

**GDA DIVERSIFIED
PROPERTY TRUST**

ARSN: 108 321 651

**FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2022**

GDA DIVERSIFIED PROPERTY TRUST
ARSN 108 321 651

DIRECTORS' REPORT

The Directors of GDA Securities Ltd (ABN 58 105 612 600), the Responsible Entity of the GDA Diversified Property Trust ('the Trust'), present their report for the Trust for the half year ended 31 December 2022. In order to comply with provisions of the Corporations Act 2001, the Directors' report as follows:

Directors

The Directors of the Responsible Entity who, unless otherwise stated, have been in office from the beginning of the year and until the date of this report are:

Mr John Fairlie
Mr Giovanni Di Monda
Mrs Helen Cowhan (resigned 4 November 2022)
Mr Rodney Parker
Mr Bernard Smith
Mr Alistair Lindsay

Trust Information

The Trust is an Australian Registered Scheme. GDA Securities Ltd, the Responsible Entity of the Trust, is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at Level 2, 94 Liverpool Street, Hobart, TAS 7000.

Principal Activity

The principal activity of the Trust during the year was the investment of Unit Holders' funds in accordance with the Trust Constitution. There has been no significant change in the nature of this activity during the year.

Review of Results and Operations

The results of the operations of the Trust for the half year ended 31 December 2022 are disclosed in the Statement of Profit or Loss and Other Comprehensive Income section of the financial report. The Trust derived a net operating profit before distributions of \$3,330,740 (31 December 2021: \$2,850,854).

Distributions

The net distributions of the Trust for the half year ended 31 December 2022 were \$1,379,392 (31 December 2021: \$1,197,253).

Distributions will continue to be reviewed by the Board of Directors with the level of distributions to be determined by the Trust's ongoing performance.

Significant Changes in the State of Affairs

There have been no significant changes in the State of Affairs of the Trust during the financial year.

Significant Events after the Balance Date

There were no significant events after the Balance Date.

Future Developments

To the best of the directors knowledge, there are no other anticipated changes in the operations of the Trust which would have a material impact on the future results of the Trust. Property valuation changes, movements in the fair value of financial instruments and movements in interest rates may have a material impact on the Trust's results in future years. However, these cannot be reliably estimated at the date of this report.

Further information on likely developments in the operations of the Trust and the expected results of operations have not been included in this financial report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Trust.

Environmental Regulations and Performance

The operations of the Trust are not subject to a particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

GDA DIVERSIFIED PROPERTY TRUST
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DIRECTORS' REPORT
(Continued)

Options Granted

No options were:

- i. Granted over unissued units in the Trust during or since the end of the financial year; or
- ii. Granted to the Responsible Entity.

No unissued units in the Trust were under option as at the date on which this report is made.

No units were issued in the Trust during or since the end of the financial year as a result of the exercise of an option over unissued units in the Trust.

Indemnification and Insurance of Directors, Officers and Auditors

During the financial year, the Trust paid a premium in respect of a contract ensuring the directors, the company secretary and all executive officers of the Responsible Entity, against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Trust has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Trust against a liability incurred as such an officer or auditor.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001, is set out on page 4 of this financial report.

Signed in accordance with a resolution of the Directors of GDA Securities Ltd made pursuant to s298(2) of the Corporations Act 2001:

On behalf of the Directors of the Responsible Entity, GDA Securities Ltd.



Giovanni Di Monda
Director

Dated this 16th day of February 2023

DECLARATION OF INDEPENDENCE BY DAVID E PALMER TO THE DIRECTORS OF GDA DIVERSIFIED PROPERTY TRUST

As lead audit for the review of GDA Diversified Property Trust for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of GDA Diversified Property Trust.



DAVID E PALMER
Partner

BDO Audit (TAS)

Hobart, 20th February 2023

GDA DIVERSIFIED PROPERTY TRUST
ARSN 108 321 651

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2022

	6 Months to December 2022 \$	6 Months to December 2021 \$
Revenue		
Revenue from Property Rental	2,325,376	2,040,637
Property Expenses	<u>(208,357)</u>	<u>(113,542)</u>
Gross Profit on Property Income	2,117,019	1,927,095
Other Revenue and Income		
Distribution Income	25,970	28,314
Interest Income	37,557	-
Other Income	20,433	-
Gain/(Loss) on Revaluation of Investment Property	2,738,660	1,922,140
Gain/(Loss) on Revaluation of Investments	<u>133,834</u>	<u>146,848</u>
	2,956,454	2,097,302
Total Revenue and Other Income	5,073,473	4,024,397
Expenses		
Management Fees	653,688	472,931
Direct Expenses	<u>400,910</u>	<u>344,110</u>
	1,054,598	817,041
Finance Expenses		
Interest Expense and Bank Charges	<u>688,135</u>	<u>356,502</u>
	688,135	356,502
Total Expenses	1,742,733	1,173,543
Net Profit attributable to Unit Holders	<u>3,330,740</u>	<u>2,850,854</u>
Other Comprehensive Income		
Other Comprehensive Income for the period	-	-
Total Comprehensive Income for the Year	<u>3,330,740</u>	<u>2,850,854</u>

The accompanying notes form part of these financial statements.

GDA DIVERSIFIED PROPERTY TRUST
ARSN 108 321 651

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	December 2022 \$	June 2022 \$
Current Assets			
Cash and Cash Equivalents		4,108,337	3,249,584
Receivables		266,763	251,239
Investments		2,010,396	1,876,561
Other Current Assets		132,381	86,094
Total Current Assets		6,517,877	5,463,478
Non Current Assets			
Investment Property	5	76,528,162	73,570,408
Other Non Current Assets		44,969	54,611
Total Non Current Assets		76,573,131	73,625,019
Total Assets		83,091,008	79,088,497
Current Liabilities			
Payables		641,606	929,904
Distributions Payable		699,839	660,787
Other Current Liabilities		148,855	89,270
Total Current Liabilities		1,490,300	1,679,961
Non Current Liabilities			
Interest Bearing Liabilities	4	26,973,585	26,966,618
Total Non Current Liabilities		26,973,585	26,966,618
Total Liabilities		28,463,885	28,646,579
Net Assets		54,627,123	50,441,918
Equity			
Units On Issue		45,020,860	42,787,003
Retained Earnings		9,606,263	7,654,915
Total Equity	3	54,627,123	50,441,918

The accompanying notes form part of these financial statements.

GDA DIVERSIFIED PROPERTY TRUST
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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	Unit Holders Capital \$	Retained Earnings (Accumulated Losses) \$	Total \$
Balance at 1 July 2021		32,671,436	2,994,746	35,666,182
Total Comprehensive Income for the Period		-	2,850,854	2,850,854
Transactions with Unit Holders in their capacity as Unit Holders				
Issue of Units		7,572,788	-	7,572,788
Redemption of Units		(606,998)	-	(606,998)
Payment of Distributions		-	(1,197,253)	(1,197,253)
Balance at 31 December 2021		39,637,226	4,648,347	44,285,573
Balance at 1 January 2022		39,637,226	4,648,347	44,285,573
Total Comprehensive Income for the Period		-	4,312,764	4,312,764
Transactions with Unit Holders in their capacity as Unit Holders				
Issue of Units		4,534,644	-	4,534,644
Redemption of Units		(1,384,867)	-	(1,384,867)
Payment of Distributions		-	(1,306,196)	(1,306,196)
Balance at 30 June 2022		42,787,003	7,654,915	50,441,918
Balance at 1 July 2022		42,787,003	7,654,915	50,441,918
Total Comprehensive Income for the Period		-	3,330,740	3,330,740
Transactions with Unit Holders in their capacity as Unit Holders				
Issue of Units		3,122,184	-	3,122,184
Redemption of Units		(888,327)	-	(888,327)
Payment of Distributions		-	(1,379,392)	(1,379,392)
Balance at 31 December 2022		45,020,860	9,606,263	54,627,123

The accompanying notes form part of these financial statements.

GDA DIVERSIFIED PROPERTY TRUST
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STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2022

	6 Months to December 2022	6 Months to December 2021
Note	\$	\$
Cash flows from operating activities		
Rental Receipts	2,628,160	2,015,182
Payments to Suppliers	(1,997,900)	(916,403)
Interest Received	37,556	-
Interest and Other Costs of Finance Paid	(678,812)	(338,546)
Other Income Received	75,334	28,314
Net cash provided by/(used in) Operating Activities	<u>64,338</u>	<u>788,547</u>
Cash flows from investing activities		
Payment for Investments	-	(1,247,907)
Payment for Investment Properties	-	(11,856,864)
Payment for Investment Property Improvements	(155,651)	(47,875)
Receipt of Bond	56,550	26,352
Net cash (used in)/provided by Investing Activities	<u>(99,101)</u>	<u>(13,126,293)</u>
Cash flows from financing activities		
Receipts from Issue of Units	3,122,184	7,276,677
Payments for Redemption of Units	(888,327)	(522,712)
Proceeds from Borrowings	-	6,553,750
Transaction Costs Paid	-	775
Distributions paid to ordinary Unit Holders	(1,340,341)	(1,086,462)
Net cash (used in)/provided by Financing Activities	<u>893,516</u>	<u>12,222,028</u>
Net (decrease)/increase in cash & cash equivalents	858,753	(115,718)
Cash & cash equivalents at the beginning of the period	<u>3,249,584</u>	<u>6,877,888</u>
Cash & cash equivalents at the end of the period	<u><u>4,108,337</u></u>	<u><u>6,762,170</u></u>

The accompanying notes form part of these financial statements.

GDA DIVERSIFIED PROPERTY TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

NOTE 1: Summary of Accounting Policies

(a) Statement of compliance

The half-year financial report is a general-purpose financial report which has been prepared in accordance with the terms of the Trust Constitution, the Corporations Act 2001 and AASB 134 Interim Financial Reporting. These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2022.

(b) Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for certain assets which, as noted, are at fair value. Cost is based on the fair values of the consideration given in exchange for assets. All investment properties are recorded at fair value. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the annual financial report for the financial year ended 30 June 2022. These accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

The Trust has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and effective for the current reporting period. The adoption of these new and revised Standards and Interpretations did not have any material financial impact on the amounts recognised in the financial statements of the entity for the current or prior periods.

NOTE 2: Unit Holder Distributions

	Cents Per Unit	2023 \$	Cents Per Unit	2022 \$
<i>Recognised amounts</i>				
Quarter 1 - 1 July - 30 September	1.5375	679,553	1.6005	563,288
Quarter 2 - 1 October - 31 December	1.5375	699,839	1.6510	633,965
Total Distribution Paid or Payable		<u>1,379,392</u>		<u>1,197,253</u>

NOTE 3: Equity

As stipulated in the Trust Constitution, each Unit represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the Trust. There are no separate classes of Units and each Unit has the same rights attached to it as all other Units in the Trust.

	2022 Units	2022 \$
Balance at 1 July 2021	34,072,456	35,666,182
Net transfer from the Statement of Profit or Loss and Other Comprehensive Income	-	7,163,618
Contributions of Equity net of issue costs	11,177,045	12,107,432
Redemptions of Equity net of issue costs	(1,822,904)	(1,991,865)
Distributions Paid	-	(2,503,449)
Balance at 30 June 2022	<u>43,426,597</u>	<u>50,441,918</u>

GDA DIVERSIFIED PROPERTY TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022
(Continued)

NOTE 3: Equity (continued)

	2023 Units	2023 \$
Balance at 1 July 2022	43,426,597	50,441,918
Net transfer from the Statement of Profit or Loss and Other Comprehensive Income	-	3,330,740
Contributions of Equity net of issue costs	2,647,127	3,122,184
Redemptions of Equity net of issue costs	(743,259)	(888,327)
Distributions Paid	-	(1,379,392)
Balance at 31 December 2022	<u>45,330,465</u>	<u>54,627,123</u>

NOTE 4: Borrowings

	31 December 2022 \$	30 June 2022 \$
Commonwealth Bank Market Rate Loan	27,000,000	27,000,000
Borrowing Costs	<u>(26,415)</u>	<u>(33,382)</u>
	<u>26,973,585</u>	<u>26,966,618</u>

The Market Rate Loan is secured by a mortgagee over the Trust's investment property and equipment, the current market value of which exceeds the value of the mortgage.

The Market Rate Loan facility is \$27,00,000 drawn with a Variable Market Rate of BBSY, a Usage Fee of 0.95% and a Line Fee of 1.20%. The facility has a term of over 4 years ending on 1 June 2027.

NOTE 5: Investment Property

	31 December 2022 \$	30 June 2022 \$
<i>Gross Carrying Amount</i>		
Balance at Beginning of Financial Year	73,570,408	55,439,872
Additions	120,975	11,856,864
Capital Improvements	98,119	51,533
Straight-Lining of Rental Income	(31,211)	(91,031)
Net Revaluation Increments/(Decrements)	<u>2,769,871</u>	<u>6,313,170</u>
Balance at End of Financial Year at Fair Value	<u>76,528,162</u>	<u>73,570,408</u>

The Trust's property investments are revalued to fair value by independent valuers to ensure that the fair value is not materially different to the carrying value. Directors' valuations are performed whenever GDA Securities believes there is a significant change in fair value since the previous valuation.

All valuers used are independent valuers that are not related to the Trust. Each valuer is a member of the Australian Institute, and they have appropriate qualifications and recent experience in the valuation of properties in relevant locations.

Refer to Note 6 for further information on fair values of investment properties.

GDA DIVERSIFIED PROPERTY TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022
(Continued)

NOTE 6: Fair Values

Recurring fair value measurements

The following financial instruments are subject to recurring fair value measurements:

	31 December 2022 \$	30 June 2022 \$
<i>Level 1</i>		
Investments in ASX listed funds	2,010,396	1,876,561
<i>Level 3</i>		
Investment Properties	<u>76,528,162</u>	<u>73,570,408</u>
	<u><u>78,538,558</u></u>	<u><u>75,446,969</u></u>

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows:

- Level 1: the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: a valuation technique is used using inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices);
- Level 3: a valuation technique is used using inputs that are not observable based on observable market data (unobservable inputs).

As the Trust holds investment properties, which are independently valued at least every twelve months by a certified valuer, all investment properties fall within Level 3 of the fair value hierarchy.

Transfers

During the financial period ended 31 December 2022 there were no transfers into or out of Level 3.

Valuation techniques used to derive Level 3 fair values

Investment properties are independently valued at least once every twelve months by a Certified Practising Valuer registered with the Australian Property Institute. 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

Description	Valuation Approach	Unobservable inputs ¹	Range of inputs	Weighted average	Relationship between unobservable inputs and fair value
Investment Properties	Combination of Capitalisation, Discounted Cash Flow (DCF) and Direct Comparison approaches. Capitalisation rates, vacancy rates and rental growth rates are estimated by an external valuer or management based on comparable transactions and industry data.	Capitalisation rate Vacancy rate Rental growth rate	4.50% - 7.75% 0.00% - 0.00% 2.50% - 8.57%	5.50% 0.00% 3.91%	The lower the capitalisation rate the higher the fair value. The higher the vacancy rate the lower the fair value. The higher the rental growth the higher the fair value.

¹ There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Valuations have been conducted under the current COVID-19 pandemic taking into consideration, and allowing for, rental allowances and/or financial assistance provided to tenants where applicable. We believe that the reported fair values reflect current market conditions, rental yields from current leases and current government bond yields.

GDA DIVERSIFIED PROPERTY TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022
(Continued)

NOTE 6: Fair Values (continued)

Reconciliation of Level 3 fair value movements

The following table sets out the movements in Level 3 fair values for recurring measurements:

	31 December 2022 \$	30 June 2022 \$
Balance at Beginning of Financial Year	73,570,408	55,439,872
Additions	120,975	11,856,864
Capital Improvements	98,119	51,533
Straight-Lining of Rental Income	(31,211)	(91,031)
Net Revaluation Increments	2,769,871	6,313,170
Balance at 31 December 2022	<u>76,528,162</u>	<u>73,570,408</u>

Valuation processes for Level 3 fair values

An independent property valuer is appointed to carry out a valuation at least once every twelve months. The valuer must be a member of the Australian Property Institute. The valuation must be performed on the basis of standard practices of the Australian Property Institute.

The Board of Directors must approve the appointment of each valuer and the same valuer cannot be used for more than two consecutive valuations. In intervening periods building valuations are revised according to the Board of Directors assessment of the property market.

Disclosed fair values

The Trust also has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in the notes to the financial statements. Due to their short-term nature, the carrying amount of receivables, other current assets, payables, distributions payable and other current liabilities are assumed to approximate their fair values.

The fair value of non-current borrowings is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Trust for similar financial instruments. The fair value of these borrowings is not materially different from the carrying value because they bear interest at variable rates.

NOTE 7: Subsequent Events

There have been no matters or circumstances that have arisen since the end of the Balance Date, which have significantly affected, or may significantly affect the Trust, its operations, results of operations or state of affairs in future financial years.

NOTE 8: Additional Trust Information

GDA Diversified Property Trust is an unlisted property trust, incorporated and operating in Australia.

Principal place of Business and Registered Office

Level 2, 94 Liverpool Street

Hobart TAS 7000

Tel: (03) 6234 4413

**GDA DIVERSIFIED PROPERTY TRUST
ARSN 108 321 651**

DIRECTORS' DECLARATION

In the opinion of the Directors of the Responsible Entity, at the date of this Declaration:

- a) There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- b) The attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Trust; and
- c) The attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements.

Signed in accordance with a resolution of the Directors of the Responsible Entity made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors of the Responsible Entity, GDA Securities Ltd.



Giovanni Di Monda
Director

Dated this 16th day of February 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of GDA Diversified Property Trust

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of GDA Diversified Property Trust (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Company does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the 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 the audit of the annual 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 Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (TAS)

BDO Audit (TAS)

A handwritten signature in black ink, appearing to read 'D. Palmer', with a long, sweeping horizontal line extending to the right.

David E Palmer
Partner

Hobart, 20th February 2023