under the delegated authority of the Board. The role of the Committee is captured in its Charter which is published on Garda's website.

The roles and responsibilities of the Committee pertaining to remuneration include:

- evaluating the performance of the Board, including committees and individual Non-executive Directors;
- making recommendations to the Board regarding the remuneration of Non-executive Directors;
- assessing the performance of Executive Directors and reviewing their remuneration arrangements;
- reviewing the appropriateness and application of short-term and long-term incentive schemes and policies for executives and staff;
- seeking to align remuneration to the values, risk appetite and performance of Garda and the individual performance of executives; and
- ensuring appropriate human resources management programs, including performance assessment programs, are in place.

The Committee operates independently of Garda management and may engage remuneration advisers directly. Management may make recommendations to the Committee in relation to the development and implementation of reward strategy and structure.

During FY24, the members of the Committee were:

Director	Role	Term
Paul Leitch	Independent Director, Chair of Committee	Full term
Andrew Thornton	Non-executive Director	Full term

4. REMUNERATION PHILOSOPHY

The Board recognises the critical role people play in the:

- execution of our strategy;
- achievement of our corporate objectives; and
- the delivery of enduring value to our securityholders.

Our people are also a key differentiator and source of competitive advantage relative to our peers.

Accordingly, a strategic priority is to attract, motivate and retain motivated individuals who have the requisite talent, expertise, experience and relationships. In practice this means that our remuneration must not only be market competitive but must also closely align the interests of our people with those of our securityholders.

5. APPROACH TO NON-EXECUTIVE DIRECTOR REMUNERATION

Non-executive Directors are paid a fixed amount of remuneration comprising base salary or fees and statutory superannuation and are not eligible to receive cash incentives, security-based compensation or other retirement benefits.

Factors that are considered when setting fees for Non-executive Directors include:

- the workload, skills and experience required for the role;
- fees paid to Non-executive Directors of comparable organisations;
- the attributes, profile and reasonable expectations of the individuals; and
- the quantum or pool formally approved by securityholders for remuneration of Non-executive Directors. The approved pool is currently $600,000 per annum of which $222,601 was utilised in FY24.

6. APPROACH TO EXECUTIVE REMUNERATION

6.1 Summary

Within the context of Garda's financial performance and position, the Board and Committee seek to find a balance between:

- fixed and at-risk remuneration;
- short-term and long-term incentives; and
- amounts paid in cash and equity interests.

The table below summarises the current executive remuneration structure.

Component	Primary purpose	Benchmarks and hurdles	Delivery
Fixed remuneration	▪ Attract and retain talent	▪ Comparable groups ▪ Individual employee attributes	▪ Base salary ▪ Superannuation ▪ Employment benefits ▪ Salary sacrifice benefits
Short term incentive (**STI**)	▪ Align executive outcomes with annual goals for Group ▪ Reward individual achievement	▪ FY24 Group goals ▪ Funds from operations ▪ Net tangible assets ▪ Board discretion	▪ Cash
Long term incentive (**LTI**)	▪ Align executive outcomes with longer term securityholder returns	▪ Return on equity	▪ Performance rights ▪ Deferred security awards ▪ Loan backed ESP securities

6.2 Fixed remuneration

Fixed remuneration for employees is reviewed annually by the Executive Chairman, focusing on Group outcomes, individual performance and relevant comparative information in the market. The same process is used by the Committee when reviewing the fixed remuneration of the Executive Chairman.

Employees are provided with the opportunity to receive their base salary in a variety of forms including cash and salary sacrifice items such as additional superannuation contributions.

6.3 Short term incentive

The objective of the STI program is to link individual performance and the achievement of the Group's annual goals with employee remuneration. The STI opportunity and targets have been specified for some executives, while noting STI is discretionary and determined by the Executive Chairman.

Similarly, subject to behavioural, performance and financial hurdles, the Executive Chairman is eligible for an annual STI determined by the Committee.

STIs are usually paid in cash and none is based on profit measures only.

6.4 Long term incentive

Garda currently has two long term incentive plans in place:

1. *Employee Security Plan* (***ESP***) pursuant to which employees were granted LTIs in the form of stapled securities, backed by limited recourse loans; and
2. *Equity Incentive Plan (**EIP**)* pursuant to which senior executives may receive offers of performance rights and deferred security awards and all employees may receive offers of exempt securities.

The primary objective of Garda's LTI plans is to strengthen alignment between Garda executives and securityholders by incentivising executives to act like owners.

Performance rights will only vest, and be convertible into stapled securities, if Garda exceeds minimum return on equity hurdles. These rights will typically have a three-year measurement period. However, following securityholder approval of the Equity Incentive Plan in November 2021, the Committee determined that transition arrangements should apply to the first tranche of performance rights (refer section 9.4).

Deferred security awards granted for the first time in FY24 will only vest on satisfaction of employment tenure hurdles by the relevant employees. These awards, which are in the form of Garda stapled securities, typically have a three-year restriction period and are subject to a holding lock until vesting occurs.

7. GROUP PERFORMANCE

The key FY24 financial metrics considered by the Committee in determining remuneration outcomes included:

		2024	2023	2022	2021	2020
NTA per security	$	1.71	1.96	2.05	1.45	1.18
FFO	$000	13,280	14,933	16,653	16,167	15,680
Distributions per security	cents	6.30	7.20	7.20	7.20	8.55
Return on equity	%	(9.5%)	(0.9%)	46.3%	29%	23%
Payout ratio	%	97.5%	100.6%	90.2%	92.9%	104.8%
Gearing	%	36.5%	33.7%	35.6%	38.4%	36.4%
Security price	$	1.125	1.30	1.54	1.29	1.00

These metrics were considered in the context of the strategic priorities and challenges highlighted in the Garda Chairman's letter and Operational Review commencing on page 1 of this Annual Report, in particular:

- the relative strength of the industrial sector and Garda's strategic priority of increasing its exposure through the development of Richlands, Acacia Ridge and North Lakes;
- the decision to exit the Melbourne commercial office market with the sales of Botanicca 7 and Botanicca 9 in Richmond and our building in Hawthorn East;
- successful leasing outcomes at the newly developed Richlands industrial building as well as our current and former office buildings in Cairns and Melbourne;
- an improved NABERS ratings on our operationally controlled office building in Cairns;
- continuing prudent management of our balance sheet and borrowing arrangements; and
- continued focus on our environmental, social and governance obligations and commitments.

8. REMUNERATION OUTCOMES

8.1 Total KMP remuneration

The table below summarises the total remuneration provided to KMP in FY24 and FY23, calculated in accordance with statutory obligations and accounting standards:

	Short-term benefits				Long-term benefits		Security-based payments			
	Salary or fees	STI cash award[3]	Annual leave	Non-monetary benefits	Super-annuation	Long Service leave	Equity Incentive Plan[4]	Employee Security Plan[5]	Total	Performance related
Non-executive Directors										
P Leitch										
FY24	122,916	-	-	-	13,521	-	-	-	136,437	-
FY23	105,234	-	-	-	11,050	-	-	-	116,284	-
M Parker[6]										
FY24	-	-	-	-	-	-	-	-	-	-
FY23	76,869	-	-	-	8,071	-	-	-	84,940	-
A Thornton										
FY24	86,164	-	-	-	-	-	-	-	86,164	-
FY23	85,776	-	-	-	-	-	-	-	85,776	-
Executive Directors										
M Madsen										
FY24	695,000	1,042,500	3,838	3,499	27,399	7,867	-	89,929	1,870,032	60.6%
FY23	695,000	1,042,500	(25,083)	2,849	25,292	5,699	-	273,614	2,019,871	65.2%
M Hallett										
FY24	150,000	-	-	-	-	-	2,712	-	152,712	1.8%
FY23	150,000	-	-	-	-	-	2,105	21,290	173,395	13.5%
Executives										
D Addis										
FY24	368,846	55,000	(2,960)	3,406	27,399	6,208	61,185	-	519,084	22.4%
FY23	358,269	55,000	(2,495)	2,868	25,292	4,541	64,535	1,234	509,244	23.7%
L Davidson										
FY24	288,269	30,000	16,114	-	27,399	13,106	34,480	-	409,368	15.8%
FY23	273,846	30,000	(2,828)	-	25,292	15,075	34,319	-	375,704	17.1%
Total										
FY24	**1,711,195**	**1,127,500**	**16,992**	**6,905**	**95,718**	**27,181**	**98,377**	**89,929**	**3,173,797**	**41.5%**
FY23	**1,744,994**	**1,127,500**	**(30,406)**	**5,717**	**94,997**	**25,315**	**100,959**	**296,138**	**3,365,214**	**45.3%**

8.2 STI outcomes

The Committee determined that the Group achieved its corporate goals for FY24 and that the Executive Chairman satisfied his behavioural, performance and financial hurdles. The Committee also determined that because the Executive Chairman is already a substantial securityholder, it would be appropriate to grant all of his incentives for FY24 as a cash incentive. An incentive award equal to 150% of salary was granted and paid in FY24. For other executives or KMP, STI cash awards are at the discretion of the Board.

3 STIs are presented on a cash basis showing STIs actually paid during the financial year. The STI paid to the Executive Chairman was in respect of FY24 while the STIs paid to other executives were in respect of FY23.

4 Approved by securityholders on 25 November 2021. Includes fair value of performance rights, deferred security awards and exempt securities.

5 Comprises fair value of Garda securities granted with attaching non-recourse loans.

6 Retired from Board on 22 March 2023.

8.3 LTI outcomes

a) Summary

Since LTIs were first awarded in FY18, Garda has awarded four different types of LTIs under its employee security plans:

i) Garda ESP securities – loan-backed GDF stapled securities;

ii) exempt security awards;

iii) performance rights; and

iv) deferred security awards.

Details of LTIs awarded to KMP are set out in section 9 while details of all securities awarded to employees are set out in Note 18 of the financial statements.

b) Deferred security awards

In FY24, Garda awarded deferred security awards for the first time, in lieu of performance rights. These are restricted awards meaning the employee may not dispose of them prior to the satisfaction of a service-based hurdle, or restriction period. Satisfaction of the restriction period will be satisfied if the employee:

a) remains employed with a Group Member during the period from the Offer Date to 31 August 2026 (Test Date);

b) continues to be employed on the Test Date; and

c) has not otherwise given or received notice of termination before the Test Date,

or is otherwise a good leaver.

If the employee is not a good leaver and does not satisfy the service-based hurdle, the Board may elect to buy back the Deferred Security Awards, for zero consideration. No amount is payable by the Company to the employee to buy back the Deferred Security Awards in these circumstances.

c) Performance rights

Details of performance rights issued in prior reporting periods are summarised below.

Tranches:	December 2021 September 2022
KMP participants:	Mark Hallett, Executive Director David Addis, Chief Operating Officer Lachlan Davidson, General Counsel and Company Secretary
Grant dates:	10-15 December 2021 19 September 2022
Instrument:	Performance rights. The allocation of the LTI grants is on a face value basis using the volume weighted average price of Garda securities over the 10 days immediately following the release of Garda's FY21 and FY22 Annual Reports. Each performance right is a right to acquire one stapled security in the Group, subject to the achievement of performance and service hurdles.
Vesting period:	<u>December 2021 Tranche</u> 3 years ending 30 June 2024 with 100% due to vest following period end <u>September 2022 Tranche</u> 3 years ending 30 June 2025 with 100% due to vest following period end

Transition arrangements:	December 2021 Tranche One-third of the December 2021 tranche vest following the end of each of FY22, FY23 and FY24. If the performance hurdles at the end of FY22 and/or FY23 are not achieved, the relevant performance rights will carry forward to the next testing period. September 2022 Tranche There are no transition arrangements.
Service hurdle:	Vesting of the performance rights is subject to the employee: a) remaining employed during the Measurement Period; b) continuing to be employed on the relevant Test Date; and c) not giving or receiving notice of termination before the Test Date, or otherwise being a good leaver.
Performance hurdle:	Vesting of performance rights is subject to a return on equity (**ROE**) hurdle. ROE means the change in NTA plus distributions over the measurement period, divided by NTA at the commencement of the measurement period. Below lower ROE hurdle .... Nil Equal to lower ROE hurdle .... 50% Between lower and upper hurdles .... straight line pro rata At or above upper hurdle 100%
Clawback:	In prescribed circumstances, the Board has a discretion to ‘claw back’ securities (or the net proceeds from sale) allocated upon vesting or to cause unvested performance rights to lapse, to ensure no unfair benefit is obtained by a participant.
Dividends and voting rights:	Performance rights do not carry a right to vote or to distributions or, in general, a right to participate in other corporate actions such as entitlement issues.
Change of control provisions:	If a change of control event occurs, the Board has a discretion to determine the manner in which unvested rights and unexercised vested rights will be dealt with.

9. EQUITY INTERESTS

9.1 Ordinary securities

KMP equity interests, included all vested LTIs plus unvested deferred security awards, in ordinary Garda stapled securities as at 30 June 2024 are summarised below:

	As at 1 July 2023	Acquired	Disposed	LTI Grants[7]	As at 30 June 2024 Total	Ordinary Securities	ESP Securities
Non-executive Directors							
P Leitch	47,411	-	-	-	**47,411**	47,411	-
A Thornton	1,255,005	-	-	-	**1,255,005**	1,255,005	-
Executive Directors							
M Madsen	17,060,000	-	(150,000)	-	**16,910,000**	5,950,000	10,960,000
M Hallett	2,533,469	-	-	-	**2,533,469**	1,533,469	1,000,000
Executives							
D Addis	1,217,507	-	-	190,275	**1,407,782**	607,782	800,000
L Davidson	792,721	-	-	121,087	**913,808**	353,808	560,000
Total number of securities	**22,906,113**	**-**	**(150,000)**	**311,362**	**23,067,475**	**9,747,475**	**13,320,000**

9.2 ESP securities

The Group did not make any awards of Garda ESP securities during FY24. Details of the Garda ESP securities awarded to KMP in years prior to FY24, together with attaching non-recourse loans, are set out in the following table:

KMP	Issue date[8]	Securities granted	Exercise Price	Fair value at grant date	Loan value 30 June 2024	Vested[9]
Matthew Madsen	13 Nov 2017	960,000	0.63	0.70	365,076	13 Nov 2020
	16 Apr 2020	5,000,000	1.00	0.06	4,718,177	16 Apr 2023
	18 Nov 2020	5,000,000	1.16	0.10	5,729,724	19 Nov 2023
Mark Hallett	16 Apr 2020	1,000,000	1.00	0.06	954,216	16 Apr 2023
David Addis	3 Jun 2019	320,000	1.08	0.24	313,979	3 Jun 2021
	23 Aug 2019	240,000	1.22	0.11	288,403	23 Aug 2021
	23 Aug 2019	240,000	1.22	0.10	288,403	23 Aug 2022
Lachlan Davidson	13 Nov 2017	160,000	0.63	0.11	60,902	13 Nov 2019
	13 Nov 2017	160,000	0.63	0.13	60,902	29 Nov 2019
	23 Aug 2019	240,000	1.22	0.11	287,258	23 Aug 2021
Total		**13,320,000**			**13,067,040**	

9.3 Exempt securities

An Exempt Securities Award was made to all employees (other than those on the Board) in August 2023 under the Equity Incentive Plan. Each employee was granted $1,000 of securities which, based on 5-day volume weighted average security price of $1.21, equated to 827 securities each.

7 Includes stapled securities received by KMP during the reporting period in the form of exempt securities and deferred securities as well as stapled securities received on the vesting and exercise of performance rights.

8 ESP Securities issued prior to the internalisation transaction on 29 November 2019 were issued under the former Garda Capital Group employee security plan, with the number and exercise price of such securities being adjusted for the internalisation exchange ratio of 1.6x.

9 These securities have vested and are exercisable on repayment of the underlying non-recourse loan.

Details of exempt securities awarded to KMP during the reporting period are set out in the following table:

KMP	Grant date	Securities granted	Value at grant date
David Addis	4 Aug 23	827	$1.21
Lachlan Davidson	4 Aug 23	827	$1.21
Total		**1,654**	

KMP may also not sell the securities before the earlier of the third anniversary of their grant or the date their employment with Garda ceases.

9.4 Performance rights

The Group did not make any awards of performance rights during FY24. The table below shows the LTI grants made to KMP in the form of performance rights in financial years prior to FY24.

Tranche	Rights held at 30 June 2023	Rights granted during the year	Rights vested and exercised during the year[10]	Rights forfeited during the year	Rights held at 30 June 2024	Grant date	Fair value per right at grant date	Vesting date	Fair value to be expensed in future years
Executive Director									
M Hallett									
FY22 – 3 years	48,262	-	-	-	48,262	19 Sep 22	$1.32	31 Aug 25	3,164
Total	48,262	**-**	-	-	48,262				**3,164**
Chief Operating Officer									
David Addis									
FY21 – 2 years	36,231	-	(36,231)	-	-	10 Dec 21	$1.46	31 Aug 23	-
FY21 – 3 years	36,233	-	-	-	36,233	10 Dec 21	$1.39	31 Aug 24	3,148
FY22 – 3 years	96,525	-	-	-	96,525	19 Sep 22	$1.32	31 Aug 25	6,329
Total	**168,989**	**-**	**(36,231)**	**-**	**132,758**				**9,477**
General Counsel and Company Secretary									
Lachlan Davidson									
FY21 – 2 years	18,115	-	(18,115)	-	-	15 Dec 21	$1.52	31 Aug 23	-
FY21 – 3 years	18,117	-	-	-	18,117	15 Dec 21	$1.46	31 Aug 24	1,652
FY22 – 3 years	48,262	-	-	-	48,262	19 Sep 22	$1.32	31 Aug 25	3,164
Total	**84,494**		**(18,115)**	**-**	**66,379**				**4,816**

9.5 Deferred securities

During the year, 1,762,000 stapled securities were awarded to employees as deferred security awards, vesting on 31 August 2026. The deferred security awards made to KMP are summarised below:

KMP	Issue date	Securities granted	Exercise price	Fair value at grant date	Vesting date
David Addis	13 Nov 2023	153,217	-	$0.853	31 Aug 2026
Lachlan Davidson	13 Nov 2023	102,145	-	$0.853	31 Aug 2026
Total		**255,362**			

10 The exercise price for vested securities was $nil.

10. KEY TERMS OF EMPLOYMENT

10.1 Executive Chairman

The Executive Chairman, Matthew Madsen, entered into an executive services agreement effective 1 January 2020.

Mr Madsen's executive services agreement may be terminated by the Group with one year's notice (or immediately for fraud, gross negligence, misconduct or criminal offence), or by Mr Madsen providing one year's notice. There is a restraint on Mr Madsen competing with the Group or interfering with the relationship between the Group and its staff, customers, suppliers or contractors for one year following termination.

Other major provisions of the executive services agreement include:

- term of agreement: commencing 1 January 2020 with no fixed termination date;
- base salary, exclusive of superannuation, of $695,000, to be reviewed annually by the Committee;
- entitlement to participate in short term incentives, expected to be in the form of cash bonus, and subject to achievement of behavioural, performance and financial hurdles determined by the Board;
- entitlement to participate in LTIs, at the discretion of the Board, subject to securityholder approval; and
- value of incentives granted in any financial year not to exceed 150% of salary for that year.

10.2 Directors

The contracts with Garda's Non-executive Directors, Messrs Leitch and Thornton, provide the following key terms:

- term: ongoing three-year terms, subject to re-election;
- remuneration (to be reviewed annually):
    - $85,000 per annum (assuming superannuation guarantee charge of 9.5%, increasing for any increases in the SGC above 9.5%); plus
    - $25,000 extra for the Chairs of each Board sub-committee; and
- termination: as permitted under constitution.

The contract with Mr Hallett's (Executive Director) company is largely identical to the contracts of the Non-executive Directors with two exceptions:

- remuneration: $150,000 per annum plus GST, reviewed annually; and
- entitlement to participate in LTIs, at the discretion of the Board.

10.3 Executives

Remuneration and other terms of employment for other KMP executives are contained under standard employment contracts.

It is Group policy that service contracts for salaried KMP are unlimited in term but capable of termination, with notice, by either party. The Group retains the right to terminate a service contract immediately and without notice if the KMP is at any time guilty of serious, willful, or persistent misconduct. On termination, salaried KMP are entitled to receive their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

Other than the Executive Chairman, the notice period for termination of a service contract by a KMP is three months.

11. TRANSACTIONS WITH KMP AND THEIR RELATED PARTIES

Other than as disclosed in this Remuneration Report, Garda did not participate in any transactions with KMP or related parties during the financial year.

End of Remuneration Report

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

Matthew Madsen
Executive Chairman
1 August 2024

AUDITOR'S INDEPENDENCE DECLARATION

PITCHER PARTNERS

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

+61 7 3222 8444

pitcher.com.au

The Directors
GARDA Holdings Limited and
GARDA Capital Limited (Responsible entity of GARDA Diversified Property Fund)
Level 21, 12 Creek Street
Brisbane QLD 4000

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2024, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards).*

This declaration is in respect of GARDA Property Group (the stapled entity which comprises GARDA Holdings Limited and GARDA Diversified Property Fund) and the entities it controlled during the year.

Pitcher Partners

PITCHER PARTNERS

CHERYL MASON
Partner

Brisbane, Queensland
1 August 2024

FINANCIAL REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Garda		Company	
Year ended 30 June		**2024**	2023	**2024**	2023
	Notes	**$000**	$000	**$000**	$000
Revenue					
Rental revenue	3a	22,015	23,405	-	-
Recoverable rental outgoings	3b	5,114	5,376	-	-
Fund and real estate management revenue	3c	-	-	3,375	3,699
Recoveries and other fees	3d	-	-	2,605	2,784
Fee revenue	3e	1,658	1,012	1,658	1,012
Interest and lending business income	3f	1,989	1,763	-	59
Other revenue	3g	674	418	272	171
Net gain on sale of investment properties	11d	-	-	661	-
		31,450	**31,974**	**8,571**	**7,725**
Net gain in fair value of financial instruments		-	638	-	-
Revenue and fair value gains		**31,450**	**32,612**	**8,571**	**7,725**
Expenses					
Property expenses	4a	(6,441)	(6,915)	-	-
Administration expenses		(1,872)	(1,945)	(1,018)	(1,124)
Finance costs	4b	(7,141)	(6,313)	(14)	(2)
Employee benefits expense	4c	(3,374)	(3,188)	(5,979)	(5,972)
Security based payments expense	18b	(1,637)	(719)	(1,637)	(719)
Depreciation		(136)	(150)	(136)	(150)
Credit loss expense		(76)	-	(76)	-
Net loss on sale of investment properties	11d	(11,163)	(11,729)	-	-
		(31,840)	**(30,959)**	**(8,860)**	**(7,967)**
Net loss in fair value of financial instruments		(3,385)	-	-	-
Net loss in fair value of investment properties	11&12	(39,295)	(6,470)	-	-
Expenses and fair value losses		**(74,520)**	**(37,429)**	**(8,860)**	**(7,967)**
Loss before income tax		**(43,070)**	(4,817)	**(289)**	(242)
Income tax (expense) / benefit	5	144	(117)	144	(117)
Loss after income tax		**(42,926)**	**(4,934)**	**(145)**	**(359)**
Other comprehensive income, net of tax		-	-	-	-
Total loss and other comprehensive income		**(42,926)**	**(4,934)**	**(145)**	**(359)**
Total loss and other comprehensive income for the period attributable to:					
Securityholders of the Fund		(42,781)	(4,575)	-	-
Shareholders of the Company		(145)	(359)	(145)	(359)
Total loss and other comprehensive income		**(42,926)**	**(4,934)**	**(145)**	**(359)**
Earnings per stapled security:					
Basic earnings per stapled security (cents)	6	(20.84)	(2.37)	(0.07)	(0.17)
Diluted earnings per stapled security (cents)	6	(20.84)	(2.37)	(0.07)	(0.17)

The Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 June	Notes	Garda 2024 $000	Garda 2023 $000	Company 2024 $000	Company Restated 2023[11] $000
ASSETS					
Current assets					
Cash and cash equivalents	21a	17,002	13,164	6,728	6,999
Trade and other receivables	9	150	257	539	1,985
Financial assets	10	26,177	11,953	-	-
Investment properties held for sale	12	13,298	111,750	-	1,250
Other assets		741	1,215	183	192
Derivative financial instruments	13	922	-	-	-
Total current assets		**58,290**	**138,339**	**7,450**	**10,426**
Non-current assets					
Trade and other receivables	9	-	44	-	-
Investment properties	11	495,366	488,783	-	-
Derivative financial instruments	13	11,220	15,527	-	-
Right-of-use assets		284	-	284	-
Deferred tax assets	5	444	300	444	300
Total non-current assets		**507,314**	**504,654**	**728**	**300**
Total assets		**565,604**	**642,993**	**8,178**	**10,726**
LIABILITIES					
Current liabilities					
Trade and other payables	14	2,092	4,430	1,325	5,619
Contract liabilities		253	1,232	-	-
Distribution payable	7	3,163	3,751	-	-
Provisions		152	51	152	51
Lease liabilities		133	-	133	-
Total current liabilities		**5,793**	**9,464**	**1,610**	**5,670**
Non-current liabilities					
Other liabilities		347	739	-	-
Borrowings	15	216,622	224,269	-	-
Provisions		140	152	140	152
Lease liabilities		145	-	145	-
Total non-current liabilities		**217,254**	**225,160**	**285**	**152**
Total liabilities		**223,047**	**234,624**	**1,895**	**5,822**
Net assets		**342,557**	**408,369**	**6,283**	**4,904**
EQUITY					
Contributed equity	17	342,886	354,495	(99)	45
Reserves	18c	4,209	2,541	4,209	2,541
(Accumulated losses) / retained earnings		(4,538)	51,333	2,173	2,318
Total equity		**342,557**	**408,369**	**6,283**	**4,904**
Comprising:					
Total equity attributable to the Fund		336,274	403,465	-	-
Total equity attributable to the Company		6,283	4,904	6,283	4,904
Total equity		**342,557**	**408,369**	**6,283**	**4,904**

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

[11] Refer Note 18h) for discussion on restatement of comparative information for the Company in FY23.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Notes	Contributed equity $000	Reserves $000	(Accumulated losses)/ retained earnings $000	Total equity[12] $000
a) Garda					
30 June 2024					
Balance at 1 July 2023		354,495	2,541	51,333	408,369
Comprehensive income					
Loss for the financial year		-	-	(42,926)	(42,926)
Other comprehensive income		-	-	-	-
Transactions with owners in capacity as owners:					
Distributions paid or payable	7	-	-	(12,945)	(12,945)
Securities based payment expense		-	1,637	-	1,637
Transfer to reserves		(31)	31	-	-
Buy-back of securities		(11,551)	-	-	(11,551)
Transaction costs for buy-back of securities		(27)	-	-	(27)
Balance at 30 June 2024		**342,886**	**4,209**	**(4,538)**	**342,557**
30 June 2023					
Balance at 1 July 2022		355,009	1,837	71,294	428,140
Comprehensive income					
Loss for the financial year		-	-	(4,934)	(4,934)
Other comprehensive income		-	-	-	-
Transactions with owners in capacity as owners:					
Distributions paid or payable	7	-	-	(15,027)	(15,027)
Securities based payment expense		-	704	-	704
Sale of treasury stock		15	-	-	15
Buy-back of securities		(528)	-	-	(528)
Transaction costs for buy-back of securities		(1)	-	-	(1)
Balance at 30 June 2023		**354,495**	**2,541**	**51,333**	**408,369**
b) The Company					
30 June 2024					
Balance at 1 July 2023		45	2,541	2,318	4,904
Comprehensive income					
Loss for the financial year		-	-	(145)	(145)
Other comprehensive income		-	-	-	-
Transactions with owners in capacity as owners:					
Buy-back of securities		(113)	-	-	(113)
Securities based payment expense		-	1,637	-	1,637
Transfer to reserves		(31)	31	-	-
Balance at 30 June 2024		**(99)**	**4,209**	**2,173**	**6,283**
30 June 2023					
Balance at 1 July 2022		19	-	2,677	2,696
Correction of error	18h	16	1,837	-	1,853
Restated balance at 1 July 2022		35	1,837	2,677	4,549
Comprehensive income					
Loss for the financial year		-	-	(359)	(359)
Other comprehensive income		-	-	-	-
Transactions with owners in capacity as owners:					
Buy-back of securities		(5)	-	-	(5)
Securities based payment expense (restated)	18h	-	704	-	704
Sale of treasury stock (restated)	18h	15	-	-	15
Restated balance at 30 June 2023		**45**	**2,541**	**2,318**	**4,904**

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

[12] Total equity includes equity attributable to the Company, as shown in section b) of the Consolidated Statements of Changes in Equity.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Garda		Company	
Year ended 30 June		**2024**	2023	**2024**	2023
	Notes	**$000**	$000	**$000**	$000
Cash flows from operating activities					
Receipts from customers (incl. GST)		31,107	35,143	9,830	6,970
Payments in the course of operations (incl. GST)		(16,538)	(14,919)	(7,378)	(6,709)
Interest received		579	367	237	120
Finance costs		(10,465)	(8,954)	-	-
Net GST refund/ (paid)		1,789	159	(735)	(543)
Litigation proceeds		80	40	-	-
Net cash from / (used in) operating activities	21b	**6,552**	**11,836**	**1,954**	**(162)**
Cash flows from investing activities					
Proceeds on sale of investment properties		106,100	75,820	2,000	-
Payments for investment properties		(54,791)	(39,052)	-	-
Selling costs of investment properties		(7,689)	(1,042)	(89)	-
Payments for leasing fees		(861)	(961)	-	-
Repayment of loans receivable from external parties		11,819	8,006	-	640
Loan advances to external parties		(24,054)	(10,584)	-	(10)
Net cash from investing activities		**30,524**	**32,187**	**1,911**	**630**
Cash flows from financing activities					
Distributions paid		(13,533)	(15,030)	-	-
Drawdowns from bank debt facilities		88,000	40,000	-	-
Repayment of bank debt facilities		(95,986)	(74,823)	-	-
Bank debt facility transaction costs paid		-	(141)	-	-
Payment of lease liabilities		(141)	(130)	(141)	(130)
Payment for buyback of securities		(11,551)	(528)	-	-
Payment for buyback transaction costs		(27)	(1)	-	-
Repayment of loan by subsidiary of parent entity		-	-	(3,995)	-
Net cash used in financing activities		**(33,238)**	**(50,653)**	**(4,136)**	**(130)**
Net increase / (decrease) in cash and cash equivalents		**3,838**	**(6,630)**	**(271)**	**338**
Cash and cash equivalents at beginning of year		13,164	19,794	6,999	6,661
Cash and cash equivalents at end of year	21a	**17,002**	**13,164**	**6,728**	**6,999**

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

NOTES TO FINANCIAL REPORT

NOTE 1 BASIS OF PREPARATION

a) Regulatory context

The consolidated financial statements for Garda Property Group (**Garda** or the **Group**), comprising Garda Diversified Property Fund and its controlled entity (**GDF** or the **Fund**) and Garda Holdings Limited and its controlled entities (**GHL** or the **Company**), have been jointly presented in accordance with *ASIC Corporations (Stapled Group Reports) Instrument 2015/838* and the requirements of the Australian Securities Exchange.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations and other applicable authoritative pronouncements issued by the Australian Accounting Standards Board (**AASB**) and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Pursuant to Australian Accounting Standards, the Fund is the deemed parent entity of the Group.

The financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

b) Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes the Group will continue in operation for the foreseeable future.

c) New or amended accounting standards and interpretations

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

New standards, amendments to standards and/ or interpretations effective for reporting periods beginning on or after 1 July 2024 have not been early adopted in preparing these financial statements. None would have had a material effect on the consolidated financial statements.

d) Functional and presentation currency

Items included in the consolidated financial statements are measured and presented in Australian dollars which is the functional currency of the Group.

e) Rounding of amounts

Garda is an entity of the kind referred to in A*SIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Accordingly, amounts contained in this report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

f) Historical cost convention

The financial statements have been prepared on a going concern basis using historical cost conventions, except for investment properties and financial instruments which are stated at their fair value.

g) Critical accounting estimates

Determining the carrying amounts of some assets and liabilities requires estimation, at the reporting date, of the effects of uncertain future events. Outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying amounts of the specific assets and liabilities affected by the assumption.

The key assumptions about the future, and other major sources of estimation uncertainty at the reporting date, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

- determining the fair value of share-based payments (refer Note 18);
- determining the fair value of financial assets at fair value through profit and loss (refer Note 10);
- determining the fair value of investment properties (refer Note 11);
- determining the fair value of investment properties held for sale (refer Note 12);
- determining the fair value of derivative financial instruments (refer Note 13); and
- estimating allowances for expected credit losses on trade and other receivables and financial assets held at amortised cost (refer Note 9 & 10).

h) Goods and Services Tax (GST)

Revenues and expenses are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office. If it is not recoverable, it is recognised in the cost of acquisition of the asset or as an expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included in other receivables or other payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the Australian Taxation Office, are presented as operating cash flows. Net GST paid or refunded to/from Australian Tax Office is shown separately in the operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

i) Climate-related financial disclosures

The Australian government has introduced its mandatory climate-related financial disclosures legislation to Parliament. Known as *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024*, it will be applicable to Group 1 entities for financial years commencing on or after 1 January 2025.

While the new legislation does not apply to Garda due to not meeting the reporting thresholds, it is Garda's intention to voluntarily adopt the new reporting regime, to the extent practicable, as though it was a "Group 3" entity. In the interim, Garda's intention is to continue publishing an annual, standalone sustainability report.

h) Registered office

The registered office and principal place of business of the Group is Level 21, 12 Creek Street, Brisbane Qld 4000.

NOTE 2 OPERATING SEGMENTS

a) Operating segments

The Group has identified three core operating segments. These segments are regularly reviewed by the Executive Chairman, who is the Chief Operating Decision Maker, to support decisions about resource allocation and to assess performance. The three operating segments are: direct property investment, debt investments and funds management. The business activities of each of these operating segments are as follows:

Core Operating Segments	Business Activity
Direct investment	Investment in Australian commercial and industrial property.
Debt investment	Investment in mortgages and loans into real estate development.
External funds management	Establishment and management of investment funds for external investors.

In the current period, the external revenue and net profit contribution from the debt investment operating segment met the necessary quantitative thresholds to be considered a separate reportable segment and therefore have been separately disclosed. Comparatives for prior periods have been changed to conform to changes in disclosure.

The external funds management operating segment was dormant during the year and does not have any assets or liabilities other than regulatory cash required for Australian Financial Service License purposes. Therefore, this is not a reportable segment and has been excluded from the information below.

b) Segment results

	Direct investment $000	Debt investment $000	Total $000
Year ended 30 June 2024			
Segment revenue:			
Lease revenue	22,729	-	22,729
Recoverable outgoings	5,114	-	5,114
Interest and lending business income	-	1,989	1,989
Fee revenue	-	1,658	1,658
Sundry income	60	-	60
Total segment revenue	27,903	3,647	31,550
Total segment expense	(14,423)	(381)	(14,804)
Segment profit	**13,480**	**3,266**	**16,746**
Year ended 30 June 2023			
Segment revenue:			
Lease revenue	24,971	-	24,971
Recoverable outgoings	5,376	-	5,376
Interest and lending business income	-	1,763	1,763
Fee revenue	-	1,012	1,012
Sundry income	1	-	1
Total segment revenue	30,348	2,775	33,123
Total segment expense	(14,049)	(474)	(14,523)
Segment profit	**16,299**	**2,301**	**18,600**

Segment results include items directly attributable to the segment as well as those that may be allocated on a reasonable basis. They exclude non-segment specific non-cash expenses including fair value adjustments, security-based payments expense and depreciation.

Corporate expenses pertaining to Group level functions such as finance and tax, legal, risk and compliance, company secretarial, marketing and other corporate services are also not allocated to core operation segments. These expenses form part of unallocated revenue and expenses in the reconciliation of segment profit to profit before income tax.

Segment results are net of all internal revenue and expenses.

c) Reconciliation of segment revenues to Group revenue

Year ended 30 June	2024 $000	2023 $000
Total revenue and other income for segments	**31,550**	**33,123**
Unallocated amounts:		
Lease straight-lining revenue	(249)	(1,130)
Lease costs and incentive amortisation	(673)	(771)
Rent free income	208	335
Sundry income	35	35
Non-operating interest income	579	382
Net gain in fair value of financial instruments	-	638
Total group revenue and other income	**31,450**	**32,612**

d) Reconciliation of segment profit to Group profit before tax

Year ended 30 June	2024 $000	2023 $000
Segment profit	**16,746**	**18,600**
Unallocated amounts:		
Revenue:		
Lease straight-lining revenue	(249)	(1,130)
Lease costs and incentive amortisation	(673)	(771)
Rent free income	208	335
Sundry income	35	35
Non-operating interest income	579	382
Net gain in fair value of financial instruments	-	638
Expenses:		
Finance costs	(14)	(2)
Employee benefit expense	(3,085)	(2,914)
Administration expenses	(1,001)	(922)
Depreciation	(136)	(150)
Security based payments expense	(1,637)	(719)
Net loss on financial instrument held at fair value through profit and loss	(3,385)	-
Net loss on sale of investment properties	(11,163)	(11,729)
Net loss in fair value of investment properties	(39,295)	(6,470)
Group loss before income tax	**(43,070)**	**(4,817)**

e) Segment assets and liabilities

	Direct investment $000	Debt investment $000	Total $000
As at 30 June 2024			
Segment Assets	519,049	26,677	545,726
Segment Liabilities	(222,181)	(11)	(222,192)
Net Assets	**296,868**	**26,666**	**323,534**
As at 30 June 2023			
Segment Assets	605,274	13,318	618,592
Segment Liabilities	(233,568)	(11)	(233,579)
Net Assets	**371,706**	**13,307**	**385,013**

Segment assets and liabilities are net of all internal loan balances.

f) Reconciliation of segment assets to Group assets

As at 30 June	**2024 $000**	**2023 $000**
Reportable segment assets	**545,726**	**618,592**
Unallocated amounts:		
Cash and cash equivalents	6,728	6,999
Other receivables	280	325
Investment properties[13]	-	1,250
Derivative financial instrument	12,142	15,527
Right-of-use assets	284	-
Deferred tax assets	444	300
Total Group assets	**565,604**	**642,993**

g) Reconciliation of segment liabilities to Group liabilities

As at 30 June	**2024 $000**	**2023 $000**
Reportable segment liabilities	**222,192**	**233,579**
Unallocated amounts:		
Trade and other payables	285	842
Provisions	292	203
Lease liability	278	-
Total Group liabilities	**223,047**	**234,624**

[13] Represents the value of land held by a subsidiary of the Company.

NOTE 3 REVENUE

a) Rental revenue

The Group's main revenue stream is property rental revenue and is derived from holding investment properties.

Rental revenue is recognised on a straight-line basis over the lease term for leases with fixed rent review clauses. Rental revenue not received at reporting date is reflected in the Statements of Financial Position as a receivable or, if paid in advance, as contract liabilities. Contingent rents based on the future amount of a factor that changes other than with the passage of time, including turnover rents and CPI linked rental increases, are only recognised when contractually due.

Prospective tenants may be offered incentives to enter into operating leases. The cost of incentives is recognised as a reduction of rental revenue on a straight-line basis from the lease commencement date to the end of the lease term.

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
Revenue recognised under AASB 16 Leases				
Rental revenue	22,688	24,176	-	-
Lease costs and incentive amortisation	(673)	(771)	-	-
Total rental revenue	**22,015**	**23,405**	**-**	**-**

b) Recoverable rental outgoings

Revenue from investment properties also includes the recovery from tenants of operating costs or outgoings such as property management fees, land tax, council rates, utilities and insurance. Recoverable rental outgoings are recognised at a point in time when the Group incurs the operating cost or outgoing.

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
Revenue recognised under AASB 15 Revenue from contracts with customers				
Recoverable rental outgoings	5,114	5,376	-	-

c) Fund and real estate management revenue

The Company, through its subsidiaries, provides funds management and administration services to the Fund in accordance with the Fund's constitution and relevant service agreements. The services are provided on an ongoing basis and revenue is based on agreement terms and recognised over time.

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
Revenue recognised under AASB 15 Revenue from contracts with customers				
Fund and real estate management revenue	-	-	3,375	3,699

d) Recoveries and other fees

Recoveries and other fees represent the reimbursement of expenses by the Fund to the Company in accordance with the Fund's constitution and relevant service agreements. This revenue is recognised at a point in time.

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
Revenue recognised under AASB 15 Revenue from contracts with customers				
Recoveries and other fees	-	-	2,605	2,784

e) Fee revenue

The Group and the Company are entitled to lending fees upon the successful completion of contracts. This revenue is recognised at a point in time.

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
Revenue recognised under AASB 15 Revenue from contracts with customers				
Fees from lending	1,658	1,012	1,658	1,012

f) Interest and lending business income

As disclosed in Note 10, financial assets consist of commercial loans receivable from external parties measured at either:

- amortised cost; or
- fair value through profit and loss (refer Note 8).

Interest from commercial loans measured at amortised cost is recognised as revenue. This measurement uses the effective interest rate method less any allowance under the expected credit loss model. In contrast, interest and fee revenues associated with commercial loans measured at fair value are recognised as fair value gains.

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
Revenue recognised under AASB 9 Financial Instruments				
Interest on commercial loans measured at amortised cost	1,908	1,763	-	59
Gain on commercial loans measured at fair value	81	-	-	-
Total interest and lending business income	1,989	1,763	-	59

g) Other revenue

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
Other revenue				
Non-operating interest income	579	382	237	136
Sundry income	95	36	35	35
Total other income	**674**	**418**	**272**	**171**

h) Disaggregation of revenue from contracts with customers

	2024			2023		
	Point in Time $000	Over Time $000	Total $000	Point in Time $000	Over Time $000	Total $000
Garda						
Recoverable rental outgoings	5,114	-	5,114	5,376	-	5,376
Fee revenue	1,658	-	1,658	1,012	-	1,012
Total	**6,772**	**-**	**6,772**	**6,388**	**-**	**6,388**
Company						
Fund and real estate management revenue	-	3,375	3,375	-	3,699	3,699
Recoveries and other fees	2,605	-	2,605	2,784	-	2,784
Fee revenue	1,658	-	1,658	1,012	-	1,012
Total	**4,263**	**3,375**	**7,638**	**3,796**	**3,699**	**7,495**

NOTE 4 EXPENSES

a) Property expenses

Investment property expenses are recognised as incurred.

Year ended 30 June	Garda 2024 $000	Garda 2023 $000	Company 2024 $000	Company 2023 $000
Rental outgoings	5,392	5,806	-	-
Direct expenses	745	692	-	-
Non-recoverable expenses	304	417	-	-
Property expenses	**6,441**	**6,915**	**-**	**-**

b) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

A qualifying asset is an asset under development or construction where such development or construction takes a substantial period of time. To the extent that funds are borrowed to fund development and construction, the amount of borrowing costs to be capitalised to qualifying assets is determined by using an appropriate capitalisation rate. Interest payments in respect of financial instruments classified as liabilities at amortised cost are included in finance costs.

Year ended 30 June	Garda 2024 $000	Garda 2023 $000	Company 2024 $000	Company 2023 $000
Interest on borrowings	10,417	9,397	-	-
Amortisation of borrowing transaction costs	339	334	-	-
Interest expense on lease liabilities	14	2	14	2
Interest capitalised to properties under construction	(3,629)	(3,420)	-	-
Finance costs	**7,141**	**6,313**	**14**	**2**

c) Employee benefits expense

Year ended 30 June	Garda 2024 $000	Garda 2023 $000	Company 2024 $000	Company 2023 $000
Superannuation guarantee expense	218	211	326	314
Other employee benefits	3,156	2,977	5,653	5,658
Employee benefits expense	**3,374**	**3,188**	**5,979**	**5,972**

In addition to these employee benefits expenses, a security-based payment expense of $1,637,000 (2023: $719,000) was incurred by the Company during the year. Refer Note 18b.

NOTE 5 INCOME TAX

a) Accounting policy

Under current Australian income tax legislation, the Fund is not liable for income tax provided it satisfies certain legislative requirements, which were met in the current and previous financial years.

The Company is liable for income tax and has formed a tax consolidated group with its wholly owned and controlled Australian entities. As a consequence, these entities are taxed as a single entity.

Income tax expense is comprised of current and deferred tax expense which are recognised in the Consolidated Statements of Profit or Loss and Other Comprehensive Income.

Current tax expense relates to the expected taxable income at the applicable rate of the financial year. Deferred tax expense represents the tax expense in respect of the future tax consequences of recovering or settling the carrying amount of an asset or liability. Deferred income tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilise them.

Garda has made an election for the Fund and its wholly owned subsidiary, Garda Capital Trust, to be attribution managed investment trusts (**AMITs**). The AMIT regime is intended to reduce complexity, increase certainty and minimise compliance costs for AMITs and their investors.

b) Income tax expense

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
The components of income tax benefit comprise:				
Current tax (expense)/ benefit	-	-	-	-
Deferred income tax (expense)/ benefit	144	(117)	144	(117)
Income tax benefit/ (expense)	**144**	**(117)**	**144**	**(117)**
Deferred income tax expense included in income tax benefit:				
Decrease in deferred tax assets	(58)	(195)	(58)	(195)
Decrease in deferred tax liabilities	202	78	202	78
Total deferred tax benefit/ (expense)	**144**	**(117)**	**144**	**(117)**

c) Reconciliation of income tax expense to profit before income tax

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
The prima facie tax on loss before income tax is reconciled to income tax as follows:				
Loss before income tax	(43,070)	(4,817)	(289)	(242)
Less loss attributed to Trusts not subject to tax	42,781	4,575	-	-
Loss subject to income tax	(289)	(242)	(289)	(242)
Prima facie tax at 25.0% (2023: 25.0%)	72	61	72	61
Tax effect of amounts which are not (deductible)/ assessable:				
Security based payment expense	(406)	(172)	(406)	(172)
Carried forward capital loss to offset capital gain	478	-	478	-
Other expenses	-	(6)	-	(6)
Income tax benefit/ (expense)	**144**	**(117)**	**144**	**(117)**

d) Deferred tax assets

Year ended 30 June	Garda 2024 $000	Garda 2023 $000	Company 2024 $000	Company 2023 $000
Composition of deferred tax assets				
Provision for employee benefits	136	113	136	113
Accrued expenses	144	133	144	133
Capital raising and transaction costs	12	29	12	29
Tax losses	233	413	233	413
Lease liabilities	105	-	105	-
Deferred tax asset	**630**	**688**	**630**	**688**
Movements:				
Opening balance	688	883	688	883
Movement in deferred tax asset - temporary differences:				
Charged to profit or loss	(58)	(195)	(58)	(195)
Closing balance at the end of the year	**630**	**688**	**630**	**688**

e) Deferred tax liabilities

Year ended 30 June	Garda 2024 $000	Garda 2023 $000	Company 2024 $000	Company 2023 $000
Composition of deferred tax liabilities				
Right of use asset	105	-	105	-
Investment property	-	313	-	313
Other	81	75	81	75
Deferred tax liabilities	**186**	**388**	**186**	**388**
Movements:				
Opening balance	388	466	388	466
Movement in deferred tax liabilities - temporary differences:				
Charged to profit and loss	(202)	(78)	(202)	(78)
Closing balance at the end of the year	**186**	**388**	**186**	**388**

f) Net deferred tax asset

Year ended 30 June	Garda 2024 $000	Garda 2023 $000	Company 2024 $000	Company 2023 $000
Net deferred tax asset				
Deferred tax assets	630	688	630	688
Deferred tax liabilities	(186)	(388)	(186)	(388)
Net deferred tax asset	**444**	**300**	**444**	**300**

NOTE 6 EARNINGS PER STAPLED SECURITY

		Garda		Company	
Year ended 30 June		**2024**	**2023**	**2024**	**2023**
Loss after tax attributable to securityholders	($000)	(42,926)	(4,934)	(145)	(359)
Earnings per stapled security					
Basic (cents)		(20.84)	(2.37)	(0.07)	(0.17)
Diluted (cents)		(20.84)	(2.37)	(0.07)	(0.17)
Securities					
Basic[14] (number)		206,022,925	208,405,220	206,022,925	208,405,220
WANOS[15] (number)		221,474,189	223,580,323	221,474,189	223,580,323

14 The basic number of securities is calculated as total issued securities less treasury securities and Garda ESP securities, weighted according to the date and number of securities issued and bought back during the year. See Note 18 for further details.

15 The weighted average number of securities (**WANOS**) is determined as total issued securities less treasury securities, weighted according to the date and number of any securities issued and bought back during the financial year.

NOTE 7 DISTRIBUTIONS AND DIVIDENDS

a) Distributions payable

A payable is recognised for any dividend or distribution declared, being appropriately authorised and no longer at the discretion of the Board of Directors, on or before the end of the financial year but not distributed as at balance date.

	Garda		Company	
As at 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
2024: 1.575 cents per security (2023: 1.80 cents)	3,163	3,751	-	-
Movement in distribution payable:				
Opening balance at beginning of year	3,751	3,754	-	-
Distributions payable	12,945	15,027	-	-
Distributions paid	(13,533)	(15,030)	-	-
Closing balance	**3,163**	**3,751**	**-**	**-**

b) Distributions paid and payable

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
September: 1.575 cents per security (2023: 1.80 cents)	3,283	3,758	-	-
December: 1.575 cents per security (2023: 1.80 cents)	3,304	3,759	-	-
March: 1.575 cents per security (2023: 1.80 cents)	3,195	3,759	-	-
June: 1.575 cents per security (2023: 1.80 cents)	3,163	3,751	-	-
Total distribution[16]	**12,945**	**15,027**	**-**	**-**

c) Franking credits

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
Franking credits available	4,204	4,204	4,204	4,204

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

a) franking credits that will arise from the payment of the amount of the provision for income tax;
b) franking credits that will arise from the payment of the amount of the income tax refunds;
c) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
d) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

[16] Total distributions exclude distributions paid in respect of treasury securities and securities granted under the Garda ESP.

NOTE 8 FAIR VALUE DISCLOSURE

a) Accounting policy

Fair value is the price that would be received on sale of an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the Group.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they are acting in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use, or by selling it to another market participant that would use the asset at its highest and best use. In measuring fair value, the Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

There are various methods used in estimating the fair value of a financial instrument:

Level 1: fair value is calculated using quoted prices in active markets.

Level 2: fair value is estimated using inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: fair value is estimated using inputs for the asset or liability that are not based on observable market data.

b) Assets and liabilities measured at fair value

The following table sets out Garda's assets and liabilities that are measured and recognised at fair value in the financial statements.

	Notes	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
30 June 2024					
Assets					
Financial assets	10	-	-	5,104	5,104
Investment properties (non-current)	11	-	-	495,366	495,366
Investment properties held for sale (current)	12	-	-	13,298	13,298
Derivative financial instruments	13	-	12,142	-	12,142
		-	**12,142**	**513,768**	**525,910**
30 June 2023					
Assets					
Financial assets	10	-	-	4,452	4,452
Investment properties (non-current)	11	-	-	488,783	488,783
Investment properties held for sale (current)	12	-	-	111,750	111,750
Derivative financial instruments	13	-	15,527	-	15,527
		-	**15,527**	**604,985**	**620,512**

There were no transfers during the year between Level 1 and Level 2 for recurring fair value measurements. Garda's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

NOTE 9 TRADE AND OTHER RECEIVABLES

a) Accounting policy and critical accounting estimates

Trade and other receivables include:

- funds management fees payable by the Fund to the Company;
- rent and outgoings receivable from tenants and which are generally due for settlement within 30 days;
- other receivables, including litigation proceeds and GST receivables.

Under AASB 9, Garda applies the simplified approach for measuring the allowance for credit losses from rent and outgoings receivable from tenants. Under the simplified approach, the allowance for credit losses is based on the lifetime expected credit losses of the relevant receivable.

Garda determines expected credit losses using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

b) Trade and other receivables

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
Current				
Fund management fees receivable	-	-	193	1,507
Rent and outgoings receivable	54	58	-	-
GST receivable	30	68	-	-
Other receivables	66	131	346	478
	150	**257**	**539**	**1,985**
Non-Current				
Rent and outgoings	-	44	-	-
	-	**44**	**-**	**-**
Expected credit loss				
Allowance for expected credit losses	-	-	-	-
	-	-	-	-

NOTE 10 FINANCIAL ASSETS

a) Accounting policy and critical accounting estimates

Financial assets consist of commercial loans receivable from external parties measured at either:

- amortised cost; or
- fair value through profit and loss (refer Note 8).

Financial assets are measured at either amortised cost or fair value through profit and loss on the basis of the Group's business model for managing the financial asset and the contractual cashflow characteristics. Fair value is determined by applying judgement and estimates in contractual cashflows other than principal and interest.

All commercial loans with maturities greater than 12 months after balance date are classified as non-current assets. Commercial loans to external parties are primarily secured by a first registered mortgage and a general security agreement.

Garda recognises an allowance for expected credit losses on its commercial loans to external parties measured at amortised cost. This allowance is measured using the three-stage model or general approach as per AASB 9 as follows:

- 12-Month Expected Credit Losses: For commercial loans where no significant increase in credit risk has been identified, the allowance reflects credit losses expected from default events that could occur within twelve months after the reporting period.
- Lifetime Expected Credit Losses: For commercial loans where a significant increase in credit risk has been identified, the allowance reflects credit losses expected from all possible default events over the life of the loan.
- Lifetime Expected Credit Losses – Credit Impaired: For commercial loans where there is no reasonable expectation of recovery, the allowance reflects the full amount of the loan to be written off.

Management uses considerable judgment in assessing whether there has been a significant increase in credit risk on commercial loans to external parties. It measures expected credit losses based on its historical credit loss experience, adjusted for factors specific to the commercial loans such as days past due without repayment, recourse available such as the realisability of security, previous transactions with the borrower as well as current and future economic conditions affecting the underlying project for which the commercial loan was initially transacted.

There have been no changes in the estimation techniques or significant assumptions used during the reporting period.

b) Commercial loans

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
Current				
Commercial loans to external parties at amortised cost	21,073	7,501	-	-
Commercial loans to external parties at fair value	5,104	4,452	-	-
	26,177	**11,953**	-	-
Expected credit loss				
Allowance for expected credit losses	-	-	-	-
	-	-	-	-

Garda's consolidated financial statements for the year ending 30 June 2023 disclosed total commercial loans of $11,953,000, without disaggregating the loans between amortised cost and held at fair value through profit and loss. The prior year comparative figures have been aligned with current year disclosures to disaggregate the loans in its relevant categories.

Expected credit losses have not been assessed as material based on the profile of Garda's credit exposures, headroom on loan covenants, security received from borrowers and disciplined monitoring and assessment of all actual and potential commercial loan exposures.

NOTE 11 INVESTMENT PROPERTIES

a) Accounting policy

Investment properties comprise properties held for long-term rental yields and/ or capital appreciation and properties being constructed or developed for future use as investment properties. Investment properties are initially recognised at cost, including transaction costs.

Subsequently to initial recognition, investment properties are carried at fair value. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. Changes in fair values are recorded in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Subsequent development and refurbishment costs (other than repairs and maintenance) are capitalised to the investment property when they result in an enhancement in the future economic benefits of the property.

Investment properties under construction are carried at fair value, which may be represented by cost where fair value cannot be reliably determined and the construction is incomplete. Finance costs attributable to these qualifying assets are capitalised as part of the asset. A qualifying asset is an asset under development or construction where such development or construction takes a substantial period of time.

Leasing fees incurred and incentives provided are capitalised and amortised over the lease periods to which they relate.

b) Reconciliation

Year ended 30 June	**Note**	**2024 $000**	**2023 $000**
Garda			
Investment properties at independent valuation	11f	224,100	359,250
Investment properties at Directors' valuation	11f	271,266	129,533
		495,366	**488,783**
Movements during the year:			
Opening balance		488,783	650,733
Acquisition of established investment properties	11c	-	-
Sale of investment properties	11d	(28,786)	(86,507)
Capital expenditure on properties under construction		51,766	41,490
Capital expenditure on established investment properties		3,817	2,191
Transfer to investment properties held for sale	12	(13,298)	(111,750)
Straight-lining of rental income		(319)	(1,130)
Net movement in leasing costs and incentives		472	226
Net loss in fair value of investment properties		(7,069)	(6,470)
Balance at the end of the year		**495,366**	**488,783**
Company			
Land at 39 Palmer Street, Townsville	12	-	-
		-	**-**
Movements during the year:			
Opening balance		-	1,250
Transfer to investment properties held for sale (current assets)		-	(1,250)
Balance at the end of the year		**-**	**-**

c) Acquisitions

Garda's focus during the financial year was on development and the funding thereof. Accordingly, no investment properties were acquired during the year.

d) Disposals

The gain or loss on disposal of an investment property is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds from disposal and is included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the year of disposal.

During the financial year, the disposals of the following properties were settled:

- On 31 January 2024, settlement occurred for the disposals of Botanicca 7 and Botanicca 9 in Richmond, Victoria for $80,000,000, excluding transaction costs. Net loss from the sale of these properties was $6,895,000
- On 8 December 2023, settlement occurred for the disposal of 8-10 Cato Street, Hawthorn East for $24,100,000, excluding transaction costs. Net loss from the sale of the property was $4,929,000.
- On 1 November 2023, settlement occurred for the disposal of a block of land in Townsville for $2,000,000, excluding transaction costs. Net gain from the sale of the property was $661,000.

Except for 8-10 Cato Street, Hawthorn East, all these assets were designated as investment properties held for sale at 30 June 2023. They maintained this classification throughout the current reporting period until their respective settlement dates.

e) Valuation methodology

The Group obtains annual independent valuations for each property by a member of the Australian Property Institute of Valuers, except for properties under development properties where it may be deemed appropriate to extend beyond this term. Each valuation firm and its signatory valuer are appointed on the basis that they are engaged for no more than three consecutive valuations. Independent valuations may be undertaken earlier where the Group believes there is potential for a change in the fair value of the property.

Directors' valuations of each property are determined at each reporting period (interim and full year) unless the property has been independently externally valued. Directors' valuations are based on the most recent independent external valuation adjusted for capital accretive expenditure and sales evidence since that last independent valuation.

The valuation methodologies utilised by external valuers include the capitalisation approach (market approach) and the discounted cash flow approach (income approach). The valuation is also compared to, and supported by, direct comparison to recent market transactions. The adopted capitalisation rates and discount rates are determined based on industry expertise and knowledge and, where possible, a direct comparison to third party rates for similar assets in a comparable location. Rental revenue from current leases and assumptions about future leases, as well as any expected operational cash outflows in relation to the property, are also built into each asset assessment of fair value.

In relation to development properties under construction for future use as investment property, fair value is determined based on costs incurred on the acquisition and development of the property. However, where reliably measurable, fair value is determined based on the market value of the property on the assumption it had already been completed at the valuation date (using the methodology as outlined above) less costs still required to complete the project, including an appropriate adjustment for industry benchmarked profit and development risk.

f) Investment property valuations

Six of Garda's properties have been externally valued for the FY24 Annual Report, with the balance of the portfolio (including value accretive additions) being carried at Directors' valuation.

Development and refurbishment costs (other than repairs and maintenance) are capitalised where they result in an enhancement in the future economic benefits of a property. Where those costs were incurred subsequently to last independent valuation, they are disclosed separately as value accretive expenditure.

As at 30 June		Valuation Type	2024 $000	2023 $000	Movement $000
Industrial					
Established					
Acacia Ridge	69 Peterkin Street	Directors	22,120	21,400	720
Berrinba	1-9 Kellar Street	External	16,000	15,400	600
Heathwood	67 Noosa Street	External	16,900	15,500	1,400
Morningside	326 & 340 Thynne Road	External	61,000	54,500	6,500
Pinkenba	70 - 82 Main Beach Road	External	32,200	35,500	(3,300)
Richlands	56 - 72 Bandara Street	Directors	39,454	13,700	25,754
Wacol	41 Bivouac Place	External	52,500	58,500	(6,000)
Wacol	498 Progress Road (Pinnacle West)	External	45,500	45,900	(400)
Value accretive capital expenditure		Directors	128	2,219	(2,091)
Developments					
Acacia Ridge	38-56 Peterkin Street	Directors	31,073	18,350	12,723
North Lakes	109 - 135 Boundary Road	Directors	95,411	69,500	25,911
Wacol	372 Progress Road (Pinnacle East)		-	11,000	(11,000)
Value accretive capital expenditure		Directors	-	10,786	(10,786)
Total industrial			**412,286**	**372,255**	**40,031**
Office					
Cairns	7-19 Lake Street	Directors	83,080	87,750	(4,670)
Hawthorn East	8-10 Cato Street		-	25,000	(25,000)
Value accretive capital expenditure		Directors	-	3,778	(3,778)
Total office			**83,080**	**116,528**	**(33,448)**
Total investment properties			**495,366**	**488,783**	**6,583**

The registered titles to all assets of the Fund are held by The Trust Company (Australia) Limited, as custodian. This is an ASIC regulatory requirement.

g) Fair value measurement and critical accounting estimates

Garda's investment properties are at Level 3 in the fair value hierarchy as their fair value is estimated using inputs for the assets that are not based on observable market data.

The following table sets out the valuation techniques used to measure fair value within Level 3, including details of the significant unobservable inputs used and the relationship between unobservable inputs and fair value.

Inputs used to measure fair value	Range of unobservable inputs 2024	Range of unobservable inputs 2023	Relationship between unobservable inputs and fair value
Discount rate	7.00%-8.75%	5.75%-6.75%	The higher the discount rate, capitalisation rate, terminal yield and expected vacancy rate, the lower the fair value.
Capitalisation rate	5.25%-7.75%	4.50%-7.00%	
Terminal yield	5.63%-8.00%	5.00%-7.25%	
Expected vacancy rate	0%	0%	
Rental growth rate	3.15%-3.54%	2.68%-3.79%	The higher the rental growth, the higher the fair value. Based on Gross Face Rental growth 10-year CAGR.

Judgement is required in determining the following significant unobservable inputs:

- *Capitalisation rate*: the rate at which market net property income is capitalised to determine the value of a property. The rate is determined with regard to market evidence and the prior external valuation.
- *Discount rate*: the rate of return used to convert cash flows, payable or receivable in the future, into present value. For industrial and office properties, it reflects the opportunity cost of capital, that is, the rate of return the cash can earn if put to other uses having similar risk. The rate is determined with regard to market evidence and the prior external valuation.
- *Terminal yield*: the capitalisation rate used to convert the future market net property income into an indication of the anticipated value of the property at the end of the holding period when carrying out a discounted cash flow calculation. The rate is determined with regard to market evidence and the prior external valuation.
- *Expected vacancy rate:* the proportion of the property not expected to be earning market net property income.
- *Rental growth rate:* the annual movement in net market rent being the estimated amount for which a property should lease between a lessor and a lessee on appropriate lease terms in an arm's length transaction.

h) Climate considerations

The Group engages independent valuation firms to assist in determining fair value of its investment property assets. As qualified valuers, they are required to follow both the RICS Valuation - Global Standards and the Australian Property Institute's International Valuation Standards, and accordingly their valuations are required to take into account the sustainability features of properties being valued and the implications such factors could have on property values in the short, medium and longer term. Where relevant, the Group's independent valuation firms note in their valuation reports that sustainability features are considered as part of the valuation approach and outline that sustainability features have been influencing value for some time.

i) Contractual receivables

Investment properties listed at f) above (excluding land and properties under construction) are typically leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are disclosed below.

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
Future minimum lease payments receivable:				
Within 1 year	19,342	24,659	-	-
Between 1 and 5 years	65,443	99,322	-	-
Later than 5 years	17,403	9,324	-	-
	102,188	**133,305**	**-**	**-**

j) Contractual payables

Garda's contractual obligations with respect to investment properties at 30 June 2024 were as follows:

Properties	**Nature of Obligation**	**$000**
Acacia Ridge, 38-56 Peterkin Street	Development	14,553
North Lakes, 109-135 Boundary Road	Development	9,431
Cairns, 7-19 Lake Street	Capex	201
Total contractual obligations		**24,185**

NOTE 12 INVESTMENT PROPERTIES HELD FOR SALE

a) Accounting policy

Investment properties are classified as held for sale if their carrying values are expected to be recovered principally through a sale transaction rather than continuing use, and a sale is considered highly probable.

Investment properties held for sale are presented separately in the Consolidated Statements of Financial Position as current assets and measured at fair value less cost to sell or net realisable value.

The critical accounting estimates underpinning the values of properties held for sale are set out in Note 11g.

b) Investment properties held for sale

At 30 June 2024, Garda's Pinnacle East property was classified as an asset held for sale.

Year ended 30 June	**2024** **$000**	**2023** **$000**
Garda		
Property at 372 Progress Road, Wacol (Pinnacle East)	13,298	-
Land at 39 Palmer Street, Townsville	-	1,250
Property at 572-576 Swan Street, Richmond	-	50,500
Property at 588A Swan Street, Richmond	-	60,000
	13,298	111,750
Movements during the year:		
Opening balance	111,750	-
Transfer from investment properties at net realisable value	13,298	111,750
Land sold at 39 Palmer Street, Townsville	(1,250)	-
Capital expenditure	1,087	-
Straight-line lease income	70	-
Net movement in leasing costs and incentives	106	-
Net loss from fair value adjustments	(32,226)	-
Disposal book value	(79,537)	-
Balance at the end of the year	**13,298**	**111,750**
Company		
Land at 39 Palmer Street, Townsville	-	1,250
	-	1,250
Movements during the year:		
Opening balance	1,250	-
Transfer from investment properties at fair value (non-current assets)	-	1,250
Sale of property	(1,250)	-
Balance at the end of the year	**-**	**1,250**

NOTE 13 DERIVATIVE FINANCIAL INSTRUMENTS

a) Accounting policy

The Group used derivative financial instruments (interest rate swaps) during the year to manage the risk of movements in variable interest rates on the Group's Australian dollar denominated borrowings.

The net fair value of derivative financial instruments at reporting date is recognised in the Consolidated Statements of Financial Position as a financial asset or financial liability. In accordance with AASB 9, any change in the fair value of a derivative is recognised in profit and loss. Garda does not perform hedge accounting.

b) Fair value measurement and critical accounting estimates

Garda's interest rate swap derivatives are at Level 2 in the in the fair value hierarchy as their fair value is estimated using inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

The fair value of Garda's derivatives has been determined by our banks using pricing models based on observable market data at balance date, including market expectations of future interest and discount rates adjusted for any specific features of the derivatives, counterparty or own credit risk.

$150,000,000 (30 June 2023: $150,000,000) of interest rate hedges are currently in place, comprising:

- $50,000,000 of interest rate swaps at a rate of 2.61%, expiring 3 Jun 2025;
- $10,000,000 of interest rate swaps at a rate of 0.80%, expiring 4 March 2027;
- $60,000,000 interest rate swaps at a rate of 0.82%, expiring 4 March 2027; and
- $30,000,000 interest rate swaps at a rate of 0.98%, expiring 4 March 2030.

These derivatives are currently "in the money" with a valuation at 30 June 2024 of $12,142,000.

Year ended 30 June	Garda		Company	
	2024	2023	2024	2023
	$000	$000	$000	$000
Current				
Interest rate swap contract asset	922	-	-	-
Interest rate swap contract liability	-	-	-	-
Non-Current				
Interest rate swap contract asset	11,220	15,527	-	-
Interest rate swap contract liability	-	-	-	-
Total interest rate swap asset	**12,142**	**15,527**	**-**	**-**

NOTE 14 TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is due more than 12 months after the reporting date.

Year ended 30 June	Garda		Company	
	2024	2023	2024	Restated 2023
	$000	$000	$000	$000
Trade creditors	-	24	-	47
Other payables	2,092	4,406	1,325	1,692
Loan payable to parent entity	-	-	-	3,880
	2,092	**4,430**	**1,325**	**5,619**

NOTE 15 BORROWINGS

a) Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are capitalised to borrowings and amortised in the Consolidated Statements of Profit or Loss and Comprehensive Income over the expected life of the borrowings.

Fees paid for establishing loan facilities are recognised as transaction costs and amortised over the period to which the facility relates.

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

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
Non-current				
Bank loans (secured)	217,191	225,177	-	-
Less: unamortised transaction costs	(569)	(908)	-	-
	216,622	224,269	**-**	-

b) Syndicated debt facility

Garda's borrowings comprise a $270,000,000 syndicated debt facility, expiring in March 2026.

Facility	**Facility Limit**		**Amount Drawn**		**Amount Available**	
	2024	2023	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000	**$000**	$000
Total facilities	**270,000**	290,000	**217,191**	225,177	**52,809**	64,823

Loan repayments are interest only with a lump sum payment of all amounts outstanding due at maturity. The syndicated bank debt facility is secured by:

a) a first registered general security deed in respect of all assets and undertakings of Garda;

b) a first registered real property mortgage in respect of each property in the Fund portfolio;

c) a first registered general security deed in respect of all assets and undertakings of the Company and its secured subsidiaries; and

d) a specific security agreement over tenant security deposit accounts.

Notwithstanding the terms of the facility, the registered title to all the assets of the Fund, including the properties, are held by The Trust Company (Australia) Limited, as custodian, who holds title for the relevant fund. This is an ASIC regulatory requirement.

Key financial covenants and other metrics under the syndicated bank debt facility include:

a) interest cover ratio is to remain above 1.50 times in FY24, above 1.75 times in FY25 and above 2.00 times in subsequent years;

b) loan to value ratio (LVR) must remain under 50%; and

c) adjusted gearing ratio is to remain under 1.20 times.

The Group complied with its financial covenants throughout the year.

Garda's financial undertakings under the syndicated bank facility include the following:

a) aggregate earnings before interest, taxes, depreciation and amortisation (**EBITDA**) of Garda borrowers must represents at least 90% of Group EBITDA; and

b) aggregate total assets of Garda borrowers must represent at least 90% of Group total assets.

The Group complied with these financial undertakings throughout the year.

NOTE 16 FINANCIAL RISK MANAGEMENT

a) Overview

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market (interest rate) risk. The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group from these risks.

There have been no substantive changes from the previous period in the types of risks to which the Group is exposed, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks.

b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge its obligations, resulting in the Group incurring a financial loss. The Group has exposure to credit risk on financial assets included in the Consolidated Statements of Financial Position.

The Group is exposed to credit risk on trade and other receivable balances (Note 9). The Group continuously assesses and monitors the credit quality of trade debtors on an ongoing basis. Given the historical profile and exposure of the trade and other receivables, it has been determined that no significant concentrations of credit risk exist for receivables balances. The maximum exposure to credit risk at 30 June 2024 is the carrying amounts of the trade and other receivables recognised on the Consolidated Statement of Financial Position.

The Group is also exposed to credit risk on its commercial loan receivable balances (Note 10). This risk is managed by:

- undertaking a detailed assessment of counterparties, with consideration of qualitative factors as well as the counterparty's credit rating;
- obtaining collateral in the form of security over real estate, bank guarantees, personal guarantees and other typical loan collateral; and
- continuously assessing and monitoring each loan and the associated counterparty.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The following indicators are incorporated:

- the amount that is not expected to be recovered through collateral following default; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group.

c) Liquidity risk

Liquidity risk is associated with ensuring that there are sufficient funds available to meet the Group's financial commitments as and when they fall due and planning for any unforeseen events which may curtail cash flows. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing surplus cash with major financial institutions only; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Refinancing risk is the risk that the Group:

- will be unable to refinance its debt facilities as they mature; and/ or
- will only be able to refinance its debt facilities at unfavourable interest rates and credit market conditions (margin price risk).

The table below shows the contractual maturity of Garda's fixed and floating rate financial liabilities.

	Note	Garda 2024 $000	Garda 2023 $000	Company 2024 $000	Company Restated 2023 $000
Less than one year					
Trade and other payables	14	2,092	4,430	1,325	5,619
Distribution payable	7	3,163	3,751	-	-
		5,255	**8,181**	**1,325**	**5,619**
Between one and five years					
Bank loans (secured)	15	217,191	225,177	-	-
		217,191	**225,177**	**-**	**-**

d) Market (or Interest Rate) Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Garda's asset and liability exposure to interest rate risk is summarised below.

	Note	Interest bearing $000	Non-interest bearing $000	Total carrying amount $000	Weighted average effective interest rate	Fixed or variable
30 June 2024						
Financial assets						
Cash		17,002	-	17,002	4.20%	Variable
Commercial loans		26,177	-	26,177	14.27%	Fixed
		43,179	**-**	**43,179**		
Financial liabilities						
Bank borrowings	15	217,191	-	217,191	4.66%	Variable
Hedged borrowings		(150,000)	-	(150,000)	1.45%	Fixed
		67,191	-	67,191		
30 June 2023						
Financial assets						
Cash		13,164	-	13,164	3.95%	Variable
Commercial loans		11,953	-	11,953	13.88%	
		25,117	-	25,117	3.95%	
Financial liabilities						
Bank borrowings	15	225,177	-	225,177	4.68%	Variable
Hedged borrowings		(150,000)	-	(150,000)	1.68%	Fixed
		75,177	-	75,177		

If interest rates were to increase/decrease by 0.5% basis points from the rates prevailing at the reporting date, assuming all other variables remain constant, then the impact on profit after tax and equity would be as follows:

30 June	2024 $000	2023 $000
Movement in interest rate: +/- 0.5%		
Impact on net profit after tax	259	319
Impact on equity	259	319

Garda uses interest rate swaps to manage risk associated with its variable rate bank borrowings, which effectively swaps the variable rate for a substantial amount of the borrowings to a fixed rate for a certain period of time. Refer Note 13.

NOTE 17 CONTRIBUTED EQUITY

a) Issued securities

	Garda		Company	
Year ended 30 June	**2024 Securities**	2023 Securities	**2024 Shares**	2023 Shares
Issued securities as per ASX	**217,651,293**	227,235,712	**217,651,293**	227,235,712
Movements during the year				
Balance at beginning of year	227,235,712	227,644,361	227,235,712	227,644,361
Buy-back and cancellation of securities	(9,584,419)	(408,649)	(9,584,419)	(408,649)
Total issued securities as per ASX	**217,651,293**	227,235,712	**217,651,293**	227,235,712
Treasury Securities	(1,993,489)	(3,990,492)	(1,993,489)	(3,990,492)
Securities on issue under Garda ESP	(14,840,000)	(14,840,000)	(14,840,000)	(14,840,000)
Securities issued under Garda EIP	(536,260)	-	(536,260)	-
Total issued securities for financial statements	**200,281,544**	208,405,220	**200,281,544**	208,405,220
Total contributed equity ($000)	**342,886**	354,495	**(99)**	45

Garda securities comprise units in the Fund and shares in Company that have been stapled to each other on a one-for-one basis.

Each Garda stapled security ranks equally with all other stapled securities for the purposes of distributions, dividends and corporate matters. Each stapled security also entitles the holder to vote in accordance with the provisions of the Fund and Company constitutions and the *Corporations Act 2001*.

b) Securities buy-back

On 17 April 2023, Garda commenced a on market buy-back program for 12 months which was extended by a further 12 months on 22 April 2024. At 30 June 2024, a total of 9,993,068 stapled securities had been bought back and cancelled, of which 9,584,419 were bought back and cancelled during the reporting period.

c) Treasury securities

The Fund owns 100% of Garda Capital Trust which, in turn, owned 1,993,489 stapled securities in Garda at 30 June 2024. In accordance with Australian Accounting Standards, these securities are designated as treasury securities and have been deducted from equity and total issued securities.

d) Garda ESP

At 30 June 2024, 14,840,000 securities had been issued under the Garda ESP, all of which have vested. In accordance with Australian Accounting Standards, all Garda ESP securities (including vested securities) are deducted from equity and excluded from total issued securities, until such time as the underlying limited recourse loans are repaid.

e) Garda EIP

During the reporting period, a total of 1,997,003 treasury securities were transferred to employees under the Garda EIP. The total includes 1,762,000 as deferred security awards, 223,425 as performance rights awards and 11,578 as exempt security awards.

Of the 1,762,000 deferred security awards, 1,225,740 have since vested, with 536,260 remaining unvested at 30 June 2024.

In accordance with Australian Accounting Standards, the issued securities are deducted from equity and excluded from total issued securities until such time the underlying restriction period or service period vesting conditions has ended.

NOTE 18 SECURITY-BASED PAYMENTS

a) Accounting policy and critical accounting estimates

Garda employees may be entitled to incentives in the form of equity instruments issued under the Garda Employee Security Plan (Garda ESP) or Garda Equity Incentive Plan (Garda EIP). Awards under these incentive plans of stapled securities, performance rights, deferred securities and exempt securities to Garda employees are accounted for in accordance with *AASB 2 Share-based Payment*.

Pursuant to AASB 2, the fair values at grant date for securities granted to employees are determined using the Black and Scholes option pricing model, taking into account exercise price, term of the security, security price at grant date, expected price volatility of the underlying security, expected dividend yield, risk-free interest rate for the term of the security and certain probability assumptions. Once the fair value has been determined, a security-based payment expense is recognised over the vesting period of the equity incentive, with a corresponding movement in a security-based payments reserve.

b) Security-based payment expense

The security-based payment expense for the year ended 30 June 2024, by underlying equity security, is set out in the following table.

Year ended 30 June	Plan	Note	Garda 2024 $000	Garda 2023 $000	Company 2024 $000	Company 2023 $000
Garda ESP securities	ESP	18d	90	298	90	298
Exempt security awards	EIP	18e	14	15	14	15
Performance rights	EIP	18f	258	406	258	406
Deferred security awards	EIP	18g	1,275	-	1,275	-
Total Security-based payment expense			**1,637**	**719**	**1,637**	**719**

c) Security-based payment reserves

The security-based payment expense reserve for the year ended 30 June 2024, by underlying equity security, is set out in the following table.

Year ended 30 June	Plan	Note	Garda 2024 $000	Garda 2023 $000	Company 2024 $000	Company Restated 2023 $000
Garda ESP securities	ESP	18d	1,873	1,783	1,873	1,783
Exempt security awards	EIP	18e	45	-	45	-
Performance rights	EIP	18f	1,016	758	1,016	758
Deferred security awards	EIP	18g	1,275	-	1,275	-
Total Security-based payment reserves			**4,209**	**2,541**	**4,209**	**2,541**

d) Garda ESP securities

Garda ESP securities are Garda stapled securities that were awarded to employees at market price, with an attaching non-recourse loan for the same amount. A total of 14,840,000 Garda ESP securities have been awarded, with the last award occurring in November 2020. The limited recourse loans attaching to the Garda ESP securities are not accounted for in the Consolidated Statements of Financial Position.

Details of securities under the limited recourse loan funded Garda ESP and the Black and Scholes option pricing model inputs for securities granted are set out below.

Grant date	Vesting date	Security price at effective grant date	Exercise price	Fair value at grant date	Number of securities	Limited recourse loan	Expected volatility	Dist'n yield	Risk free rate
13 Nov 2017	13 Nov 2020	$1.395	$0.63	$0.70	1,440,000	$547,843	10%	6%	2%
3 Jun 2019	3 Jun 2021	$1.395	$1.08	$0.24	480,000	$471,055	10%	6%	2%
23 Aug 2019	23 Aug 2021	$1.395	$1.22	$0.11	1,280,000	$1,535,096	10%	6%	2%
23 Aug 2019	23 Aug 2022	$1.395	$1.22	$0.10	640,000	$769,074	10%	6%	2%
16 Apr 2020	16 Apr 2023	$0.87	$1.00	$0.06	6,000,000	$5,672,393	30%	9%	1%
18 Nov 2020	19 Nov 2023	$1.22	$1.16	$0.10	5,000,000	$5,729,724	18%	6%	1%
					14,840,000	**$14,725,185**			

e) Exempt securities

An award of exempt securities was made to all employees (excluding directors) on 4 August 2023. Each employee was granted $1,000 of stapled securities which, based on five day volume weighted average security price of $1.209, equated to 827 securities each.

Grant date	Securities granted	Value at grant date	Total
04 Aug 2023	11,578	$1.209	$13,998

f) Performance Rights

Awards of performance rights were made to employees in FY22 and FY23. No performance rights were awarded in FY24 and 321,750 were cancelled. Movements in performance rights during the reporting period are summarised below:

Award date	Securities awarded	Balance at 30 June 2023	Vested	Cancelled	Balance at 30 June 2024
1 - 15 Dec 2021	670,285	446,860	(223,425)	-	223,435
19 Sep 2022	643,450	643,498	-	(321,750)	321,748
Total performance rights	**1,313,735**	**1,090,358**	**(223,425)**	**(321,750)**	**545,183**

Details of performance rights which vested during the year, and the associated Black and Scholes option pricing model inputs, are set out below:

Grant date range	Vesting date	Security price at effective grant date	Exercise price	Fair value at grant date range	Number of securities	Expected volatility	Dist'n yield	Risk free rate
10 - 15 Dec 2021	31 Aug 2023	1.57 - 1.64	-	$1.46 - $1.52	223,425	13%	4.5%	2%

All performance rights that vested during the year were exercised on the vesting date.

Details of unvested performance rights, and the associated Black and Scholes option pricing model inputs, are set out below:

Grant date range	Vesting date	Security price at effective grant date	Exercise price	Fair value at grant date range	Number of securities	Expected volatility	Dist'n yield	Risk free rate
10 - 15 Dec 2021	31 Aug 2024	1.57 - 1.64	-	$1.39 - $1.46	223,435	13%	4.5%	2%
19 Sep 2022	31 Aug 2025	1.52	-	$1.32	321,748	25%	4.7%	4%
					545,183			

The weighted average remaining contractual life of options outstanding at the end of period was 0.8 years (FY23: 1.6 years)

AASB 2 requires the valuation of the rights to be recognised over the measurement period. The minimum value of the grant to participants will be nil if the vesting conditions are not met.

g) Deferred securities

1,762,000 deferred security awards were made to employees on 13 November 2023, of which 1,225,740 vested during the financial year. No deferred security awards were made to employees previously.

Details of vested deferred securities awarded to employees during the year, and the associated Black and Scholes option pricing model inputs, are set out below:

Grant date range	Vesting date	Security price at effective grant date	Exercise price	Fair value at grant date range	Number of securities	Expected volatility	Dist'n yield	Risk free rate
13 Nov 2023	31 Jan 2024	$1.01	-	$0.998	1,225,740	27.3%	6.2%	4.6%

Details of unvested deferred securities, and the associated Black and Scholes option pricing model inputs, are set out below:

Grant date range	Vesting date	Security price at effective grant date	Exercise price	Fair value at grant date range	Number of securities	Expected volatility	Dist'n yield	Risk free rate
13 Nov 2023	31 Aug 2026	$1.01	-	$0.853	536,260	27%	6.2%	4.6%

The weighted average remaining contractual life of options outstanding at the end of period was 2.2 years.

AASB 2 requires the valuation of the deferred security awards to be recognised over the measurement period. The minimum value of the grant to participants will be nil if the vesting conditions are not met.

h) Prior period error - security-based payment reserve

The security-based payment reserve at 30 June 2024 was $4,209,000. This reserve is recognised in Garda's equity accounts in the Consolidated Statements of Financial Position.

In prior periods, commencing in FY20, Garda has incorrectly applied AASB 2 by designating the Fund as the entity with the obligation to settle security-based payment transactions with employees and recognising an intercompany loan between the Fund and the Company. While the Fund's securities were used in these settlements, the obligation to settle the security-based transactions was with the employing entity i.e., the Company. The Company should have recognised the security-based premium reserve not the Fund.

The error has no impact on the consolidated financial statements of the Group but resulted in the standalone Statement of Financial Position of the Company being understated primarily by the amount of the security-based premium reserve. The error has been corrected by restating the affected lines in the Statement of Financial Position of the Company for prior periods, as follows:

Company	30 June 2023	Increase/ (decrease)	Restated 30 June 2023	30 June 2022	Increase/ (decrease)	Restated 1 July 2022
	$000	$000	$000	$000	$000	$000
Trade and other payables	8,191	(2,572)	5,619	5,728	(1,853)	3,875
Net assets	**2,332**	**2,572**	**4,904**	**2,696**	**1,853**	**4,549**
Reserves	-	2,541	2,541	-	1,837	1,837
Contributed equity	14	31	45	19	16	35
Total equity	**2,332**	**2,572**	**4,904**	**2,696**	**1,853**	**4,549**

NOTE 19 RELATED PARTIES AND KEY MANAGEMENT PERSONNEL

Any transactions between related parties occurred on standard commercial terms and conditions, unless otherwise stated.

a) KMP compensation

The aggregate remuneration paid to KMP is set out below:

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$	$	**$**	$
Short-term benefits	2,862,592	2,847,805	2,862,592	2,847,805
Post-employment benefits	95,718	94,997	95,718	94,997
Long-term benefits	27,181	25,315	27,181	25,315
Security based payments	188,306	397,097	188,306	397,097
Total remuneration paid	**3,173,797**	**3,365,214**	**3,173,797**	**3,365,214**

Details of equity incentives paid to KMP during the year may be found in the Remuneration Report and Note 18.

b) Transactions with KMP and their related parties

There were no transactions with KMP and their related parties during the year.

NOTE 20 AUDITOR'S REMUNERATION

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$	$	**$**	$
Remuneration of the auditor for:				
Audit and review of the group financial report	132,500	127,000	66,250	63,500
Audit of stand-alone financial reports of the group entities	13,400	12,800	13,400	12,800
Total remuneration for financial audit services	**145,900**	**139,800**	**79,650**	**76,300**
Remuneration of the auditor for:				
AFSL audit of the group entities	12,000	11,400	12,000	11,400
Audit of compliance plan	22,000	20,000	22,000	20,000
Tax services	12,950	-	12,950	-
Total remuneration for other services	**46,950**	**31,400**	**46,950**	**31,400**

NOTE 21 CASH FLOW INFORMATION

a) Composition of cash and cash equivalents

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
Cash on hand	-	-	-	-
Cash at bank	11,402	7,596	1,128	1,431
Regulatory cash and on-call deposit	5,600	5,568	5,600	5,568
Total	**17,002**	**13,164**	**6,728**	**6,999**

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the Consolidated Statements of Financial Position and the Consolidated Statements of Cash Flows.

b) Cash flow from operations

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
Reconciliation of cash flow from operations with loss after tax				
Loss after income tax	**(42,926)**	(4,934)	**(145)**	(359)
Adjustments for items in profit or loss:				
Security based payment expense	1,637	719	1,637	719
Depreciation	136	150	136	150
Credit loss expense	76	-	76	-
Net loss in fair value of investment properties	39,295	6,470	-	-
Net loss/ (gain) in fair value of derivative instruments	3,385	(638)	-	-
Amortisation of borrowing transaction costs	339	334	-	-
Net loss/ (gain) on sale of investment properties	11,163	11,729	(661)	-
Lease rent free	(208)	(335)	-	-
Lease straight-lining revenue	249	1,130	-	-
Lease costs and incentive amortisation	673	771	-	-
Interest expense on lease liabilities	14	2	14	2
Capitalised interest and fee income on commercial loans	(1,989)	(1,763)	-	-
Capitalised interest expense on investment properties	(3,629)	(3,420)	-	(59)
Movements in assets and liabilities:				
Trade and other receivables	72	(6)	1,370	(1,344)
Other assets	294	306	9	(24)
Contract liabilities	(979)	625	-	-
Trade and other payables	(602)	332	(426)	567
Other liabilities	(392)	178	-	-
Provisions	89	69	89	69
Deferred tax balances	(145)	117	(145)	117
Cash flow from / (used in) operations	**6,552**	**11,836**	**1,954**	**(162)**

c) Non-cash financing and investing activities

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
Additions to the right-of-use assets	420	-	420	-
Total	**420**	-	**420**	-

A right-of-use asset has been recognised for Garda's lease of its head office under an agreement that commenced in July 2023 and expires in July 2026.

There were no other non-cash investing and financing activities during the current and prior year.

d) Reconciliation of liabilities arising from financing activities

Liabilities arising from financing activities are liabilities for which cash flows are, or will be, classified as 'cash flows from financing activities' in the Statement of Cash Flows. Changes in the carrying amount of such liabilities, which comprise bank borrowings and loans payable to parent entities, are summarised below.

	Garda		Company	
Year ended 30 June	**2024**	2023	**2024**	2023
	$000	$000	**$000**	$000
Bank borrowings				
Balance at the beginning of the year	224,269	258,898	-	-
Net cash inflow/ (outflow)	(7,986)	(34,963)	-	-
Non-cash changes - amortisation of borrowing costs	339	334	-	-
Loan from parent entity				
Balance at the beginning of the year	-	-	6,452	5,728
Net cash outflow	-	-	(3,993)	-
Non-cash changes – Security based payment expense	-	-	(2,572)	719
Non-cash changes – Security buy-back transaction costs	-	-	113	5
Balance at the end of the year	**216,622**	**224,269**	**-**	**6,452**

NOTE 22 PARENT ENTITY INFORMATION

a) Parent Entity

The Parent Entity of the Group is Garda Diversified Property Fund.

30 June	**2024**	**Restated 2023[17]**
	$000	**$000**
ASSETS		
Current assets	47,678	128,545
Non-current assets	515,195	514,848
Total assets	**562,873**	**643,393**
LIABILITIES		
Current liabilities	6,046	10,157
Non-current liabilities	216,970	225,008
Total liabilities	**223,016**	**235,165**
NET ASSETS	**339,857**	**408,228**
EQUITY		
Contributed equity	350,783	364,247
(Accumulated losses)/ Retained earnings	(10,926)	43,981
Total equity	**339,857**	**408,228**
LOSS		
Loss for financial year	(41,809)	(4,355)
Other comprehensive income	-	-
TOTAL LOSS AND OTHER COMPREHENSIVE INCOME	**(41,809)**	**(4,355)**

[17] Refer Note 18h. An adjustment for a prior period accounting error increased the Company's standalone liabilities and equity at 30 June 2023 by $2,572,000, with a corresponding reduction in the standalone assets and equity of the Fund. There was no net impact on the consolidated financial statements of the Group.

The financial information for the Fund has been prepared on the same basis as the consolidated financial statements.

b) Controlled entities of the Parent Entity

	Ownership Interest		Country of
As at 30 June	**2024**	2023	**Incorporation**
Garda Capital Limited	100%	100%	Australia
Garda Capital RE Limited	100%	100%	Australia
Garda Capital Trust	100%	100%	Australia
Garda Facilities Management Pty Ltd	100%	100%	Australia
Garda Finance Pty Ltd	100%	100%	Australia
Garda Funds Management Limited ATF Garda Capital Trust	100%	100%	Australia
Garda Holdings Limited	100%	100%	Australia
Garda Property Finance Pty Ltd *	0%	100%	Australia
Garda Real Estate Services Pty Ltd	100%	100%	Australia
Garda Services Pty Ltd	100%	100%	Australia
Garda TSV Pty Ltd ATF Garda TSV Unit Trust *	0%	100%	Australia
Garda TSV Unit Trust *	0%	100%	Australia

Note*: These dormant entities were wound up and deregistered during the reporting period.

NOTE 23 CONTINGENT ASSETS AND LIABILITIES

a) Contingent assets

The Group did not have any material contingent assets as at 30 June 2024 (FY23: nil).

b) Contingent liabilities

The Group did not have any material contingent liabilities as at 30 June 2024 (FY23: nil).

NOTE 24 EVENTS SUBSEQUENT TO THE END OF THE PERIOD

On 10 July 2024, Garda announced the unconditional sale of its Pinnacle East asset at Wacol with settlement scheduled for 20 August 2024. The net sale proceeds are $13,298,000.

Otherwise, there are no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect:

- Garda's operations in future financial years;
- the results of those operations in future years; or
- the state of affairs of Garda in future years.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Garda Holdings Limited is required by Australian Accounting Standards to prepare consolidated financial statements in relation to the Company and its controlled entities (**the consolidated entity**).

In accordance with subsection 295(3A) of the *Corporations Act 2001*, this Consolidated Entity Disclosure Statement provides information about each entity that was part of the consolidated entity at the end of the financial year.

Consolidated Entity Disclosure Statement as at 30 June 2024 for Garda Holdings Limited

Name of entity	Type of entity	Place formed or incorporated	Percentage of share capital held	Tax Residency
Garda Holdings Limited	Body corporate	Australia	na	Australian
Garda Capital Limited	Body corporate	Australia	100%	Australian
Garda Capital RE Limited	Body corporate	Australia	100%	Australian
Garda Facilities Management Pty Ltd	Body corporate	Australia	100%	Australian
Garda Finance Pty Ltd	Body corporate	Australia	100%	Australian
Garda Funds Management Limited	Body corporate	Australia	100%	Australian
Garda Real Estate Services Pty Ltd	Body corporate	Australia	100%	Australian
Garda Services Pty Ltd	Body corporate	Australia	100%	Australian

At the end of the financial year, no entity within the consolidated entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

The Fund and its controlled entity are not required to be presented in the table above as they are not controlled entities of the Company.

DIRECTORS' DECLARATION

In the opinion of the Directors of Garda Property Group:

(a) the attached financial statements and notes are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Regulations 2001*; and

  (ii) giving a true and fair view of Garda Property Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date,

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1;

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

(d) the Consolidated Entity Disclosure Statement required by subsection 295(3A) of the *Corporation Act 2001* for Garda Holdings Limited is true and correct.

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

This declaration is made in accordance with a resolution of the Directors.

Matthew Madsen
Executive Chairman

1 August 2024

INDEPENDENT AUDITOR'S REPORT

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Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

+61 7 3222 8444

pitcher.com.au

Independent Auditor's Report
To the Stapled Security holders of Garda Property Group and to the Share Holders of Garda Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of:

- Garda Property Group and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information and the directors' declaration of Garda Property Group. The Group comprises the consolidated stapled entity Garda Diversified Property Fund ("the Fund") and Garda Holdings Limited ("the Company"), and the entities they controlled at year end or from time to time during the year; and
- Garda Holdings Limited and its controlled entities ("the Company"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration of the Company; and

In our opinion, the accompanying financial report of the Group and Company is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group and Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible entity of the Fund and Company (together referred to as "the Directors"), would be in the same terms if given to the directors as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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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 of the current period. These 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.

Key Audit Matter	How our audit addressed the key audit matter
Valuation of Investment Property Refer to note 11: Investment Properties	
At 30 June 2024 the Group's consolidated statement of financial position includes investment properties, which are recorded at fair value, with a carrying value of $495,366,000. This represents 87% of total assets. As disclosed in Notes 8 and 11 of the financial report, fair values are determined by the directors at the end of each reporting period with reference to external independent property valuations or internal directors' valuations. The fair value is determined using the following two valuation methodologies: • The capitalisation approach (market approach) • The discounted cash flow approach (income approach) Any change in the fair value of investment properties is recognised in the consolidated statement of profit or loss and other comprehensive income. This was considered a key audit matter due to the number of key judgements required in determining fair value. These key judgements include estimating the capitalisation rates, discount rates, market rents, re-leasing costs, forecast occupancy levels and forecast capital expenditure. The valuations for investment properties also include inputs such as net income, occupancy rate and lease term remaining. Minor changes in these key judgements and inputs can lead to significant changes in the valuation. The financial report discloses the sensitivity of these valuations to changes in key judgements and inputs.	Our procedures included: • Obtaining an understanding of, and evaluating the design and implementation of relevant controls associated with management's valuation assessment, as well as assessing the oversight applied by the directors; • Assessing the competence, capabilities, and the objectivity of the independent valuers; • Evaluating the external and director property valuations including an assessment of the appropriateness of the valuation methodology adopted; • Evaluating the movements in capitalisation rates, discount rates, market rents, re-leasing costs, forecast occupancy levels and forecast capital expenditure applied based on our knowledge of the property portfolio and published reports of industry commentators; • Testing key inputs to the valuations including, net income, occupancy rate and lease term remaining for consistency with existing lease contracts made to the valuation; and • Assessing the adequacy of the relevant disclosures in the financial report, including key judgements, inputs and sensitivity analysis.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group and Company's annual report for the year ended 30 June 2024, 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;*
(b) the consolidated entity disclosure statement (relating to the Company only) that is true and correct in accordance with the *Corporations Act 2001*; and
(c) for such internal control as the directors determine is necessary to enable the preparation of:
    (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
    (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group and the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or Company 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:

(a) the financial report (other than the consolidated entity disclosure statement) as a whole is free from material misstatement, whether due to fraud or error; and
(b) the consolidated entity disclosure statement is not misstated, whether due to fraud or error; and
(c) 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or Company's ability to continue as a going

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concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group or Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group or Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 26 of the directors' report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Garda Property Group, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Responsible entity of the Fund and 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.

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CHERYL MASON
Partner

Brisbane, Queensland
1 August 2024

CORPORATE GOVERNANCE STATEMENT

The Board and management of Garda consider it is crucial for the long-term performance and sustainability of the Group, and to protect and enhance the interests of its securityholders and other stakeholders, that it adopts an appropriate corporate governance framework pursuant to which it will conduct its operations with integrity, accountability and in a transparent and open manner.

Garda regularly reviews its governance arrangements as well as developments in market practice, expectations and regulation. The governance arrangements were reviewed during 2024.

The Corporate Governance Statement has been approved by the Boards of the Company and Garda Capital Limited (as responsible entity) and explain how the Garda addresses the requirements of the *Corporations Act 2001*, the ASX Listing Rules and the ASX Corporate Governance Council's '*Corporate Governance Principles and Recommendations – 4th Edition*' (the 'ASX Principles and Recommendations'). It is current as at 30 June 2024.

Garda's ASX Appendix 4G, which is a checklist cross-referencing the ASX Principles and Recommendations to the relevant disclosures in this statement, the 2024 Annual Report of the Garda Property Group and other relevance governance documents and materials on the Garda website (together the 'ASX Appendix 4G'), is provided in the corporate governance section of our website at https://gardaproperty.com.au.

The Corporate Governance Statement together with the ASX Appendix 4G and this Annual Report, were lodged with the ASX on the same date.

The Board strives to meet the highest standards of corporate governance but recognises that it is also crucial that the governance framework of Garda reflects the current size, operations and industry in which Garda and its related entities operate.

Garda has complied with most of recommendations of the ASX Principles and Recommendations and has improved in many key areas during the year. The Board believes the areas of non-conformance, which are explained in the Corporate Governance Statement and the ASX Appendix 4G, will not materially impact the ability of the Group to achieve the highest standards of corporate governance nor its ability to meet the expectations of its securityholders and other stakeholders.

SECURITYHOLDER INFORMATION

Securityholder information as at 25 July 2024.

Distribution of equity securities

Range	Securities	No. of holders	%
100,001 and over	169,515,153	185	5.54
10,001 to 100,000	40,907,723	1,318	39.45
5,001 to 10,000	4,276,583	564	16.88
1,001 to 5,000	2,810,474	986	29.51
1 to 1,000	141,360	288	8.62
Total	**217,651,293**	**3,341**	**100.00**
Unmarketable parcels	13,706	121	3.65

Top 20 securityholders

The names of the twenty largest holders of stapled securities are listed below:

Name	Number Held	Percentage of issued securities (%)
HGT Investments Pty Ltd	37,340,745	17.16
HSBC Custody Nominees (Australia) Limited	11,931,862	5.48
Madsen Nominees Pty Ltd	10,960,000	5.04
Netwealth Investments Limited	10,137,921	4.66
J P Morgan Nominees Australia Pty Limited	6,441,718	2.96
Madsen Nominees Pty Ltd	5,050,000	2.32
Glenelg-Park Nominees Pty Ltd	5,013,869	2.30
Mr Peter Zinn	4,989,674	2.29
JJG Equities Pty Ltd	4,644,831	2.13
Citicorp Nominees Pty Limited	3,299,162	1.52
Extra Large Pty Ltd	3,052,074	1.40
Mr Peter John Zinn	3,000,000	1.38
Asia Union Investments Pty Limited	3,000,000	1.38
Pine Factory SF Pty Ltd	2,100,152	0.96
First Samuel Ltd	2,086,026	0.96
The Trust Company (Australia) Limited	1,993,489	0.92
Mr Richard Eaton-Wells & Ms Frances Catherine Economidis	1,970,000	0.91
Perrins Rap Pty Ltd	1,889,592	0.87
Mark Alexander Scammells	1,469,387	0.68
Haines Signature Investments Pty Ltd	1,461,516	0.67
Total	**121,832,018**	**55.98**

Substantial holders

The names of the substantial securityholders listed in the holding register are:

Name	Number Held	Percentage of issued securities (%)
HGT Investments Pty Ltd	37,340,745	17.16
Madsen Nominees Pty Ltd	16,910,000	7.76
HSBC Custody Nominees (Australia) Limited	11,931,862	5.48
Total	**66,182,607**	**30.4**

Voting rights

Each securityholder confers the right to vote at meeting of Securityholders, subject to any voting restrictions imposed on a Securityholder under the *Corporations Act 2001* and the ASX Listing Rules.

On a show of hands, each Securityholder has one vote. On a poll, each Securityholder has one vote for each dollar value of securities held. The Group will follow the ASX recommendation that all significant resolutions will be conducted by poll.

GLOSSARY

AASB	Australian Accounting Standards Board
Adjusted gearing	Adjusted gearing ratio is calculated as adjusted total liabilities divided by adjusted total assets
ARSC	Audit, Risk and Sustainability Committee
CAGR	Compound annual growth rate
Company	Garda Holdings Limited (ACN 636 329 774)
DA	Development Application
ESP	Garda Employee Security Plan
FFO	Funds from operations are the Group's underlying and recurring earnings from its operations. It is determined by adjusting statutory net profit (under AIFRS) for certain non-cash and other one-off items. FFO is not recognised or covered by Australian Accounting Standards and has not been audited or reviewed by the auditor of the Group.
Fund	Garda Diversified Property Fund (ARSN 104 391 273)
Garda	Garda Property Group
GDF	Garda Diversified Property Fund (ARSN 104 391 273)
Gearing	(Total drawn interesting-bearing debt less cash) / (total assets less cash)
GHL	Garda Holdings Limited (ACN 636 329 774)
GFA	Gross floor area
Group	Garda Property Group
GST	Goods and Services Tax
LVR	(Total drawn interest-bearing debt) / (total bank approved secured property)
NRC	Nomination and Remuneration Committee
NLA	Net lettable area
NTA	Net tangible assets
ROE	Return on equity. Calculated as (total distributions plus movement in NTA in financial year) divided by opening NTA.
TSR	Total securityholder return. Calculated as (total distributions plus movement in security price in financial year) divided by opening security price.
WACD	Weighted average cost of debt
WACR	Weighted average capitalisation rate
WALE	Weighted average lease expiry
WANOS	Weighted average number of securities

CORPORATE DIRECTORY

DIRECTORS

Matthew Madsen
Executive Chairman and Managing Director

Mark Hallett
Executive Director

Paul Leitch
Independent Director

Andrew Thornton
Non-executive Director

COMPANY SECRETARY

Lachlan Davidson
General Counsel and Company Secretary

REGISTERED OFFICE

Level 21, 12 Creek Street
Brisbane QLD 4000
Ph: +61 7 3002 5300
Fax: +61 7 3002 5311
Web: www.gardaproperty.com.au

AUDITOR

Pitcher Partners
Level 38, 345 Queen St
Brisbane QLD 4000

Ph: +61 7 3222 8444

SHARE REGISTRY

Link Market Services
Level 12, 680 George Street
Sydney NSW 2000

Ph: +61 1300 554 474
F: +61 2 9287 0303

STOCK EXCHANGE LISTING

Garda Property Group is listed as a stapled security on the Australian Securities Exchange Limited (ASX: GDF)

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