GPT Metro Office Fund

Annual Financial Report 2015

GPT | METRO OFFICE FUND

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Corporate Governance

GPT Platform Limited (GPL) is the responsible entity of the GPT Metro Office Fund (GMF or the Fund) and a wholly-owned subsidiary of GPT Management Holdings Limited (GPTMH). The Board of GPL is responsible for ensuring, and is committed to ensuring that robust systems of corporate governance are applied to the operations of the Fund.

The third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Principles) sets out a recommended corporate governance framework for listed entities. GMF's Corporate Governance Statement sets out how the Fund has complied with the Principles as they apply to externally managed listed trusts for the period ended 30 June 2015. While the Council has stated a number of the Principles do not apply to externally managed listed trusts, the Fund has either directly or through its arrangements with GPT (comprising GPTMH and the General Property Trust) put in place procedures in relation to a number of those Principles as they relate to the Fund and GPL.

The Fund's Corporate Governance Statement is available on GMF's website at:
www.gptmetroofficefund.com.au/about-metro-fund/corporate-governance/corporate-governance-statement. The Fund has also lodged an Appendix 4G (Key to Disclosures – Corporate Governance Principles and Recommendations) with the ASX.

GPT Metro Office Fund

Annual Financial Report 2015

For the period 26 May 2014 to 30 June 2015

GPT | METRO OFFICE FUND

Annual Financial Report

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The GPT Metro Office Fund (GMF) was registered as a managed investment scheme on 26 May 2014 and listed on the Australian Securities Exchange on 29 October 2014. ARSN: 169 500 476.

GPT Platform Limited, a wholly owned subsidiary of GPT Management Holdings Limited, is the Responsible Entity of GMF.

Through the use of our website, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to GMF. Media releases, financial reports and other information are available on our website: **www.gptmetroofficefund.com.au**.

Directors' Report

For the period 26 May 2014 to 30 June 2015

The Directors of GPT Platform Limited (GPL) (the Board) (ACN 164 839 061; AFSL 442649), the Responsible Entity of the GPT Metro Office Fund (GMF), present their report together with the financial statements for the period 26 May 2014 to 30 June 2015 (the Financial Period). Due to statutory requirements, GMF is required to report from the date of registration of the managed investment scheme on 26 May 2014 (Registration Date) with the Australian Securities and Investments Commission (ASIC).

GMF was established on 1 October 2013 and listed on the Australian Securities Exchange (ASX) on 29 October 2014 (Allotment Date). As GMF acquired two investment properties prior to Registration Date, GMF has an opening statement of financial position at Registration Date.

Both GMF and the Responsible Entity are domiciled in Australia. The Responsible Entity's registered office and principal place of business is at Level 51, MLC Centre, 19 Martin Place, Sydney NSW 2000.

1. Operating and financial review

About GMF

GMF is a newly-established Australian real estate investment trust which offers investors an exposure to a quality portfolio of six A-Grade metropolitan and business park office properties located across Sydney, Melbourne and Brisbane. GMF's portfolio has been independently valued at $401,750,000.

GMF is an externally managed, ASX-listed real estate investment trust with its Responsible Entity having a majority independent Board. GMF benefits from The GPT Group's (GPT) significant resources and proven expertise in real estate and funds management.

$2.09	100%	28.9%
Net Tangible Assets (NTA) per unit	Australian A-Grade properties	Net gearing

Strategic plan

GMF seeks to appeal to investors looking for high relative income returns with liquidity, secure capital and demonstrating best in class governance, capital management and asset management. Furthermore it seeks to build enduring relationships with tenants by solving their property needs with differentiated services.

GMF's strategic objectives are to:

- Own quality, Australian metropolitan and business park office properties;
- Own properties that have a stable income profile, underpinned by leases to a range of tenants with structured rental growth;
- Offer an attractive distribution yield, with a focus on sustainable income returns; and
- Maintain a conservative capital structure.

Geographically, GMF may invest in any Australian metropolitan office market excluding the core CBDs of Sydney, Melbourne and Brisbane. Markets within the GMF's investment mandate include:

- Properties in Australian metropolitan (non-CBD) office markets (GMF currently owns properties in Fortitude Valley in Brisbane, Qld and Hawthorn in Melbourne, Vic);
- Properties in Australian business park precincts (GMF currently owns properties in Sydney Olympic Park in NSW); and
- Properties in CBDs excluding Sydney, Melbourne and Brisbane, such as Canberra, Adelaide and Perth.

Directors' Report

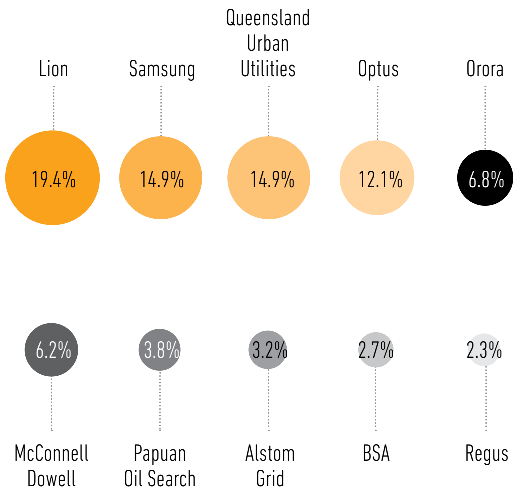
For the period 26 May 2014 to 30 June 2015

Portfolio diversity

GMF's asset portfolio is diversified by exposure to different markets and tenants with a range of lease expiries designed to underpin a stable income stream. All six of GMF's assets are classified as A-Grade in quality, as per the Property Council of Australia's 'A Guide to Office Building Quality'.

Top Ten Tenants[1]

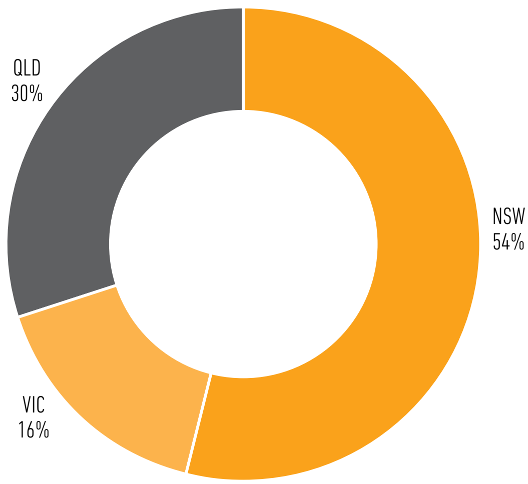
30 Jun 15



1. Based on gross rent.

Geographic Weightings

30 Jun 15



Review of operations

Fund establishment

On 29 October 2014, GMF raised $255,200,000 from Unitholders in an Initial Public Offering (IPO) of units in GMF and was admitted to the ASX (ASX ticker: GMF).

Prior to Registration Date, GMF acquired two A-Grade metropolitan and business park office properties located in Brisbane and Melbourne for $183,427,000 (including acquisition costs). These acquisitions were funded by a non-interest bearing inter-entity loan from GPT.

After Registration Date but prior to Allotment Date, GMF acquired a further four A-Grade metropolitan and business park office properties located in Sydney. These properties were acquired from GPT for $167,400,000 (including a rent receivable for Quad 2 and Quad 3 of $1,700,000) and were funded by the inter-entity loan from GPT. The rent receivable will be in place for two years from Allotment Date to cover forecast vacancy downtime, incentives and other re-leasing costs for vacant and expiring tenancies.

The proceeds of the IPO along with $105,000,000 drawn from the $145,000,000 revolving debt facility were used to re-pay the inter-entity loan from GPT and fund working capital.

Directors' Report

For the period 26 May 2014 to 30 June 2015

Operating result

The following table sets out the statutory statement of comprehensive income in respect of the period from 26 May 2014 to 30 June 2015 and provides a comparison to the Product Disclosure Statement (PDS) forecast.

Column A represents the PDS forecast.

Column B represents the statutory profit post Allotment Date including all properties in the portfolio and the IPO capital structure put in place for listing GMF. Column B is comparable to column A and is the most meaningful comparison for Unitholders.

Column C represents the period from Registration Date to Allotment Date. This reflects the period of GPT's ownership when there was a different capital structure in place for GMF and some of the properties within the portfolio were not owned by GMF for this whole period.

Please note that given the differences in asset composition, capital structure and management arrangements, column C and column D are not considered meaningful in assessing Unitholders' entitlement to the profit of GMF.

	PDS Forecast Allotment Date to 30 Jun 15 A $'000	Actual Allotment Date to 30 Jun 15 B $'000	Actual 26 May 14 to Allotment Date C $'000	Actual Statutory 26 May 14 to 30 Jun 15 D = B + C $'000
Revenue				
Rent from investment properties	18,700	20,098	9,372	29,470
Straight lining of leases	3,000	3,208	141	3,349
Other income				
Interest revenue	100	100	102	202
Fair value gain/(loss) on investment properties[1]		24,024	(125)	23,899
Total revenue and other income	**21,800**	**47,430**	**9,490**	**56,920**
Expenses				
Property expenses and outgoings	3,200	3,512	1,611	5,123
Management and other administration costs	700	690		690
Responsible Entity's fee	1,500	1,600		1,600
Finance costs	2,700	2,508		2,508
Net loss on fair value of derivatives[1]		3,510		3,510
Total expenses	**8,100**	**11,820**	**1,611**	**13,431**
Profit and other comprehensive income (before transaction costs)	**13,700**	**35,610**	**7,879**	**43,489**
(Transaction costs)/savings[2]		138	(2,099)	(1,961)
Profit and other comprehensive income	**13,700**	**35,748**	**5,780**	**41,528**

1. As disclosed in the PDS, the PDS did not forecast any potential fair value adjustments of investment properties and derivative financial instruments on the basis that such amounts could not be reliably determined at the date of the PDS.
2. In the PDS, transaction costs included $3,800,000 of stamp duty relating to Vantage which was incurred prior to Registration Date.

Directors' Report

For the period 26 May 2014 to 30 June 2015

Distributable earnings/Funds from Operations

Distributable earnings/Funds from Operations (FFO) represents GMF's underlying and recurring earnings from its operations. This is determined by adjusting statutory profit under Australian Accounting Standards for certain items which are non-cash, unrealised or capital in nature. FFO has been determined in accordance with the guidelines established by the Property Council of Australia.

GMF's FFO is distributable earnings as defined in the PDS, including amounts received under the Quad rent receivable and 3 Murray Rose Avenue adjustments.

The following table sets out GMF's distributable earnings/FFO from Allotment Date to 30 June 2015:

	PDS Forecast Allotment Date to 30 Jun 15 $'000	Actual Allotment Date to 30 Jun 15 $'000
Profit and other comprehensive income	**13,700**	**35,748**
Valuation increase		(24,024)
Financial instruments mark to market		3,510
Cash received and elected to be distributed	2,500	2,350
Other items[1]	(3,000)	(3,194)
Distributable earnings/Funds from Operations (FFO)	**13,200**	**14,390**
Distribution	**12,500**	**12,951**
Distributable earnings/FFO per unit (cents)	10.33	11.28
Distribution per unit (cents)	9.81	10.15

1. Other items includes straight lining of leases and amortisation of lease incentives.

The Distributable earnings/FFO for the period from Allotment Date to 30 June 2015 of $14,390,000 is 9.0% above the forecast level of distributable earnings presented in the PDS of $13,200,000. The principal items contributing to this increase include:

- The lump sum surrender fees received during the period including material amounts related to rent and other charges that would otherwise have been payable through the 6 months to 31 December 2015;
- Three days of additional trading revenue arising from GMF's listing on the ASX earlier than the PDS forecast date; and
- Interest and transaction cost savings.

Operational highlights

- $401,750,000 asset portfolio
- 6.3 years weighted average lease expiry (WALE) by income
- 95.5% office occupancy (including rent receivables and Heads of Agreement)

Since Allotment Date, GMF has:

- Successfully re-leased or renewed five tenancies across Quads 2 and 3 at Sydney Olympic Park, totalling 1,954sqm. This has placed GMF ahead of its forecast drawdown against the Quad rent receivable.
- Achieved practical completion of the 3 Murray Rose Avenue development, two weeks ahead of schedule and 409sqm larger than estimated. The additional area, included in Samsung's lease, resulted in GMF paying $2,219,000 to GPT to reflect the larger asset size. This was financed by debt and increased the maximum amount which the Fund was required to pay GPT for the total development, from $78,000,000 to $80,219,000.
- Reached agreement with Fusion Retail Brands to surrender their tenancy at Vantage in Hawthorn, Victoria. The financial risk of this tenant was disclosed in the PDS. Fusion has now vacated its single floor tenancy and GMF is actively marketing the space for new tenants.
- Renewed the lease to McConnell Dowell at Vantage in Hawthorn, Victoria. The new lease extends for seven years (to March 2023) beyond the expiry of the existing lease on 21 March 2016. As part of the agreement, McConnell Dowell will reduce its tenancy by approximately 800sqm on 31 December 2015.
- Been included in the Standard and Poor's (S&P) ASX 300 Index from 20 March 2015.

Directors' Report

For the period 26 May 2014 to 30 June 2015

Financial position

	Net Assets 30 Jun 15 $'000
3 Murray Rose Avenue, Sydney Olympic Park, NSW	82,750
5 Murray Rose Avenue, Sydney Olympic Park, NSW	80,500
Quad 2, Sydney Olympic Park, NSW	26,500
Quad 3, Sydney Olympic Park, NSW	26,800
Vantage, 109 Burwood Road, Hawthorn, Vic	66,000
Optus Centre, 15 Green Square Close, Fortitude Valley, Qld	119,200
	401,750
Other assets	4,790
Total assets	**406,540**
Borrowings	119,450
Other liabilities	20,704
Total liabilities	**140,154**
Net assets	**266,386**
Total number of units on issue	**127,600,500**
NTA ($)	**2.09**

At 30 June 2015, 100% of the portfolio was externally valued achieving a portfolio uplift of $25,850,000 as a result of firming capitalisation and discount rates, and market rental growth. At 30 June 2015 the portfolio is valued at $401,750,000. This represents a 6.9% increase above the $375,900,000 portfolio valuation presented in the PDS. Refer to note 1 of the financial statements for further details regarding the investment property valuations.

Capital management

- 4.8% cost of debt
- 28.9% gearing (on net debt basis)
- 3.6 years weighted average debt maturity
- 83.3% drawn debt hedged
- 5.3 years weighted average term to maturity of interest rate hedges

GMF maintains prudent and disciplined capital management with net gearing (calculated as borrowings less cash divided by total tangible assets less cash) at 30 June 2015 of 28.9%, which is well within GMF's target gearing range of 25.0% to 40.0%.

Distribution reinvestment plan

On 12 June 2015, GMF announced the activation of its Distribution Reinvestment Plan (DRP), which allows eligible Unitholders to reinvest all or part of their distribution into GMF units. The DRP applied to the distribution for the eight month period to 30 June 2015.

Cash flows

	Allotment to 30 Jun 15 $'000
Distributable earnings/FFO	**14,390**
Costs associated with equity raising	1,961
Amortisation of debt establishment costs	102
Capitalised interest	(1,067)
Timing differences – change in working capital	1,480
Cash from operating activities	**16,866**

Directors' Report

For the period 26 May 2014 to 30 June 2015

Distribution

In line with the PDS, GMF's distribution policy is to distribute between 90.0% and 100.0% of its distributable earnings/FFO each year.

For the eight month period to 30 June 2015, distributions paid and payable to Unitholders totalled $12,951,000, representing a distribution of 10.15 cents per unit for the period ended 30 June 2015 (3.5% higher than the 9.81 cents per unit distribution forecast in the PDS) and is expected to be paid on 21 August 2015. This represents a distribution payout ratio of 90.0% of distributable earnings for the period. Refer to note 5 of the financial statements for details of distributions paid and payable.

Prospects

GMF expects to continue its business in line with its strategic plan. It will maintain a focus on excellence in customer service and strong capital management as the foundations for long term investment success.

Guidance to 31 December 2015

The GMF PDS contained guidance for the six month period to 31 December 2015 of a distributable earnings/FFO of 8.23 cents per unit and a distribution of 7.65 cents per unit.

The lump sum surrender fees received during the period include material amounts related to rent and other charges that would have otherwise been payable through the six months to 31 December 2015. This represents a transfer of earnings expected to be received for the six month period to 31 December 2015 into the current period from Allotment to 30 June 2015. Notwithstanding this, GMF expects the total distributable earnings/FFO for the whole of the PDS period (Allotment to 31 December 2015) to achieve 3.0% above the total forecast stated in the PDS.

The expected distributable earnings/FFO is 7.84 cents per unit and the distribution for the six months to 31 December 2015 remains in line with the PDS at 7.65 cents per unit.

Risks

The Board is ultimately accountable for corporate governance and the appropriate management of risk. The Board sets the risk appetite and oversees the risk profile to ensure activities are consistent with GMF's strategy. The Audit and Risk Management Committee (ARMC) supports the Board and is responsible for overseeing and reviewing the effectiveness of the risk management framework. The ARMC and through it, the Board, receive reports on GMF's risk management practices and control systems including the effectiveness of GMF's management of its material business risks.

GMF has adopted GPT's risk management framework that incorporates culture, people, processes and systems to enable GMF to realise potential opportunities whilst managing adverse effects. The approach is consistent with Australian/New Zealand Standard AS/NZS ISO 31000:2009: Risk Management.

The key components of the approach include the following:

- The Board, management, employees and contractors all understand their risk management accountabilities, promote the risk awareness and management culture and apply risk processes to achieve GMF's objectives;
- Specialist risk management expertise is developed and maintained internally and provides coaching, guidance and advice;
- Risks are identified and assessed in a timely and consistent manner;
- Controls are effectively designed, embedded and assessed;
- Material risks and critical controls are monitored and reported to provide transparency and assurance that the risk profile is aligned with GMF's risk appetite, strategy and values. Specifically, the risk management framework includes an annual program of assurance and internal audit activities to provide an independent, objective appraisal of the adequacy and effectiveness of GMF's risk management, including internal controls; and
- Results are reported to the ARMC, and through the ARMC, to the Board.

Directors' Report

For the period 26 May 2014 to 30 June 2015

The following table sets out the key inherent risks to GMF's main investment objectives, and the strategies GMF uses to manage them:

Risk	Description	Strategic impact	Mitigation
Operational performance	Investments do not perform in line with forecast	Investments deliver lower income than target and/or lower capital growth over time	• High quality property portfolio • Active asset management including regular forecasting and monitoring of performance • Comprehensive asset insurance program • Formal deal management process
	Inability to lease assets in line with forecast	Investments deliver lower income than target and/or lower capital growth over time than target	• Diversified tenant base • High quality property portfolio • Experienced leasing team
Market risk	Volatility and speed of changes in market conditions	Investments deliver lower income than target and/or lower capital growth over time than target	• Holistic capital management • Multi asset portfolio diversified by tenants, building type and geographical market • Monitoring of asset concentration
Capital management	Re-financing and liquidity risk	• Limits ability to meet debt maturities • Constrains future growth • Limits ability to execute strategy • May impact distributions • Failure to continue as a going concern	• Maintaining a minimum liquidity buffer in cash and surplus committed credit facilities for the forward rolling twelve month period • Different loan tranches
	Interest rate risk – higher interest rate cost than forecast	Adversely affects GMF's operating results	Interest rate exposures are actively hedged
Health and safety	Risk of incidents causing injury to tenants, visitors to the properties, employees and contractors	• Criminal/civil proceedings and resultant reputation damage • Financial impact of remediation and restoration	• Formalised Health and Safety management system including policies and procedures for managing safety • Training and education of employees and contractors
Management	GMF is reliant on the management expertise, support, experience and strategies of the key executives at GPT and other third parties	Limits the ability to deliver the business objectives	• Management agreements GPT also provides the following mitigation: • Competitive remuneration • Structured development planning • Succession planning and talent management
Conflicts of interests management	GPT's management of properties for different funds and its own balance sheet may lead to conflicts of interest arising	• Failure to source properties for acquisition • Failure to lease existing properties • Resource constraints limit the ability to deliver the business objectives	• Management agreements including Services Deeds, Property Services Agreements and Development Management Agreements • Conflicts Deed setting out protocol for managing conflicts

2. Environmental regulation

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

3. Events subsequent to reporting date

Other than those matters set out in this Directors' Report, the Directors are not aware of any matter or circumstance occurring since 30 June 2015 that has materially or may materially affect the operations of GMF, the results of those operations or the state of affairs of GMF in subsequent financial years.

Directors' Report

For the period 26 May 2014 to 30 June 2015

4. Directors and secretary

Information on directors

John Atkin – Independent Non-Executive Director and Chairman (appointed on 18 August 2014)

John is a professional Non-Executive Director with over 30 years' experience in legal, professional and financial services.

John is a Non-Executive Director of Aurizon Holdings Limited and IPH Limited. John is also a Director of the Australian Outward Bound Foundation, and the State Library of New South Wales Foundation.

In previous executive roles, John was the Chief Executive Officer of The Trust Company Limited from 2009 to 2013, Managing Partner of Blake Dawson (now Ashurst) from 2002 to 2008 and prior to that he had 15 years' experience as a mergers and acquisition and equity capital markets partner at Mallesons Stephen Jaques (now King & Wood Mallesons) from 1987 to 2002.

John's qualifications include a Bachelor of Arts (Hons) from the Australian National University, a Bachelor of Laws (Hons) from the University of Sydney and, completion of an Advanced Management Program – INSEAD. John is a Fellow of the Australian Institute of Company Directors.

Justine Hickey – Independent Non-Executive Director (appointed on 18 August 2014)

Justine is a professional Non-Executive Director with over 20 years' experience in investments, superannuation and corporate governance.

Justine is a Director of the Rio Tinto Staff Super Fund and chairs the Advisory Board of fund manager, Dalton Nicol Reid. Previously Justine was a Director of Australian Ethical Investment Ltd and Flagship Investments Ltd. Justine takes an active interest in the not-for-profit sector, chairing RSPCA QLD's Finance and Risk Committee and the YET Foundation.

In previous executive roles, Justine was Manager, Equities at Suncorp Investment Management until 2004 and prior to that a Portfolio Manager at Fleming Investment Management (now JP Morgan Chase) in London.

Justine has a Bachelor of Commerce from the University of Queensland, is a graduate of the Australian Institute of Company Directors and is a member of the CFA Institute.

Paul Say – Independent Non-Executive Director (appointed on 18 August 2014)

Paul has over 30 years' experience in commercial and residential asset management, development, and real estate broking with major multinational institutions. He currently maintains a strong network of relationships with the major REITs, broking firms, and pension/financial groups in Australia, Asia, and North America.

Paul is a Non-Executive Director of ALE Property Group.

In previous executive roles, Paul held senior management positions at major REITs, including Chief Investment Officer at DEXUS Property Group, Head of Corporate Finance at Lend Lease Corporation and National Director of Investments at Jones Lang LaSalle.

Paul is a Fellow of the Royal Institute of Chartered Surveyors and a Fellow of the Australian Property Institute. He is also a licensed real estate agent in NSW, Vic and Qld.

Paul's qualifications include a Graduate Diploma in Financial Planning and a Graduate Diploma in Finance and Investment from the Securities Institute of Australia and an Associate Diploma of Real Estate Valuation from the Sydney Technical and Further Education Institute.

James Coyne – Executive Director (appointed on 16 July 2013)

James is the General Counsel/Company Secretary of GPT and is responsible for GPT's legal, compliance and governance activities.

James joined GPT in 2004. James' 20 year involvement in the real estate industry has spanned the construction, development, infrastructure and the listed and unlisted funds management sectors. In the funds management sector, James has been involved in fund origination, asset management, developments, capital transactions and capital raisings (debt and equity) at GPT and at Lend Lease Corporation.

James is a member of GPT's Leadership Team, Investment Committee and Treasury Risk Management Committee.

James's qualifications include a Bachelor of Arts and a Bachelor of Laws (Hons) from the University of Sydney. James is a graduate of the Australian Institute of Company Directors.

Nicholas Harris – Executive Director (appointed on 16 July 2013)

Nicholas is responsible for GPT's funds management activities including the development of GPT's funds management platform and the creation of new products. Nicholas joined GPT in mid-2006. Nicholas has been involved in the Australian property and property funds management industry for over 25 years, including roles at BT Funds Management Limited and Lend Lease Corporation. During his career, Nicholas' roles have included property and asset management, portfolio management, capital transactions and business development.

Nicholas is a Director of GPT Funds Management Limited the responsible entity for the GPT Wholesale Office Fund and the GPT Wholesale Shopping Centre Fund. Nicholas is a member of the Executive Board of the Asian Association for Investors in Non-listed Real Estate Vehicles (ANREV) and a member of the Property Council of Australia's International and Capital Markets Division Council. He is also a Fellow of the Financial Services Institute of Australasia.

Nicholas is a member of GPT's Leadership Team and Investment Committee.

Nicholas' qualifications include a Bachelor of Land Economics (University Medal and First Class Honours) from the University of Technology Sydney, a Sydney Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia and completion of both the Advanced Management Program and Investment Management Workshop at Harvard Business School.

Directors' Report

For the period 26 May 2014 to 30 June 2015

Mark Fookes – Executive Director (appointed on 16 July 2013, resigned on 18 August 2014)

Mark is the Chief Financial Officer of GPT and is responsible for the GPT Finance, Information Technology, Risk Management, Capital Transactions and Corporate Affairs functions.

Mark joined GPT in 2000 and has over 25 years' experience in the real estate industry including asset management, development, investment management and capital management (debt and equity) at GPT and at Lend Lease Corporation.

Mark is a member of GPT's Leadership Team, Investment Committee and Treasury Risk Management Committee.

Mark's qualifications include a Bachelor of Commerce from the University of New South Wales and completion of both the Advanced Management Program and Investment Management Workshop at Harvard Business School.

Anthony Lenehan – Company Secretary

Anthony is Deputy General Counsel for GPT and is responsible for the legal requirements of GMF. Anthony is the Company Secretary of GPL, responsible for the communication with the Board, the coordination of the Board and Committee meetings and corporate governance issues.

Anthony joined GPT in 2009 and has over 20 years' experience in private practice and in-house legal roles and his previous roles include General Counsel and Company Secretary of the Goodman Australia Industrial Fund and General Counsel and Company Secretary of Sydney Airport Corporation Limited.

Anthony's qualifications include a Masters of Laws from the University of Technology, Sydney and a Diploma of Law from the Solicitors Admission Board.

Directorships of listed entities held within the last three years

Director	Listed entity	Type	Appointed	Resigned
John Atkin	Aurizon Holdings Limited	Non-Executive Director	14 September 2010	Not applicable
	IPH Limited	Non-Executive Director	23 September 2014	Not applicable
Justine Hickey	Australia Ethical Investment Limited	Non-Executive Director	1 March 2007	26 April 2013
Paul Say	Australian Leisure and Entertainment Property Management Limited	Non-Executive Director	24 September 2014	Not applicable

Directors' relevant interests in GMF

Director	Units at 30 Jun 15
John Atkin	75,000
Justine Hickey	50,000
Paul Say	50,000
James Coyne	50,000
Nicholas Harris	550,000

Attendance of directors at meetings

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

	Board		Audit and Risk Management Committee	
	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend
Chair	**John Atkin**		**Justine Hickey**	
John Atkin	13	13	4	4
Justine Hickey	13	13	4	4
Paul Say	13	13	4	4
James Coyne	13	13	–	–
Nicholas Harris	12	13	–	–
Mark Fookes	–	–	–	–

Directors' Report

For the period 26 May 2014 to 30 June 2015

5. Other disclosures

Indemnification and insurance of directors, officers and auditor

GMF has not indemnified, nor paid any insurance premiums for, a person who is or has been an officer of the Responsible Entity or an auditor of GMF. Insurance premiums for Directors of the Responsible Entity are paid by GPT.

Non-audit services

During the year KPMG, GMF's auditor, has performed other services in addition to their statutory duties. Details of the amounts paid to the auditor, which includes amounts paid for non-audit services and other assurance services, are set out in note 12 to the financial statements.

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

- The ARMC reviewed the non-audit services and other assurance services at the time of appointment to ensure that they did not impact upon the integrity and objectivity of the auditor;
- The Board's own review conducted in conjunction with the ARMC, having regard to the Board's policy with respect to the engagement of GMF's auditor; and
- The fact that none of the non-audit services provided by KPMG during the financial year had the characteristics of management, decision-making, self-review, advocacy or joint sharing of risks.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page and forms part of the Directors' Report.

Rounding

The amounts contained in this report and in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated (where rounding is applicable) under the option available to the entity under ASIC Class Order 98/100. The entity is an entity to which the class order applies.

The Directors' Report is signed in accordance with a resolution of the Directors of the Responsible Entity.

John Atkin
Chairman

James Coyne
Director

Sydney
11 August 2015

Auditor's Independence Declaration

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of GPT Platform Limited, as Responsible Entity of GPT Metro Office Fund

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial period ended 30 June 2015 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

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

KPMG

KPMG

Paul Thomas
Partner

Sydney

11 August 2015

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

Statement of Comprehensive Income

For the period 26 May 2014 to 30 June 2015

	Note	26 May 14 to 30 Jun 15 $'000
Revenue		
Rent from investment properties		32,819
		32,819
Other income		
Fair value gain on investment properties		23,899
Interest revenue		202
		24,101
Total revenue and other income		**56,920**
Expenses		
Property expenses and outgoings		5,123
Management and other administration costs		690
Responsible Entity's fee	11	1,600
Finance costs		2,508
Transaction costs		1,961
Net loss on fair value of derivatives		3,510
Total expenses		**15,392**
Profit and other comprehensive income		**41,528**
Basic and diluted earnings per ordinary security attributable to the unitholders of GMF (cents per unit)	6	**53.3**

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

Statement of Financial Position

At 30 June 2015

	Note	30 Jun 15 $'000
ASSETS		
Current assets		
Cash and cash equivalents		2,568
Receivables	2	2,806
Prepayments		303
Total current assets		**5,677**
Non-current assets		
Investment properties	1	394,662
Receivables	2	6,201
Total non-current assets		**400,863**
Total assets		**406,540**
LIABILITIES		
Current liabilities		
Payables	3	17,194
Total current liabilities		**17,194**
Non-current liabilities		
Borrowings	8	119,450
Derivative liabilities		3,510
Total non-current liabilities		**122,960**
Total liabilities		**140,154**
Net assets		**266,386**
EQUITY		
Contributed equity	4(a)	249,615
Retained earnings	4(b)	16,771
Total equity		**266,386**

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

Statement of Changes in Equity

For the period 26 May 2014 to 30 June 2015

	Note	Contributed equity $'000	Retained earnings/ (accumulated losses) $'000	Total equity $'000
Balance at 26 May 2014	4(a,b)	1	(5,369)	(5,368)
Profit and other comprehensive income		–	41,528	41,528
Transactions with Unitholders in their capacity as Unitholders:				
Distribution paid/payable to Unitholders	5	–	(19,388)	(19,388)
Issue of units	4(a)	255,200	–	255,200
Equity raising costs	4(a)	(5,586)	–	(5,586)
Balance at 30 June 2015	4(a,b)	**249,615**	**16,771**	**266,386**

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

Statement of Cash Flow

For the period 26 May 2014 to 30 June 2015

	Note	26 May 14 to 30 Jun 15 $'000
Cash flows from operating activities		
Cash receipts in the course of operations (inclusive of GST)		38,624
Cash payments in the course of operations (inclusive of GST)		(8,037)
Responsible Entity's fee paid		(381)
Interest received		200
Site access rent		1,376
Finance costs paid		(3,001)
Net cash inflows from operating activities	7	**28,781**
Cash flows from investing activities		
Acquisitions of investment properties		(124,900)
Acquisition of investment property under development		(42,500)
Payments for investment properties under development		(37,830)
Capital expenditure on investment properties		(2,301)
Net cash outflows from investing activities		**(207,531)**
Cash flows from financing activities		
Proceeds from the issue of units	4(a)	255,200
Costs associated with equity raising and initial public offering		(7,547)
Proceeds from borrowings		119,348
Repayment of borrowings		(183,589)
Distribution paid to GPT as sole unitholder	5	(6,437)
Net cash inflows from financing activities		**176,975**
Net decrease in cash and cash equivalents		**(1,775)**
Cash and cash equivalents at 26 May 2014		4,343
Cash and cash equivalents at 30 June 2015		**2,568**

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

Notes to the Financial Statements

For the period 26 May 2014 to 30 June 2015

The notes to the financial statements are organised into the following sections:

Notes 1 to 3 – Operating assets and liabilities: provides information on the assets and liabilities used to generate GMF's trading performance.

Notes 4 to 9 – Capital structure: outlines how GMF manages its capital structure and various financial risks.

Notes 10 to 15 – Other disclosure items: provides information on items that the Directors do not consider significant in understanding the financial statements of GMF however, must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements.

Key judgements and estimates

In applying GMF's accounting policies, management has made a number of judgments and estimates regarding future events. The following judgments and estimates have the potential to have a material impact on the financial statements:

Areas of judgements and estimates	Note
Investment properties	1, 13
Derivatives	9, 13

Operating assets and liabilities

1. Investment properties

	Ownership interest %[1]	Acquisition date	Independent valuation per PDS $'000[2]	Fair value 30 Jun 15 $'000	Latest independent valuation $'000[3]	Latest independent valuation date	Valuer
3 Murray Rose Avenue Sydney Olympic Park, NSW[4]	*100.0	Sep-14	78,000	75,662	82,750	Jun-15	Knight Frank Valuations
5 Murray Rose Avenue Sydney Olympic Park, NSW	*100.0	Aug-14	74,200	80,500	80,500	Jun-15	Knight Frank Valuations
Quad 2 Sydney Olympic Park, NSW	*100.0	Aug-14	24,900	26,500	26,500	Jun-15	Knight Frank Valuations
Quad 3 Sydney Olympic Park, NSW	*100.0	Aug-14	25,800	26,800	26,800	Jun-15	Knight Frank Valuations
Vantage 109 Burwood Road, Hawthorn, Vic	100.0	Apr-14	63,000	66,000	66,000	Jun-15	Colliers International
Optus Centre, 15 Green Square Close Fortitude Valley, Qld	100.0	Nov-13	110,000	119,200	119,200	Jun-15	Knight Frank Valuations
Total investment properties			**375,900**	**394,662**	**401,750**		

1. Freehold, unless otherwise marked with an * which denotes leasehold.
2. Includes rent receivables which have been recorded as a separate financial asset in the statement of financial position.
3. Includes only the 3 Murray Rose Avenue rent receivable which has been recorded as a separate financial asset in the statement of financial position.
4. 3 Murray Rose Avenue reached practical completion on 16 March 2015.

(a) Reconciliation

	30 Jun 15 $'000
Carrying amount at the beginning of the financial period[1]	173,000
Asset acquisitions – investment properties[2]	123,200
Asset acquisitions – investment property under development[3]	42,500
Additions – development capital expenditure[4]	28,470
Additions – operating capital expenditure	138
Lease incentives	94
Amortisation of lease incentives	(14)
Fair value adjustments	23,899
Leasing costs (net of amortisation)	26
Straight lining of rental income	3,349
Carrying amount at the end of the financial period	**394,662**

1. Represents Optus Centre ($110,000,000) and Vantage ($63,000,000).
2. Represents Quad 2, Quad 3 and 5 Murray Rose Avenue.
3. Represents 3 Murray Rose Avenue.
4. Includes $1,067,000 of interest capitalised. A capitalisation interest rate of 5.2% has been applied.

Property, including land and buildings, which is held to earn rental income or for capital appreciation or for both is classified as investment property.

Investment property is initially recorded at cost. Land and buildings (including integral plant and equipment) that comprise investment property are not depreciated. The carrying amount includes components relating to lease incentives, leasing costs and assets relating to fixed increases in operating lease rentals in future periods.

Subsequent to initial recognition, investment property is stated at fair value. Fair value is based on the latest independent valuation adjusting for capital expenditure and capitalisation and amortisation of lease incentives since the date of the independent valuation report. Any change in fair value is recognised in the statement of comprehensive income in the period.

Lease incentives such as cash, rent free periods and fitouts may be provided to lessees to enter into an operating lease. These incentives are capitalised and amortised on a straight line basis over the term of the lease as a reduction of rental income. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

Key judgements and estimates are made by management in respect of the fair values of investment properties. Fair values are reviewed regularly by management with reference to independent property valuations, recent offers and market conditions, using generally accepted market practices. The valuation process, assumptions underlying the valuations and information on sensitivity are disclosed in note 13.

(b) Operating lease receivables

Non-cancellable operating lease receivables not recognised in the financial statements at balance date are as follows:

	30 Jun 15 $'000
Due within one year	26,795
Due between one and five years	105,407
Due after five years	60,543
Total operating lease receivables	**192,745**

Investment properties are leased to tenants under long term operating leases with rents payable monthly.

Notes to the Financial Statements

For the period 26 May 2014 to 30 June 2015

2. Receivables

	30 Jun 15 $'000
Current	
Trade receivables	166
Rent receivables	2,228
Other debtors	412
Total current receivables	**2,806**
Non-current	
Rent receivables	6,201
Total non-current receivables	**6,201**

Receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less any allowance for impairment. All receivables with maturities greater than 12 months after balance date are classified as non-current assets.

Non-current rent receivables provided are measured at the present value of expected future cash flows at each reporting period with changes in value recorded in the statement of comprehensive income.

Recoverability of trade receivables

At balance date, no material receivables are impaired or past due.

Recoverability of trade receivables is assessed on an ongoing basis. Impairment is recognised in the statement of comprehensive income when there is objective evidence that GMF will not be able to collect the debts. Financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation and default or delinquency in payments are considered objective evidence of impairment. Refer to note 9 for more information on management of credit risk relating to trade receivables.

The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. Debts that are known to be uncollectable are written off when identified.

3. Payables

	30 Jun 15 $'000
Trade payables and accruals	2,330
Distributions payable to unitholders	12,951
Interest payable	472
Responsible Entity's fee payable to GPL	1,219
Other payables	222
Total payables	**17,194**

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

Notes to the Financial Statements

For the period 26 May 2014 to 30 June 2015

Capital structure

Capital is defined as the combination of Unitholders' equity, reserves and net debt (borrowings less cash). The Board is responsible for monitoring and approving the capital management framework within which management operates. The purpose of the framework is to safeguard GMF's ability to continue as a going concern while optimising its debt and equity structure. GMF aims to maintain a capital structure which includes gearing levels within a range of 25.0% to 40.0%.

GMF is able to vary the capital mix by:

- Issuing new securities;
- Buying back securities;
- Activating the Distribution Reinvestment Plan;
- Adjusting the amount of distributions paid to Unitholders; or
- Selling assets to reduce borrowings.

4. Equity and reserves

(a) Contributed equity

		Number	30 Jun 15 $'000
26 May 2014	Opening units on issue	1,000	1
24 July 2014	Consolidation of units[1]	(500)	–
29 October 2014	Units issued	127,600,000	255,200
October 2014	Equity raising costs	–	(5,586)
30 June 2015	**Closing units on issue**	**127,600,500**	**249,615**

1. On 24 July 2014, a 2 for 1 unit consolidation came into effect. The consolidation of units resulted in 1,000 units which were issued to GPT at $1.00 per unit being consolidated into 500 units at $2.00 per unit. The consolidation was conducted in preparation for the initial public offering at $2.00 per unit.

Ordinary units are classified as equity and recognised at the fair value of the consideration received by GMF. Transaction costs arising from the issue of units are recognised directly in equity as a reduction of the proceeds received.

(b) Retained earnings/(accumulated losses)

	30 Jun 15 $'000
Accumulated losses at 26 May 2014[1]	(5,369)
Profit and other comprehensive income for the financial period[2]	41,528
Distributions paid/payable to unitholders[3]	(19,388)
Retained earnings at 30 June 2015	**16,771**

1. Comprising $10,427,000 revaluation decrease (due to the fair value of Optus Centre and Vantage not supporting the capitalisation of acquisition costs), offset by $5,058,000 of distributable net profit received from property operations.
2. Profit and other comprehensive income for the financial period ended 30 June 2015 consists of two periods of different ownership. From 26 May 2014 to 28 October 2014, GMF was solely owned by GPT. During this period, GMF earned distributable net profit (before transaction costs of $2,099,000) of $7,879,000. GMF listed on the ASX on 29 October 2014 from which point GPT's sole ownership period ceased. During the period from 29 October 2014 to 30 June 2015, GMF earned a net profit of $35,748,000.
3. Refer to note 5 for details.

5. Distributions paid and payable

Except for GMF's first financial period, distributions are intended to be paid to GMF Unitholders half yearly.

	Cents per unit	30 Jun 15 $'000
For the period 26 May 2014 to 28 October 2014 (paid to GPT as sole unitholder)[1]		6,437
For the period 29 October 2014 to 30 June 2015 (payable 21 August 2015)	10.15	12,951
Total distributions paid/payable		**19,388**

1. GPT was entitled to the distributable net profit earned during its period of sole ownership. After accounting for GPT's $6,500,000 contribution towards GMF's portfolio acquisition and other transaction costs, GPT was paid a distribution of $6,437,000.

On 25 May 2015, the Directors of the Responsible Entity approved the activation of the Distribution Reinvestment Plan, effective for the distribution period ending 30 June 2015.

6. Earnings per security

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

		30 Jun 15
Net profit from continuing operations attributable to the unitholders of GMF	$'000	41,528
WANOS used as the denominator in calculating basic and diluted earnings per ordinary security		77,960,600
Basic and diluted earnings per security	Cents	53.3

Calculation of earnings per ordinary security

Basic earnings per security is calculated as net profit attributable to ordinary securityholders of GMF, divided by the weighted average number of ordinary securities outstanding during the Financial Period. Diluted earnings per security is calculated as net profit attributable to ordinary securityholders of GMF divided by the weighted average number of ordinary securities after adjustments for the effects of all dilutive potential ordinary securities. Where there is no difference between basic earnings per security and diluted earnings per security, the term basic and diluted earnings per ordinary security is used.

7. Cash from operating activities

	26 May 14 to 30 Jun 15 $'000
Reconciliation of net profit to net cash inflows from operating activities	
Profit and other comprehensive income	41,528
Fair value adjustments to investment properties	(23,899)
Fair value adjustments to derivatives	3,510
Amortisation of lease incentives and leasing costs	16
Non-cash revenue adjustments	(1,308)
Costs associated with equity raising	1,961
Site access rent	1,376
Interest capitalised	(1,067)
Amortisation of debt establishment costs	102
Decrease in operating assets	2,800
Increase in operating liabilities	3,762
Net cash inflows from operating activities	**28,781**

Cash and cash equivalents includes cash on hand and cash at bank.

8. Borrowings

	30 Jun 15 $'000
Non-current borrowings (unsecured) – carrying amount[1]	**119,450**
Non-current borrowings (unsecured) – fair value[2]	**120,000**

1. Including unamortised establishment costs.
2. Valued using market observable inputs (level 2). Excluding unamortised establishment costs.

Borrowings are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method. Under this method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the statement of comprehensive income over the expected life of the borrowings.

All borrowings with maturities greater than 12 months after reporting date are classified as non-current liabilities. The maturity profile of borrowings is as follows:

	Total facility[1] $'000	Used facility[1] $'000	Unused facility $'000
Due between one and five years	145,000	120,000	25,000
Cash and cash equivalents			2,568
Total financing resources available at the end of the financial period			**27,568**

1. Excluding unamortised establishment costs.

Debt covenants

GMF's borrowings are subject to a range of financial covenants, including amongst others, the following:

- Bank Gearing Ratio: total borrowings must not exceed 55.0% of total tangible assets, and
- Interest Cover Ratio: greater than or equal to 1.7 times.

A breach of these covenants may trigger consequences ranging from rectifying and/or re-pricing, to repayment of outstanding amounts. GMF performed a review of debt covenants at 30 June 2015 and no breaches were identified.

9. Financial risk management

The Board approves GMF's treasury and risk management policy which:

- Establishes a framework for the management of risks inherent to the capital structure;
- Defines the role of GMF's treasury; and
- Sets out the policies, limits, monitoring and reporting requirements for cash, borrowings, liquidity, credit risk, interest rate and other derivative instruments.

(a) Interest rate risk

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

	Gross exposure 30 Jun 15 $'000	Net exposure 30 Jun 15 $'000
Fixed rate interest-bearing borrowings	–	100,000
Floating rate interest-bearing borrowings	120,000	20,000
	120,000	**120,000**
Average fixed rate		**3.3%**

Interest rate risk – sensitivity analysis

The impact on interest revenue and interest expense of a 1.0% increase or decrease in market interest rates is shown below. Interest expense is sensitive to movements in market interest rates on floating rate debt (net of any derivatives).

A 1.0% increase or decrease is used for consistency of reporting interest rate risk across GMF and represents management's assessment of the potential change in interest rates.

	(+1%) 30 Jun 15 $'000	(-1%) 30 Jun 15 $'000
Impact on statement of comprehensive income		
Impact on interest revenue increase/(decrease)	26	(26)
Impact on interest expense (increase)/decrease	(200)	200

Hedging interest rate risk

Interest rate risk inherent in borrowings issued at floating rates is managed by entering into interest rate swaps that are used to convert floating interest rate borrowings to fixed interest rates, which reduces GMF's exposure to interest rate volatility.

The derivative financial instruments used to hedge interest rate risk are presented in the statement of financial position.

Derivative financial assets and liabilities are not offset in the statement of financial position. Agreements with derivative counterparties are based on the ISDA (International Swap Derivatives Association) Master Agreement, which in certain circumstances (such as default) confers a right to set-off the position owing/receivable to a single counterparty to a net position as long as all outstanding derivatives with that counterparty are terminated. As GMF does not presently have a legally enforceable right to set-off, these amounts have not been offset in the statement of financial position, but have been presented separately. At 30 June 2015, all derivatives were in a liability position and thus the statement of financial position also reflects the derivatives positions had the ISDA master netting provisions applied.

All of GMF's derivatives were valued using market observable inputs (level 2). For additional fair value disclosures refer to note 13.

Derivatives are carried in the statement of financial position at fair value and classified according to their contractual maturities.

(b) Liquidity risk

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

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

GMF manages liquidity risk by:

- Maintaining sufficient cash;
- Maintaining an adequate amount of committed credit facilities;
- Maintaining a minimum liquidity buffer in cash and surplus committed facilities for the forward rolling twelve month period;
- Minimising debt maturity concentration risk by spreading maturity dates of committed credit facilities; and
- The ability to close out market positions.

The following table presents an analysis of the undiscounted contractual maturities of liabilities which forms part of GMF's assessment of liquidity risk.

	30 Jun 15				
	1 year or less $'000	Over 1 year to 2 years $'000	Over 2 years to 5 years $'000	Over 5 years $'000	Total $'000
Liabilities					
Non-derivatives					
Payables	17,194	–	–	–	17,194
Borrowings	–	–	120,000	–	120,000
Projected interest expense on borrowings[1]	4,213	4,330	6,192	–	14,735
Derivatives					
Projected interest expense/(revenue) on derivative liabilities[1]	1,263	1,164	1,292	(193)	3,526
Total liabilities	**22,670**	**5,494**	**127,484**	**(193)**	**155,455**
Less: Cash and cash equivalents	2,568				2,568
Total liquidity exposure	**20,102**	**5,494**	**127,484**	**(193)**	**152,887**

1. The projections are based on the likely outcome of contracts given the interest rates, margins and forecast interest rate forward curves at 30 June 2015 until the maturity of the contract. The projections are based on future non-discounted cash flows.

(c) Refinancing risk

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

At 30 June 2015, GMF's exposure to refinancing risk can be monitored by the spreading of its contractual maturities on borrowings in the preceding liquidity risk table or with the information in note 8.

(d) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a contractual agreement, resulting in a financial loss to GMF. GMF has exposure to credit risk on all financial assets included on the statement of financial position. GMF manages this risk by:

- Establishing credit limits for customers and financial institutions to ensure that GMF only trades and invests with approved counterparties;
- Investing and transacting derivatives with a counterparty that has a minimum long term credit rating of A- from S&P, or equivalent if an S&P rating is not available;
- Regularly monitoring loans and receivables balances; and
- Obtaining collateral as security (where appropriate).

Receivables are reviewed regularly throughout the year. A provision for doubtful debts is made where collection is deemed uncertain. Part of GMF's policy is to hold collateral as security over tenants via bank guarantees (or less frequently collateral such as bond deposits or cash).

The maximum exposure to credit risk as at 30 June 2015 is the carrying amounts of financial assets recognised on GMF's statement of financial position. For more information refer to note 2.

Other disclosure items

10. Commitments

Capital expenditure approved but not provided for in the statement of financial position was $564,000.

11. Related party transactions

GMF is managed by the Responsible Entity, GPL. GPL is a wholly owned subsidiary of GPT Management Holdings Limited, which forms part of the stapled entity, GPT. GPL and GPT are both considered to be related parties of GMF.

All transactions with related parties are conducted on an arm's length basis.

	26 May 14 to 30 Jun 15 $
Transactions with GPT	
Investment properties acquired[1]	167,400,000
Property management fees	746,571
Development costs and management fees	37,726,117
Responsible Entity's fee	1,599,900
Reimbursement of transaction costs	1,905,219
Distributions paid/payable	8,050,825
Transaction costs contribution received	6,500,000
Rent receivables received	2,322,027
Site access rent received	1,376,063
Receivable from GPT	
Receivable from GPT	80,876
Rent receivables	8,428,760
Payable to GPT	
Payable to GPT	222,028
Responsible Entity's fee	1,219,214
Distribution	1,613,825

1. Refer to 'Fund establishment and operational highlights' in the Directors' Report for details.

Units held by GPT

At 30 June 2015 GPT held a total 15,899,750 units (12.5%) in GMF.

Key management personnel (KMP)

GMF does not employ personnel in its own right however, it is required to have an incorporated Responsible Entity to manage its activities. The Responsible Entity is considered to be the KMP of GMF.

The GPL Independent Directors receive remuneration in their capacity as Directors of the Responsible Entity. Directors' fees paid by GMF for the financial period were $338,538. Directors' fees are not paid to the Executive Directors. No other compensation is paid to any of the KMP of the Responsible Entity.

Responsible Entity's fee

In accordance with GMF's constitution, GPL earns a management fee of 0.3% per half year of the gross asset value of GMF, payable half yearly in arrears and calculated on GMF's gross asset value as at the last day of the relevant half year.

12. Auditor's remuneration

	26 May 14 to 30 Jun 15 $
Audit services	
KPMG Australia	
Statutory audit and review of financial reports	105,000
Total remuneration for audit services	**105,000**
Other assurance services	
KPMG Australia	
Regulatory and contractually required audits	16,000
Total remuneration for other assurance services	**16,000**
Total remuneration for audit and assurance services	**121,000**
Non audit related services	
KPMG Australia	
Initial public offering services	298,455
Total remuneration for non audit related services	**298,455**
Total auditor's remuneration	**419,455**

13. Fair value disclosures

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

(i) Fair value measurement, valuation techniques and inputs

Class of assets/ liabilities	Fair value hierarchy[1]	Valuation technique	Inputs used to measure fair value	Range of unobservable inputs 30 Jun 15
Metropolitan and Business Park Office	Level 3	Discounted cash flow (DCF) and income capitalisation methods	Net passing rent (per sqm p.a.)	$342–$616
			Net market rent (per sqm p.a.)	$350–$610
			10 year average market rental growth	3.0%–3.6%
			Adopted captialisation rate	7.0%–7.8%
			Adopted terminal yield	7.3%–8.0%
			Adopted discount rate	8.3%–8.8%
			Lease incentives	20.0%–32.5%
Derivative financial instruments	Level 2	DCF (adjusted for counterparty credit worthiness)	Interest rates	Not applicable – all inputs are market observable inputs
			Basis	

1. Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
   Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
   Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

DCF method	Under the DCF method, the fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the assets' or liabilities' life including an exit or terminal value. The DCF method involves the projection of a series of cash flows from the assets or liabilities. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the cash flow stream associated with the assets or liabilities.
Income capitalisation method	This method involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value, with allowances for capital expenditure reversions.
Net passing rent	Net passing rent is the contracted amount for which a property or space within a property is leased. In a net rent, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable).
Net market rent	A net market rent is the estimated amount for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion. In a net rent, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable).
10 year average market rental growth	The expected annual rate of change in market rent over a 10 year forecast period in alignment with expected market movements.
Adopted capitalisation rate	The rate at which net market income is capitalised to determine the value of a property. The rate is determined with regards to market evidence and the prior external valuation.
Adopted terminal yield	The capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period when carrying out a discounted cash flow calculation. The rate is determined with regards to market evidence and the prior external valuation.
Adopted discount rate	The rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it should reflect the opportunity cost of capital, that is, the rate of return the capital can earn if put to other uses having similar risk. The rate is determined with regards to market evidence and the prior external valuation.
Lease incentives	A lease incentive is often provided to a lessee upon the commencement of a lease. Incentives can be a combination, or, one of the following; a rent free period, a fit-out contribution, a cash contribution or rental abatement.
Counterparty credit worthiness	Credit value adjustments are applied to derivative assets based on that counterparty's credit risk using the observable credit default swaps curve as a benchmark for credit risk. Debit value adjustments are applied to derivative liabilities based on GMF's credit risk using an adjusted GPT credit default swap curve as a proxy for GMF's credit risk.

(ii) Valuation process – investment properties

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

External valuations

GMF's external valuations are performed by independent professionally qualified valuers who hold recognised relevant professional qualifications and have specialised expertise in the investment properties being valued.

GMF's Compliance Plan requires an independent valuation at least once annually.

Internal tolerance checks

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

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

Highest and best use

Fair value for investment properties is calculated for the highest and best use whether or not current use reflects highest and best use. For all of GMF's investment properties the current use equates to the highest and best use.

(iii) Sensitivity information – investment properties

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

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

DCF approach

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

Income capitalisation approach

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

14. Accounting policies

(a) Basis of preparation

GMF is a 'for-profit' entity. The general purpose financial report has been prepared:

- In accordance with the requirements of GMF's Constitution, the *Corporations Act 2001*, AASB's and other authoritative pronouncements of the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS);
- On a going concern basis in the belief that GMF will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial statements. The net deficiency of current assets over current liabilities at 30 June 2015 of $11,517,000 arises as a result of the inclusion of the provision for distributions payable to Unitholders. GMF has access to undrawn financing facilities of $25,000,000 as set out in note 8;
- Under the historical cost convention, as modified by the revaluation for financial assets and liabilities and investment properties at fair value through the statement of comprehensive income;
- In Australian dollars with all values rounded to the nearest thousand dollars, unless otherwise stated.

The financial report was approved by the Board of Directors on 11 August 2015.

(b) Other accounting policies

(i) Revenue recognition

Rental income from operating leases is recognised in the statement of comprehensive income on a straight line basis over the lease term. An asset is recognised to represent the portion of operating lease revenue in a reporting period relating to fixed increases in operating lease rentals in future periods. These assets are recognised as a component of investment properties.

(ii) Segment reporting

GMF operates in one segment, being investment in Australian metropolitan and business park office property. Management has determined GMF's one operating segment based on the internal information that is provided to the chief operating decision maker and which is used in making strategic decisions. The Responsible Entity has been identified as GMF's chief operating decision maker.

Revenues from GMF's four largest customers contribute 19.4%, 14.9%, 14.9% and 12.1% of GMF's revenue and combined represent approximately $18,645,000 of GMF's total revenue.

(iii) Comparatives

GMF has an opening statement of financial position at the start of the financial reporting period due to the acquisition of two investment properties prior to Registration Date (refer to note 4 for details on opening accumulated losses). In accordance with the *Corporations Act 2001*, GMF's first financial reporting period commences on the Registration Date. Accordingly, no comparatives are presented.

(iv) Income taxes

GMF is treated as a trust for Australian tax purposes. Under current tax legislation, GMF is not liable for income tax, including capital gains tax, provided that its distributable income is distributed to Unitholders in respect of each income year.

(c) New and amended accounting standards and interpretations adopted from 26 May 2014

GMF has adopted the new and revised standards and interpretations issued by the AASB that are relevant to its operations and effective for financial reporting periods beginning on or before 26 May 2014.

(d) New accounting standards and interpretations issued by not yet applied

The following standards and amendments to standards are relevant to GMF:

Reference	Description	Application of Standard
AASB 15 *Revenue from Contracts with Customers*	AASB 15 will replace AASB 118 *Revenue* and AASB 111 *Construction Contracts*. It is based on the principle that revenue is recognised when control of a good or service is transferred to a customer. It contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. It applies to all contracts with customers except leases, financial instruments and insurance contracts. It requires reporting entities to provide users of financial statements with more informative and relevant disclosures. Management is in the process of assessing any implications of this new standard. Management does not expect a significant impact from its application.	1 January 2017
AASB 9 *Financial Instruments*	AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. When adopted, this could change the classification and measurement of financial assets and financial liabilities. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss can now be presented in other comprehensive income. The new standard also introduces expanded disclosure requirements and changes in presentation. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. Management is in the process of assessing any implications of this new standard. The potential effects have not yet been fully determined.	1 January 2018

Improvements included in the *Annual Improvements 2001–2014* Cycle which are applicable from 1 July 2015 onwards are not expected to have a material impact on GMF in the current or future reporting periods.

15. Events subsequent to reporting

The Directors are not aware of any matter or circumstance occurring since 30 June 2015 that has materially or may materially affect the operations of GMF, the results of those operations or the state of affairs of GMF in subsequent financial years.

Directors' Declaration

In the Directors of the Responsible Entity's opinion:

(a) The financial statements and notes 1 to 15 are in accordance with the *Corporations Act 2001*, including:

- Complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- Giving a true and fair view of GMF's financial position as at 30 June 2015 and its performance for the financial period 26 May 2014 to 30 June 2015.

(b) The financial statements and notes comply with International Financial Reporting Standards as disclosed in note 14 to the financial statements; and

(c) There are reasonable grounds to believe that GMF will be able to pay its debts as and when they become due and payable.

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

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

John Atkin
Chairman

James Coyne
Director

Sydney
11 August 2015

KPMG

Independent auditor's report to the unit holders of GPT Metro Office Fund

We have audited the accompanying financial report of GPT Metro Office Fund (the Fund), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of GPT Platform Limited (the Responsible Entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 14, the directors of the Responsible Entity also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Fund's financial position, and of its performance.

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

KPMG, an Australian partnership and a member firm of the KPMG network of
independent member firms affiliated with KPMG International, a Swiss cooperative.

Independent Auditor's Report

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's opinion

In our opinion:

(a) the financial report of GPT Metro Office Fund is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Fund's financial position as at 30 June 2015 and of its performance for the period ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 14.

KPMG

KPMG

Paul Thomas
Partner

Sydney

11 August 2015

Supplementary Information

Payments to GMF Unitholders

Details of the distribution payment made to GMF Unitholders are available from the Fund's website (www.gptmetroofficefund.com.au) or from the GMF Unitholder Service Centre on 1800 336 109 (freecall within Australia).

GMF's year end for tax purposes is 30 June, at which time the net income of the Fund for the year is determined. The final components of the distribution for the period was advised to Unitholders in the Annual Taxation Statement which was mailed to all investors in August, and is also published on the GMF website.

Spread of Securityholders as at 30 June 2015

Holding	Number of Unitholders	Percentage of Total Issued Capital
1 to 1,000	118	6.18%
1,001 to 5,000	649	34.00%
5,001 to 10,000	369	19.33%
10,001 to 100,000	707	37.04%
100,001 and Over	66	3.46%
Total Number of Unitholders	**1,909**	**100.00%**

The number of Unitholders holding less than a marketable parcel of 244 units ($2.05 on 30 June 2015) is 10 and they hold 295 units.

Substantial Holders in GMF as at 30 June 2015

Unitholder	Number of Units
GPT RE Limited	15,899,750
Morgan Stanley and its subsidiaries	12,260,467
APN Property Group Limited	10,000,000

Supplementary Information

Payments to GMF Unitholders

Twenty Largest GMF Unitholders as at 30 June 2015

Unitholder	Number of Units	Percentage of Total Issued Capital
GPT RE Limited as Responsible Entity of the General Property Trust	15,899,750	12.46%
HSBC Custody Nominees (Australia) Limited	15,583,575	12.21%
National Nominees Limited	14,099,067	11.05%
J P Morgan Nominees Australia Limited	13,511,076	10.59%
RBC Investor Services Australia Nominees Pty Limited <APN A/C>	8,844,865	6.93%
UBS Wealth Management Australia Nominees Pty Ltd	6,154,391	4.82%
Navigator Australia Ltd <MLC Investment Sett A/C>	5,783,436	4.53%
Questor Financial Services Limited <TPS RF A/C>	1,887,911	1.48%
BNP Paribas Noms Pty Ltd <DRP>	1,315,468	1.03%
RBC Investor Services Australia Nominees Pty Limited <MBA A/C>	1,270,000	1.00%
Australian Executor Trustees Limited <No 1 Account>	1,136,893	0.89%
Nulis Nominees (Australia) Limited <Navigator Mast Plan Sett A/C>	1,097,614	0.86%
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	1,091,722	0.86%
DVP Investments Pty Ltd <Simhov Super Fund A/C>	1,000,000	0.78%
Citicorp Nominees Pty Limited	722,400	0.57%
RBC Investor Services Australia Nominees Pty Limited <Piselect>	650,000	0.51%
Netwealth Investments Limited <Wrap Services A/C>	619,360	0.49%
Aotearoa Investment Company Pty Limited <Roberts Investment No2 A/C>	600,000	0.47%
Mrs Julie Michelle Bennett	544,500	0.43%
Edsgear Pty Limited	510,000	0.40%
Total	92,322,028	72.35%
Total Units on Issue	**127,600,500**	**100.00%**

Directory

GPT Metro Office Fund

Responsible Entity

GPT Platform Limited
ABN 51 164 839 061
As Responsible Entity of
GPT Metro Office Fund
AFSL 442 649

Registered Office

Level 51
19 Martin Place
Sydney NSW 2000
P: + 61 2 8239 3555

Directors
(at 30 June 2015)

John Atkin
Justine Hickey
Paul Say
James Coyne
Nicholas Harris

Secretary
(at 30 June 2015)

Anthony Lenehan

Audit and Risk Management Committee
(at 30 June 2015)

John Atkin
Justine Hickey
Paul Say

Auditors

KPMG
10 Shelley Street
Sydney NSW 2000
Australia

Principal Registry

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

Stock Exchange Quotation

GPT Metro Office Fund is listed on Australian Securities Exchange under ASX Listing Code: GMF

For further information, contact GMF's Unitholder Service Centre or visit the Fund's website at: www.gptmetroofficefund.com.au

- To arrange changes of address, or changes in registration of units, please call GMF's Unitholder Service Centre on 1800 336 109.
- Please quote your Unitholder Reference Number (SRN) or Holder Identification Number (HIN) in all correspondence. The SRN or HIN is found at the top right hand corner of your holding statement.
- All Unitholders must sign any written enquiries or amendments to holdings.
- Written notification is required for changes of name or address, email is not accepted.