



GARDA

GARDA Property Group

Consolidated Interim Financial Report
for the six months ended 31 December 2020

GARDA Property Group

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



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This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by GARDA Property Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

GARDA Property Group is an internally managed real estate investment, development and funds management group incorporated and domiciled in Australia.

Its registered office is located at:

Level 21
12 Creek Street
Brisbane QLD 4000

The consolidated interim financial report was authorised for issue by the Directors on 18 February 2021. The Directors have the power to amend and reissue the half-year consolidated financial statements.

ASX releases, financial reports and other information are available on our website: www.gardaproperty.com.au

DIRECTORS' REPORT

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

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

The Directors of GARDA present their report and the consolidated financial statements for the six months ended 31 December 2020 for:

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

Pursuant to Australian Accounting Standards, the Fund is the deemed parent entity of the Group.

DIRECTORS

The following persons were Directors of GARDA Property Group during the whole of the half-year and up to the date of this report:

Director	Role	Date of Appointment
Matthew Madsen	Executive Chairman	September 2011
Mark Hallett	Executive Director	January 2011
Philip Lee	Non-Executive Director	May 2015
Paul Leitch	Independent Director	March 2020
Morgan Parker	Independent Director	December 2018
Andrew Thornton	Non-Executive Director	March 2020

COMPANY SECRETARY

The Company Secretary at any time during the half year and up to the date of this report was:

Company Secretary	Date of Appointment
Lachlan Davidson	July 2016

PRINCIPAL ACTIVITIES

GARDA is an internally managed real estate investment, development and funds management group. It owns, manages and develops commercial and industrial real estate and invests in residential real estate through mortgages and the provision of loans.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the Group during the financial reporting period.

REVIEW OF OPERATIONS AND RESULTS

The following discussion is in respect of the operations and results of the Group for the six months ended 31 December 2020.

Strategy

GARDA's objective is to deliver enduring value to our stakeholders through our expertise in real estate. GARDA currently has a particular strategic focus on equity investment into the industrial and commercial office sectors and debt investment into residential developments.

GARDA's size provides it with the scale necessary to compete in its target markets but also the agility to adjust its investment focus in anticipation of, or in response to, changing market conditions. Active decisions taken by the Group in recent periods in support of its strategy include:

- acquisitions in the Brisbane industrial market;
- buying and developing prime industrial and commercial sites, rather than acquiring completed buildings on unattractive pricing and leasing metrics;
- deploying debt capital into residential developments; and
- optimally managing its corporate and capital structure to enhance returns per security.

Operational highlights

Throughout the six months ended 31 December 2020, GARDA continued to execute its strategy:

- construction of a new 5,683m² industrial building at 1-9 Kellar Street, Berrinba was completed, followed by the execution of a five-year lease with USG Boral for 2,947m²;
- development of the industrial site at 498 Progress Road, Wacol continued with all bulk earth and civil works completed. Construction of the first of three buildings (Building C – approximately 6,000m²) has begun with YHI Corporation committing to a 10-year lease, commencing upon completion of construction which is expected to be by the end of the 2021 financial year;
- \$2,200,000 in capital expenditure was invested pursuant to the Group's capital improvements program;
- Fuji Xerox Australia became the foundation tenant in our commercial office building at 588A Swan Street, Richmond (Botanicca 9) by executing a seven-year lease, commencing on 1 July 2021, across 2,400m² or one-third of the net lettable area;
- Austrans, an existing tenant at 38 Peterkin Street, Acacia Ridge, committed to a new seven-year lease of the first new industrial building to be built at 69 Peterkin Street;
- the Queensland Department of Transport and Main Roads, which has been a tenant in Cairns Corporate Tower since 2002, committed to a new 10-year lease across 3,465m², representing 24% of the net lettable area of the Cairns building;
- \$7,861,000 in new investment loans was advanced to residential developers in south east Queensland;
- GARDA's acquisitions team continued to identify and assess prospective industrial sites for inclusion in our investment portfolio; and
- GARDA is in advanced negotiations to sell three small, non-core properties located at Archerfield, Lytton and Varsity Lakes with a combined book value of \$27,069,000.

Financial performance

Statutory profit and FFO

GARDA recorded statutory net profit after tax for the six months of \$10,440,000 (2019: \$155,000).

Funds from Operations (FFO)¹ for the period was \$8,792,000 (2019: \$7,889,000). FFO includes a rental guarantee received on the acquisition of 56 and 69 Peterkin Street, Acacia Ridge in July 2019. \$1,000,000 of the rental guarantee has been recognised in the six months ended 31 December 2020 with the balance of \$1,000,000 to be included in FFO for the full year ending 30 June 2021.

The following table provides a reconciliation of GARDA's statutory profit and FFO:

Six months ended 31 December	\$000	2020 \$000	2019 \$000
FFO		8,792	7,889
Fair value movement in investment properties			
Increase in independent valuations	11,928		3,310
Acquisition costs	-		(4,560)
Capital additions and capitalised costs	(8,327)		(5,139)
Other	(549)	3,052	(380)
Rental guarantee ²		(1,000)	-
Fair value movement of derivative financial instrument		237	323
Straight-lining of rent income		735	532
Lease cost and incentives amortisation		(406)	(487)
Rent free income		70	139
Depreciation - property, plant and equipment		(17)	(3)
Movements in right to use assets and lease liabilities		(11)	-
Non-underlying and non-recurring revenue ³		119	-
Non-underlying and non-recurring expenses ⁴		(479)	(1,280)
Distributions on treasury securities and unvested GARDA ESP securities ⁵		(652)	(189)
Profit after tax		10,440	155
Distributions paid		8,195	8,152
Distribution payout ratio		93.2%	103.3%

COVID-19

COVID-19 had no impact on GARDA's revenue for the six month period. Total rent deferrals of \$329,000 at 30 June 2020 decreased to \$172,000 at 31 December 2020 following payments by the affected tenants. Since the end of the period, this favourable rental collection profile has continued.

¹ FFO is the Group's underlying and recurring earnings from its operations. It is determined by adjusting statutory net profit (under AIFRS) for certain non-cash and other items. FFO is not calculated in accordance with Australian Accounting Standards and has not been audited or reviewed by the auditor of the Group.

² GARDA's purchases of 56 and 69 Peterkin Street, Acacia Ridge on 5 July 2019 included provision for the receipt by GARDA of \$2,000,000 in rental guarantees at any time in the subsequent two years. In accordance with Australian Accounting Standards, this amount was recorded as an asset in GARDA's FY20 financial statements. In July 2020, GARDA released the rental guarantee into general funds. The Directors consider the rental guarantee to be part of underlying FY21 earnings warranting inclusion in reported FFO.

³ Comprises one-off items of relief, e.g. tax relief, provided by the government in respect of the COVID-19 pandemic.

⁴ Security-based payments expense. The prior year amount also includes internalisation expenses of \$1,197,000.

⁵ FFO and distributions are presented on a fully diluted basis such that both include distributions paid on treasury securities and employee security plan securities. Prior period comparative information has been adjusted, where appropriate, to be consistent with treatment in the current period.

Financial position

12 of GARDA's 18 investment properties were independently valued during December 2020 resulting in:

- a \$22,200,000 increase on their previous independent valuations at 31 December 2019;
- the total portfolio being valued at \$431,647,000, an increase of \$14,200,000 in the six months since 30 June 2020;
- a 0.17% compression in GARDA's portfolio weighted average capitalisation rate from 6.60% at 30 June 2020 to 6.43%; and
- net asset value per GARDA security of \$1.36 and net tangible assets per security of \$1.20.

At 31 December 2020, GARDA had drawn borrowings of \$200,000,000 with gearing of 38.9%⁶. GARDA did not issue any new securities during the financial period.

Distributions

In respect of the six months ended 31 December 2020:

- on 16 October 2020, a Fund distribution of 1.80 cents per unit, or a total of \$3,763,000 (net of distributions attaching to treasury securities and unvested GARDA employee security plan (ESP) securities), was paid to GARDA stapled security holders; and
- on 9 December 2020, a Fund distribution of 1.80 cents per unit, or a total of \$3,780,000 (net of distributions attaching to treasury securities and unvested GARDA ESP securities), was announced and subsequently paid to GARDA stapled security holders on 20 January 2021.

Fund distributions in respect of the six months ended 31 December 2020 totaled \$7,543,000 representing a payout ratio of 93.2%.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There are no other significant matters or circumstances that have arisen since the end of the financial period that have significantly affected, or may significantly affect, the operations of GARDA, the results of those operations, or the state of affairs of GARDA, in future periods.

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 7.

ROUNDING OF AMOUNTS

GARDA is an entity of the kind referred to *ASIC Legislative Instrument 2016/191*, relating to the 'rounding off' of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off to the nearest thousand dollars or in certain cases, to the nearest dollar in accordance with the instrument.

This report is made in accordance with a resolution of Directors.



Matthew Madsen
Executive Chairman

18 February 2021

⁶ Calculated as (total debt less cash) / (total assets less cash).

AUDITOR'S INDEPENDENCE DECLARATION



Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

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

Auditor's Independence Declaration

In relation to the independent auditor's review for the half-year ended 31 December 2020, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

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

PITCHER PARTNERS



WARWICK FACE
Partner

Brisbane, Queensland
18 February 2021

Brisbane Sydney Newcastle Melbourne Adelaide Perth

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FINANCIAL REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 31 December	Note	GARDA		Company	
		2020 \$000	2019 \$000	2020 \$000	2019 ⁷ \$000
Revenue and other income					
Revenue		15,280	13,938	2,200	381
Other income		225	659	146	5
Gain on bargain purchase on acquisition		-	-	-	6,187
Total revenue and other income	3	15,505	14,597	2,346	6,573
Expenses					
Property expenses		(3,442)	(3,291)	-	-
Finance costs	4	(1,832)	(1,445)	(4)	(13)
Employee benefits expense		(1,348)	(197)	(1,750)	(197)
Corporate and trust administration expenses	4	(934)	(1,779)	(647)	(120)
Depreciation	4	(84)	(3)	(84)	(3)
Internalisation expenses	4	-	(1,197)	-	-
Credit loss expenses	6	(369)	-	(369)	-
Security based payments expense		(479)	(82)	(479)	-
Net loss on financial instrument held at fair value through profit and loss		237	323	-	-
Net fair value gain/(loss) in investment properties	8	3,052	(6,769)	-	-
Total expenses		5,199	14,440	3,333	333
Profit/(loss) before income tax		10,306	157	(987)	6,240
Income tax benefit/(expense)		134	(2)	134	(2)
Profit/(loss) after income tax		10,440	155	(853)	6,238
Other comprehensive income		-	-	-	-
Total comprehensive income		10,440	155	(853)	6,238
Total profit/ (loss) and comprehensive income is attributable to:					
Securityholders of GARDA Property Group		11,293	105	(853)	-
Shareholders of GARDA Holdings Limited		(853)	50	-	6,238
Profit and total comprehensive income		10,440	155	(853)	6,238
Earnings per stapled security:					
Basic earnings per stapled security (cents)	5	5.0	0.1	(0.4)	2.7
Diluted earnings per stapled security (cents)	5	4.8	0.1	(0.4)	2.7

The consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

⁷ Includes the Company's performance from its date of incorporation on 20 September 2019 to 31 December 2019.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at	Note	GARDA		Company	
		31 December	30 June	31 December	30 June
		2020	2020	2020	2020
		\$000	\$000	\$000	\$000
ASSETS					
Current assets					
Cash and cash equivalents		14,004	20,488	4,313	3,952
Trade and other receivables	6	12,883	5,291	5,028	2,343
Assets held for sale	7	27,069	-	-	-
Total current assets		53,956	25,779	9,341	6,295
Non-current assets					
Investment properties	8	404,578	417,447	1,250	1,250
Property, plant and equipment		66	54	66	54
Right-of-use assets		336	403	336	403
Intangible assets		33,586	33,586	-	-
Deferred tax assets		86	-	86	-
Total non-current assets		438,652	451,490	1,738	1,707
Total assets		492,608	477,269	11,079	8,002
LIABILITIES					
Current liabilities					
Trade and other payables	9	2,862	3,338	6,086	2,048
Contract liabilities		1,299	605	-	-
Distribution payable	11	3,780	3,763	-	-
Lease liabilities		118	115	118	115
Current tax liabilities		2	2	2	2
Total current liabilities		8,061	7,823	6,206	2,165
Non-current liabilities					
Tenant security deposits		233	350	-	13
Borrowings	10	198,813	186,653	-	-
Derivative financial instruments		1,299	1,536	-	-
Provisions		60	48	60	48
Lease liabilities		191	252	191	252
Deferred tax liabilities		-	49	-	49
Total non-current liabilities		200,596	188,888	251	362
Total liabilities		208,657	196,711	6,457	2,527
Net assets		283,951	280,558	4,622	5,475
EQUITY					
Contributed equity		355,010	354,993	-	-
Security-based payments reserve		923	444	-	-
Retained earnings/ (accumulated losses)		(71,982)	(74,879)	4,622	5,475
Total equity		283,951	280,558	4,622	5,475

The consolidated statements of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

a) GARDA

	Contributed Equity \$000	Other Reserves \$000	Accumulated Losses \$000	Total Equity \$000
31 December 2020				
Balance at 1 July 2020	354,993	444	(74,879)	280,558
Profit for the half-year	-	-	10,440	10,440
	354,993	444	(64,439)	290,998
Transactions with owners in their capacity as owners:				
Distributions paid or payable	-	-	(7,543)	(7,543)
Securities based payment expense	-	479	-	479
Repayment of loan receivable for ESP ⁹ vested securities	17	-	-	17
	17	479	(7,543)	(7,047)
Balance at 31 December 2020	355,010	923	(71,982)	283,951
31 December 2019				
Balance at 1 July 2019	281,112	-	(64,016)	217,096
Profit for the half-year	-	-	155	155
	281,112	-	(63,861)	217,251
Transactions with owners in their capacity as owners:				
Securities issued in placement	37,500	-	-	37,500
Securities issued as consideration for internalisation	58,992	-	-	58,992
Transaction costs for internalisation security issue	(58)	-	-	(58)
Transaction costs for other security issues	(619)	-	-	(619)
Cancellation of treasury securities on consolidation	(30,661)	-	-	(30,661)
Securities based payment expense	-	82	-	82
Distributions paid and payable	-	-	(7,988)	(7,988)
Loan receivable for ESP ⁹ vested securities	(291)	-	-	(291)
	64,863	82	(7,988)	56,957
Balance at 31 December 2019	345,975	82	(71,849)	274,208

b) Company

	Contributed Equity \$000	Retained Earnings \$000	Total Equity \$000
31 December 2020			
Balance at 1 July 2020	-	5,475	5,475
Loss for the half-year	-	(853)	(853)
Balance at 31 December 2020	-	4,622	4,622
31 December 2019			
Balance at 1 July 2019	-	-	-
Profit for the half-year	-	6,238	6,238
Total comprehensive income for the half-year	-	6,238	6,238
Transactions with owners in their capacity as owners:			
Security issued at incorporation	19	-	19
Balance at 31 December 2019	19	6,238	6,257

The consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

⁹ GARDA employee security plan.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Six months ended 31 December	GARDA		Company	
	2020	2019	2020	2019 ⁹
	\$000	\$000	\$000	\$000
Cash flows from operating activities				
Receipts from customers (includes GST)	16,447	15,211	2,473	139
Receipts from rental guarantees	-	2,000	-	-
Repayment of litigation proceeds receivable	100	75	-	-
Payments in the course of operations (includes GST)	(8,334)	(6,610)	(2,668)	(303)
Interest received	15	16	9	3
Finance costs	(2,044)	(2,676)	(4)	(13)
Net GST paid	(162)	(147)	(121)	-
Net cash inflow/(outflow) from operating activities	6,022	7,869	(311)	(174)
Cash flows from investing activities				
Cash acquired at internalisation	-	4,375	-	4,318
Acquisition costs relating to internalisation	-	(1,487)	-	(80)
Payments for investment properties	(10,365)	(73,301)	-	-
Due diligence costs and deposits for investment properties	(1,204)	(833)	-	-
Payments of commission on sale of property	-	(259)	-	-
Payments for property, plant and equipment	(30)	-	(30)	-
Payments for leasing fees	(207)	(196)	-	-
Net cash (outflow)/inflow from investing activities	(11,806)	(71,701)	(30)	4,238
Cash flows from financing activities				
Proceeds of intra-stapled loan from parent entity	-	-	3,725	-
Repayment of intra-stapled loan by parent entity	-	-	(141)	1,735
Proceeds from borrowings	11,885	52,020	-	-
Repayment of borrowings	-	(15,417)	-	-
Repayment of borrowing transaction costs	-	(700)	-	-
Loan advances to external parties	(7,861)	-	(3,420)	-
Proceeds from issue of additional equity	-	31,500	-	-
Equity transaction cost	-	(619)	-	-
Dividends paid (declared pre-internalisation)	-	(697)	-	(697)
Distribution paid	(7,526)	(10,313)	-	-
Repayment of loan receivable from external parties	2,846	-	599	-
Repayment of lease liabilities	(61)	-	(61)	-
Vested ESP security loan receivable proceeds	17	-	-	-
Net cash (outflow)/inflow from financing activities	(700)	55,774	702	1,038
Net (decrease)/increase in cash and cash equivalents	(6,484)	(8,058)	361	5,102
Cash and equivalents at the beginning of the half-year	20,488	20,213	3,952	-
Cash and cash equivalents at end of the half-year	14,004	12,155	4,313	5,102

The consolidated statements of cash flows should be read in conjunction with the accompanying notes.

⁹ Includes the Company's performance from its date of incorporation on 20 September 2019 to 31 December 2019.

NOTES TO THE INTERIM FINANCIAL REPORT

NOTE 1 GENERAL INFORMATION

Basis of preparation

This consolidated interim financial report is for the six months ended 31 December 2020 and is prepared in accordance with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated interim financial report comprises GARDA Diversified Property Fund (**GDF** or the **Fund**) and GARDA Holdings Limited (**GHL** or the **Company**) as a stapled group referred to as GARDA Property Group (**GARDA** or the **Group**). The interim financial report is presented in accordance with ASIC Corporations (Stapled Group Reports) Instrument 2015/838 and the requirements of the Australian Securities Exchange.

Pursuant to Australian Accounting Standards, the Fund is the deemed parent entity of the Group.

Statement of compliance

The consolidated interim financial report does not include all the notes of the type normally included in an annual financial report and accordingly should be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted in this interim financial report are the same as those applied in the previous financial year and the corresponding interim reporting period, except for the adoption of new and amended standards which have not materially impacted the Group.

Certain comparative figures have been reclassified to conform with the current half year reporting presentation.

Comparative information

For the Company, the comparative information provided in the consolidated statements of profit or loss, consolidated statements of cashflows and the relevant notes to these statements is for the period from incorporation on 20 September 2019 to 31 December 2019.

Rounding of amounts

GARDA is an entity of the kind referred to *ASIC Legislative Instrument 2016/191*, relating to the 'rounding off' of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off to the nearest thousand dollars or in certain cases, to the nearest dollar in accordance with the instrument.

NOTE 2 OPERATING SEGMENTS

a) Overview

The Group has identified three core operating segments: direct property investment, debt investment and external funds management. These segments are regularly reviewed by the Executive Chairman, who is the Chief Operating Decision Maker, in order to make decisions about resource allocation and to assess performance.

The business activities of each of these operating segments are as follows:

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

External revenue and net profit from the debt investment and funds management operating segments do not meet the necessary quantitative thresholds to be considered separate reportable segments and therefore have been combined and disclosed in the "other segments" category.

b) Segment results

	Direct Property Investment \$000	Other Segments \$000	Total \$000
Six months ended 31 December 2020			
Segment revenue and other income			
Lease revenue	11,643	-	11,643
Recoverable outgoings	2,462	-	2,462
Lending business income	-	423	423
Debt advisory services	-	353	353
Other revenue	73	-	73
Total segment revenue	14,178	776	14,954
Total segment expense	(5,550)	(476)	(6,026)
Segment profit	8,628	300	8,928
Six months ended 31 December 2019			
Segment revenue and other income			
Lease revenue	11,223	-	11,223
Recoverable outgoings	2,363	-	2,363
Lending business income	-	21	21
Debt advisory services	-	40	40
Litigation proceeds	475	-	475
Other revenue	168	-	168
Total segment revenue	14,229	61	14,290
Total segment expense	(6,392)	(8)	(6,400)
Segment profit	7,837	53	7,890

Segment results include items directly attributable to the segment as well as those that may be allocated on a reasonable basis. They exclude specific non-cash items not relating to the segments, such as fair value adjustments, security-based payments expense and depreciation.

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

c) Reconciliation of segment revenue to statutory revenue

Six months ended 31 December	2020 \$000	2019 \$000
Total revenue for reportable segments	14,954	14,290
Unallocated amounts	-	-
Lease straight-lining revenue	735	533
Lease costs and incentive amortisation	(406)	(487)
Rent free income	70	139
Other revenue	137	106
Non-operating interest income	15	16
Group revenue	15,505	14,597

d) Reconciliation of segment profit to statutory profit

Six months ended 31 December	2020 \$000	2019 \$000
Reportable segment profit before income tax	8,928	7,890
Unallocated amounts	-	-
Lease straight-lining revenue	735	532
Lease costs and incentive amortisation	(406)	(487)
Rent free income	70	139
Non-operating interest income	15	16
Sundry income	137	106
Employee benefit expense	(1,246)	(191)
Corporate and trust administration expenses	(653)	(120)
Internalisation expenses	-	(1,197)
Depreciation	(84)	(3)
Security based payments expense	(479)	(82)
Net loss on financial instrumental held at fair value through profit and loss	237	323
Fair value movement in investment properties	3,052	(6,769)
Group profit before income tax	10,306	157

e) Segment assets and liabilities

	Direct Property Investment \$000	Other Segments \$000	Total \$000
At 31 December 2020			
Segment assets	478,282	12,084	490,366
Segment liabilities	(206,481)	-	(206,481)
Net assets	271,801	12,084	283,885
At 30 June 2020			
Segment assets	468,732	6,584	475,316
Segment liabilities	(194,071)	-	(194,071)
Net assets	274,661	6,584	281,245

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

f) Reconciliation of segment assets to total assets

	31 December 2020 \$000	30 June 2020 \$000
Reportable segment assets	490,366	475,316
Unallocated amounts		
Other receivables	504	246
Investment properties	1,250	1,250
Property, plant and equipment	66	54
Deferred tax asset	86	-
Right-of-use assets	336	403
Group assets	492,608	477,269

g) Reconciliation of segment liabilities to total liabilities

	31 December 2020 \$000	30 June 2020 \$000
Reportable segment liabilities	206,481	194,071
Unallocated amounts		
Trade and other payables	505	624
Tenant security deposit	-	14
Provisions	60	48
Derivative financial instrument	1,299	1,536
Lease liability	310	367
Current tax liability	2	2
Deferred tax liabilities	-	49
Group liabilities	208,657	196,711

NOTE 3 REVENUE

a) Overview

Six months ended 31 December	GARDA		Company	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Revenue recognised under AASB 16 Leases				
Lease revenue	12,448	11,895	-	4
Lease costs and incentive amortisation	(406)	(487)	-	-
	12,042	11,408	-	4
Revenue recognised under AASB 15 Revenue from contracts with customers				
Recoverable outgoings	2,462	2,363	-	-
Fund and real estate management	-	-	1,321	210
Recoveries and other fees	-	106	402	106
Debt advisory services	353	40	353	40
Lending business income	423	21	124	21
	3,238	2,530	2,200	377
Other income				
Non-operating interest income	15	16	9	5
Litigation proceeds	-	475	-	-
Sundry income	210	168	137	-
	225	659	146	5
Gain on bargain purchase on acquisition	-	-	-	6,187
Total revenue and other income	15,505	14,597	2,346	6,573

b) Disaggregation of revenue from contracts with customers

Six months ended 31 December	31 December 2020			31 December 2019		
	Point in Time \$000	Over Time \$000	Total \$000	Point in Time \$000	Over Time \$000	Total \$000
GARDA						
Recoverable outgoings - non-lease component	-	2,462	2,462	-	2,363	2,363
Recoveries and other fees	-	-	-	-	106	106
Debt advisory services	353	-	353	40	-	40
Lending business income	-	423	423	-	21	21
Total	353	2,885	3,238	40	2,490	2,530
Company						
Fund and real estate management	-	1,321	1,321	-	210	210
Recoveries and other fees	-	402	402	-	106	106
Debt advisory services	353	-	353	40	-	40
Lending business income	-	124	124	-	21	21
Total	353	1,847	2,200	40	337	377

NOTE 4 EXPENSES

Six months ended 31 December	GARDA		Company	
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Corporate and trust administration expenses				
Management fees	-	1,092	-	-
Professional fees and other administration expenses	934	687	647	120
	934	1,779	647	120
Finance costs				
Interest expense	2,044	2,602	4	13
Borrowing cost amortisation	275	94	-	-
Interest capitalised to properties under construction	(487)	(1,251)	-	-
	1,832	1,445	4	13
Depreciation				
IT equipment and fittings	17	3	17	3
Buildings right-of-use assets	67	-	67	-
	84	3	84	3
Internalisation expenses				
Professional fees and other expenses	-	1,197	-	-
	-	1,197	-	-

NOTE 5 EARNINGS PER STAPLED SECURITY

Six months ended 31 December	GARDA		Company	
	2020	2019	2020	2019
Net profit after tax attributable to securityholders (\$000)	10,440	155	(853)	6,238
WANOS ⁹ - basic earnings per stapled security ¹⁰	208,570,668	176,842,027	208,570,668	176,842,027
WANOS - diluted earnings per stapled security ¹¹	219,579,146	177,513,503	219,579,146	177,513,503
Basic earnings per stapled security (cents)	5.0	0.1	(0.4)	2.7
Diluted earnings per stapled security (cents)	4.8	0.1	(0.4)	2.7

⁹ Weighted average number of securities.

¹⁰ Number of securities utilised for basic earnings per stapled security calculations excludes GARDA ESP securities and treasury securities.

¹¹ Number of securities utilised for diluted earnings per stapled security calculations includes all GARDA ESP securities but excludes treasury securities.

NOTE 6 TRADE AND OTHER RECEIVABLES

As at	GARDA		Company	
	31 December	30 June	31 December	30 June
	2020 \$000	2020 \$000	2020 \$000	2020 \$000
Fund management fees receivable	-	-	237	245
Rent and outgoings receivable	1,479	756	-	-
Litigation proceeds receivable	275	375	-	-
Other receivables	88	129	88	205
Prepayments	2,557	697	266	117
Commercial loans to external third parties	8,853	3,334	4,806	1,776
Provision for expected credit loss	(369)	-	(369)	-
	12,883	5,291	5,028	2,343

NOTE 7 ASSETS HELD FOR SALE

Assets held for sale are investment properties which were under conditional contracts, or advanced due diligence, for sale at 31 December 2020.

Investment Property	Valuation	Date	Cap Rate	Net Income \$000	Cap. Adjustment \$000	Valuation \$000	Carrying value \$000
Archerfield	Independent	Dec 2020	7.25%	488	(521)	6,200	6,200
Lytton	Directors'	Dec 2020	7.25%	n/a	n/a	8,845	8,845
Varsity Lakes	Directors'	Dec 2020	8.50%	n/a	n/a	12,024	12,024
Total assets held for sale							27,069

NOTE 8 INVESTMENT PROPERTIES

a) Summary

	31 December 2020 \$000	30 June 2020 \$000
GARDA		
Investment properties at independent valuation	312,025	116,100
Investment properties acquired at independent valuation	-	1,250
Investment properties at directors' valuation	118,519	265,643
Investment properties under construction at directors' valuation ¹²	1,103	34,454
Value of all investment properties	431,647	417,447
Assets held for sale (refer note 7)	(27,069)	-
	404,578	417,447
Company		
Land at Palmer Street, Townsville	1,250	1,250
Balance at end of the half year	1,250	1,250

The registered titles to all Fund and GARDA Capital Trust assets are held by The Trust Company (Australia) Limited, as custodian.

¹² Relates to building construction costs incurred on the property at 498 Progress Road, Wacol post independent valuation.

b) Valuations

Independent external valuations are undertaken by qualified and suitably experienced certified practising external valuers using a combination of capitalisation, discounted cash flow and direct comparison valuation methodologies. Land is valued using the direct comparison approach using data of recent sales and analysed on a rate per square metre.

Directors' valuations are based on the most recent independent valuations and take into account all capital expenditure incurred since the last independent valuation which is deemed by Directors to be capital accretive.

	Valuation Basis	Valuation Date	Cap Rate	Net Income	Cap Adjust.	Valuation	Carrying Value 31 Dec 20	Carrying Value 30 Jun 20
				\$000	\$000	\$000	\$000	\$000
Established properties								
Acacia Ridge, 38 Peterkin	Independent	Dec 2020	7.25%	496	(634)	6,200	6,200	6,000
Archerfield	Independent	Dec 2020	7.25%	488	(521)	6,200	6,200	6,000
Berrinba	Independent	Dec 2020	5.25%	662	(629)	11,975	11,975	7,346
Box Hill	Directors'	Dec 2020	6.00%	n/a	n/a	34,275	34,275	33,250
Cairns	Independent	Dec 2020	8.25%	5,199	3,669	59,300	59,300	58,563
Cairns, Land	Independent	Dec 2020	n/a	n/a	n/a	2,000	2,000	2,000
Heathwood	Independent	Dec 2020	6.50%	722	727	11,800	11,800	11,250
Lytton	Directors'	Dec 2020	7.25%	n/a	n/a	8,845	8,845	8,725
Mackay	Independent	Dec 2020	7.25%	2,061	2,611	31,000	31,000	30,100
Morningside	Directors'	Dec 2020	5.75%	n/a	n/a	41,625	41,625	41,625
Pinkenba	Directors'	Dec 2020	6.75%	n/a	n/a	20,500	20,500	20,500
Richmond, 572-576 Swan	Independent	Dec 2020	5.50%	3,357	5,594	54,000	54,000	53,688
Richmond, 588A Swan	Independent	Dec 2020	5.50%	3,848	12,028	57,000	57,000	59,042
Varsity Lakes	Directors'	Dec 2020	8.50%	n/a	n/a	12,024	12,024	12,000
Wacol, 41 Bivouac Place	Independent	Dec 2020	5.50%	2,200	1,654	41,000	41,000	39,000
						397,744	397,744	389,089
Properties under construction								
Acacia Ridge, 56 Peterkin	Independent	Dec 2020	7.00%	537	(674)	7,000	7,000	6,808
Acacia Ridge, 69 Peterkin	Independent	Dec 2020	7.00%	900	1,735	11,200	11,200	11,079
Wacol, 498 Progress	Independent	Dec 2020	n/a	n/a	n/a	13,350	13,350	9,221
						31,550	31,550	27,108
Value accretive additions								
Wacol, 498 Progress ¹³	Directors'	Dec 2020				-	1,103	-
						-	1,103	-
Company Properties								
Townsville, land	Directors'	Dec 2020				1,250	1,250	1,250
						1,250	1,250	1,250
All investment properties						430,544	431,647	417,447
Assets held for sale								
Archerfield						(6,200)	(6,200)	-
Lytton						(8,845)	(8,845)	-
Varsity Lakes						(12,024)	(12,024)	-
Total assets held for sale						(27,069)	(27,069)	-
Total investment properties (non-current assets)						403,475	404,578	417,447

¹³ Relates to building construction costs incurred post independent valuation.

c) Movements in investment properties

	31 December 2020 \$000	30 June 2020 \$000
Movements during the half year:		
Balance at 1 July	417,447	332,806
Transfer of investment properties to assets held for sale	(27,069)	-
Acquisition of investment properties via business combination	-	1,250
Acquisition of tenanted investment properties	-	56,591
Purchase price adjustment for rental guarantee	-	(2,000)
Capital expenditure on tenanted investment properties	2,200	5,155
Acquisition and capital expenditure of properties under construction	8,399	29,643
Straight-lining of rental income	735	1,372
Net movement in leasing fees, incentives and rent free income	(186)	(374)
Movements in fair value comprised of:		
Increase in independent valuations	11,928	4,110
Acquisition costs	-	(4,494)
Capital additions and capitalised costs	(8,327)	(5,614)
Leasing costs and leasing incentives amortisation	256	596
Rent free income	(70)	(222)
Straight-lining of rental income	(735)	(1,372)
Balance at the end of the half year	404,578	417,447

d) Contractual obligations

Contractual obligations to develop or construct investment properties are as follows:

	31 December 2020 \$000	30 June 2020 \$000
Properties		
Berrinba	-	3,965
Wacol, 498 Progress Road	4,100	2,128
Total	4,100	6,093

e) Leasing arrangements

Investment properties listed above (excluding land and properties under construction) are typically leased to tenants under long-term operating leases with rentals payable monthly.

COVID-19 had negligible impact on GARDA's rental revenue for the six-month period. Total rental revenue deferrals of \$329,000 at 30 June 2020 decreased to \$172,000 at 31 December 2020 following payments by the affected tenants. Since the end of the period, this favourable rental collection profile has continued.

f) Amount recognised in profit or loss for investment properties

Revenue relating directly to investment properties are disclosed in notes 3 and all direct property expenses are disclosed on the statement of profit or loss and other comprehensive income.

NOTE 9 TRADE AND OTHER PAYABLES

	GARDA		Company	
	31 December	30 June	31 December	30 June
	2020	2020	2020	2020
	\$000	\$000	\$000	\$000
Current				
Trade creditors	1,060	1,853	35	-
Other payables	1,802	1,485	554	615
Loan payable to parent entity	-	-	5,497	1,433
	2,862	3,338	6,086	2,048

NOTE 10 BORROWINGS

a) Summary

	GARDA		Company	
	31 December	30 June	31 December	30 June
	2020	2020	2020	2020
	\$000	\$000	\$000	\$000
Non-Current				
Bank loans (secured)	200,000	188,115	-	-
Less: amortised transaction costs	(1,187)	(1,462)	-	-
	198,813	186,653	-	-

b) Bank loans

Amount and Tenor

At 31 December 2020, GARDA had the following syndicated debt facilities:

	Facility Limit		Amount Drawn		Amount Available	
	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun
	\$000	\$000	\$000	\$000	\$000	\$000
St. George Bank	100,000	100,000	100,000	94,057	-	5,943
ANZ Banking Group	100,000	100,000	100,000	94,057	-	5,943
Total facilities	200,000	200,000	200,000	188,114	-	11,886

The tenor of the facilities is three years, expiring on 3 March 2023. Loan repayments are interest only with a lump sum payment of all amounts outstanding due at maturity. There is a fixed line fee on the facilities and interest is based on the applicable BBSY rate plus margin.

At 31 December 2020, GARDA's gearing was 38.9%¹⁴ (30 June 2020: 36.7%).

At 31 December 2020, GARDA had fixed interest rate swap agreements of \$100,000,000 (30 June 2020: \$100,000,000) which include \$70,000,000 for a term of 7 years at a rate of 0.81% and \$30,000,000 for a term of 10 years at a rate of 0.98%. There have been no changes in interest rate swap arrangements since 30 June 2020.

¹⁴ Calculated as (total debt less cash) / (total assets less cash).

Security

The syndicated debt facility is secured by:

- a) a first registered general security deed in respect of all assets and undertakings of GARDA;
- b) a first registered real property mortgage in respect of each property in the Fund portfolio;
- c) a first registered general security deed in respect of all assets and undertakings of the Company and its secured subsidiaries; and
- d) a specific security agreement over restricted cash accounts of GARDA.

Notwithstanding the terms of the facility, the registered title to all the assets of the Fund and its controlled entities are held by The Trust Company (Australia) Limited, as custodian, who holds title for the relevant fund.

Covenants

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

- a) interest cover ratio is to remain above 2.50 times;
- b) loan to value ratio (LVR) must remain under 50%; and
- c) adjusted gearing ratio is to remain under 1.20 times.

The Group complied with these financial covenants during the half year.

Financial undertakings

Financial undertakings under the syndicated debt facility include the following:

- a) the aggregate earnings before interest taxes depreciation and amortisation (EBITDA) of the obligors represents at least 90% of the aggregate EBITDA of the Group; and
- b) the aggregate total assets of the obligors represent at least 90% of the aggregate total assets of the Group.

The Group complied with these financial undertakings during the half year.

NOTE 11 DISTRIBUTIONS

Distributions provided for and/or paid during the half-year year were as follows:

Six months ended 31 December	GARDA		Company	
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
September distribution - 1.80 cents per security (2019: 2.25 cents)	3,763	3,664	-	-
November distribution - 0.00 cents per security (2019: 1.50 cents)	-	2,780	-	-
December distribution - 1.80 cents per security (2019: 0.75 cents)	3,780	1,544	-	-
	7,543	7,988	-	-

Distributions declared in December 2020 of \$3,780,000 but not paid until after year end have been provided for. No dividends were declared or paid by the Company during the financial period.

The distribution amounts recognised are net of distribution on treasury securities and unvested GARDA ESP securities.

NOTE 12 CONTRIBUTED EQUITY

a) Summary

	GARDA		Company	
	31 December	30 June	31 December	30 June
	2020	2020	2020	2020
	Securities	Securities	Securities	Securities
Ordinary securities	208,570,668	227,644,361	208,570,668	227,644,361
Balance at beginning of the half year	227,644,361	158,444,594	227,644,361	-
Acquisition consideration investment properties	-	4,411,765	-	-
Placement	-	22,500,000	-	-
Securities issued at incorporation and on initial capitalisation	-	-	-	185,356,359
Securities issued as consideration for internalisation	-	42,288,002	-	42,288,002
Total issued securities as per ASX	227,644,361	227,644,361	227,644,361	227,644,361
Reconciliation adjustments				
Treasury securities (refer b) below)	(4,233,693)	(9,233,693)	(4,233,693)	(9,233,693)
Unvested ESP securities on issue (refer c) below)	(13,400,000)	(9,360,000)	(13,400,000)	(9,360,000)
Vested ESP securities (refer c) below)	(1,440,000)	(480,000)	(1,440,000)	(480,000)
Total issued securities for financial reports	208,570,668	208,570,668	208,570,668	208,570,668

b) Treasury securities

The internalisation resulted in the Fund owning 100% of GARDA Capital Trust which, in turn, owned 21,900,363 stapled securities in GARDA Property Group. In accordance with Australian Accounting Standards, these securities are designated as treasury securities and have been deducted from equity and excluded from total issued securities of 227,644,361.

During the half year, 5,000,000 treasury securities were transferred in conjunction with the GARDA Employee Security Plan (ESP), leaving 4,233,693 remaining treasury securities at 31 December 2020.

c) Employee security plan securities

At 30 June 2020, GARDA had issued 9,840,000 securities pursuant to the GARDA ESP. In the six months ended 31 December 2020, an additional 5,000,000 ESP securities were transferred from treasury securities and 960,000 of the existing 9,840,000 securities vested. At 31 December 2020, the number of unvested ESP securities was 13,400,000 with the number of vested securities being 1,440,000.

The employees who participated in the GARDA ESP were provided with limited recourse loans on the grant date of an amount equal to the application price of the securities.

In accordance with Australian Accounting Standards, all GARDA ESP securities (including vested securities) are deducted from equity and excluded from total issued securities of 227,644,361 until such time as the underlying limited recourse loans are repaid.

NOTE 13 FAIR VALUE DISCLOSURE

a) Fair value hierarchy

The following assets and liabilities are recognised and measured at fair value on a recurring basis:

- non-financial assets: investment properties and assets held for sale; and
- financial liabilities: derivative financial instruments at fair value through profit and loss.

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

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

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

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

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

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
At 31 December 2020				
Assets				
Investment properties	-	-	404,578	404,578
Assets held for sale	-	-	27,069	27,069
	-	-	431,647	431,647
Liabilities				
Derivative financial instruments	-	1,299	-	1,299
	-	1,299	-	1,299
At 30 June 2020				
Assets				
Investment properties	-	-	417,447	417,447
	-	-	417,447	417,447
Liabilities				
Derivative financial instruments	-	1,536	-	1,536
	-	1,536	-	1,536

There were no transfers during the year between Level 1 and Level 2 for recurring fair value measurements.

GARDA's policy is to recognise transfers between the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. No transfers in the fair value hierarchy occurred during the period.

b) Disclosed fair values

The carrying amounts of financial assets and liabilities approximate their net fair value, unless otherwise stated.

Investment properties and assets held for sale

Investment properties are valued using the income approach based on estimated rental value of the property. Discount rates, terminal yields, expected vacancy rates and rental growth rates are estimated by an external valuer (or in the case of Directors' valuations, the Directors) based on comparable transactions and industry data.

The following table sets out details of the significant unobservable inputs used and the relationship between unobservable inputs and fair value.

Unobservable Inputs	Range of Inputs		Relationship Between Unobservable Inputs and Fair Value
	31 December 2020	30 June 2020	
Discount rate	6.25% - 9.00%	6.75% - 9.00%	The higher the discount rate, terminal yield and expected vacancy rate, the lower the fair value
Capitalisation rate	5.25% - 8.50%	5.75% - 8.50%	
Terminal yield	5.50% - 8.50%	6.00% - 8.50%	
Expected vacancy rate	0% - 6.50%	0% - 5.00%	
Rental growth rate	2.51% - 3.14%	2.26% - 3.04%	The higher the rental growth, the higher the fair value. Based on Gross Face Rental growth 10 year compound annual growth rate.

The Board considers the valuations of each property half-yearly and either ensures an external independent valuer has been instructed or adopts a Directors' valuation.

Financial liabilities

For derivative financial instruments (interest rate swap), fair value was determined by GARDA's banks. The valuation models used by banks are industry standard and mostly employ a Black-Scholes framework to calculate the expected future value of derivative payments which are then discounted back to present value. Interest rate inputs into the models are benchmark rates and as such input parameters into the models are deemed observable, thus these derivatives are categorised Level 2 instruments. There were no significant inter-relationships between unobservable inputs that materially affect fair values.

c) Reconciliation of Level 3 fair value movements

Refer to Investment properties for the reconciliation of movements in investment properties. There have been no transfers to or from Level 1 or 2 and no unrecognised gains/(losses) recognised in profit or loss for investment properties.

NOTE 14 RELATED PARTY TRANSACTIONS

a) Introduction

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

b) Employee security plan

Details of the current KMP participants in the GARDA ESP are set out in the following table:

Participant	Issue Date	Securities Granted	Exercise Price	Fair Value at Grant Date	Loan Value 31 December 2020	Vesting Date
Matthew Madsen	16 Apr 2020	5,000,000	\$1.00	\$0.06	\$4,990,649	16 Apr 2023
	18 Nov 2020	5,000,000	\$1.16	\$0.10	\$5,833,601	18 Nov 2023
David Addis	3 Jun 2019	320,000	\$1.08	\$0.24	\$329,297	3 Jun 2021
	23 Aug 2019	240,000	\$1.22	\$0.11	\$292,418	23 Aug 2021
	23 Aug 2019	240,000	\$1.22	\$0.10	\$292,418	23 Aug 2022
Lachlan Davidson	23 Aug 2019	240,000	\$1.22	\$0.11	\$291,519	23 Aug 2021
Mark Hallett	16 Apr 2020	1,000,000	\$1.00	\$0.06	\$1,006,780	16 Apr 2023
Total		12,040,000			\$13,036,682	

The GARDA ESP limited recourse loan balances are not accounted for in the statement of financial position.

Details of the current KMP participants for which securities vested during the half year under the GARDA ESP are set out in the following table:

Participant	Issue Date	Securities Granted	Exercise Price	Vesting Date	Loan Value at Vesting date
Matthew Madsen	13 Nov 2017	960,000	\$0.63	18 Nov 2020	\$513,179

c) Transactions with KMP and their related parties

There have been no transactions with KMP and their related parties during the half year.

NOTE 15 CONTINGENCIES

a) Contingent assets

GARDA Capital Limited as responsible entity for the Fund is continuing its claim under warranties and indemnities given by various parties involved in the construction of the building Botanicca 7, at 572-576 Swan St, Richmond with respect to defects in the building. The matter is proceeding through pre-trial disclosure and expert statements, and an amended trial date has been allocated from 19 July 2021. As at 31 December 2020, it is not practicable to estimate the financial effect of the matter therefore no amount has been disclosed.

GARDA Capital Limited as responsible entity for the Fund filed a writ in the Victorian Supreme Court against two entities which developed the Botanicca 7 building in July 2019 and served that writ on 15 July 2020. Under this writ, GARDA Capital Limited claims from the developer any shortfall not obtained in the existing claim described above. The proceeding is currently stayed until 22 July 2021, and is dependent on the hearing and result of the primary matter above, so it is therefore not practicable to estimate the financial effect of the matter and no amount has been disclosed.

b) Contingent liabilities

The Group did not have any material contingent liabilities as at 31 December 2020

NOTE 16 EVENTS OCCURRING AFTER THE REPORTING PERIOD

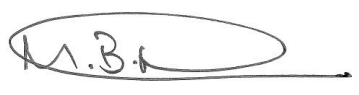
No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.

DIRECTORS' DECLARATION

In the opinion of the Directors of GARDA Property Group:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, Accounting Standard *AASB 134 Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

A handwritten signature in black ink, appearing to read 'M. B.', enclosed within a thin black rectangular border.

Matthew Madsen
Executive Chairman

18 February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Stapled Security Holders of GARDA Property Group and
to the Shareholders of GARDA Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of GARDA Property Group and GARDA Holdings Limited and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, 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 Group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) 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 our 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 in 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 Group 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.

Brisbane Sydney Newcastle Melbourne Adelaide Perth

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NIGEL FISCHER	PETER CAMENZULI	KYLIE LAMPRECHT	BRETT HEADRICK	COLE WILKINSON	JEREMY JONES	JAMES FIELD	ROBYN COOPER	CHERYL MASON	MURRAY GRAHAM
MARK NICHOLSON	JASON EVANS	NORMAN THURECHT	WARWICK FACE	SIMON CHUN	TOM SPLATT	DANIEL COLWELL	FELICITY CRIMSTON	KIERAN WALLIS	



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 Group's financial position as at 31 December 2020 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.


PITCHER PARTNERS


WARWICK FACE
Partner

Brisbane, Queensland
18 February 2021

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CORPORATE DIRECTORY

Directors

Matthew Madsen
Executive Chairman

Mark Hallett
Executive Director

Philip Lee
Non-Executive Director

Paul Leitch
Independent Director

Morgan Parker
Independent Director

Andrew Thornton
Non-Executive Director

Company Secretary

Lachlan Davidson

Registered Office

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Share Registry

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Auditor

Pitcher Partners
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Stock Exchange Listing

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

Website

www.gardaproperty.com.au

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