CROMWELL
PROPERTY GROUP

ANNUAL REPORT 2020

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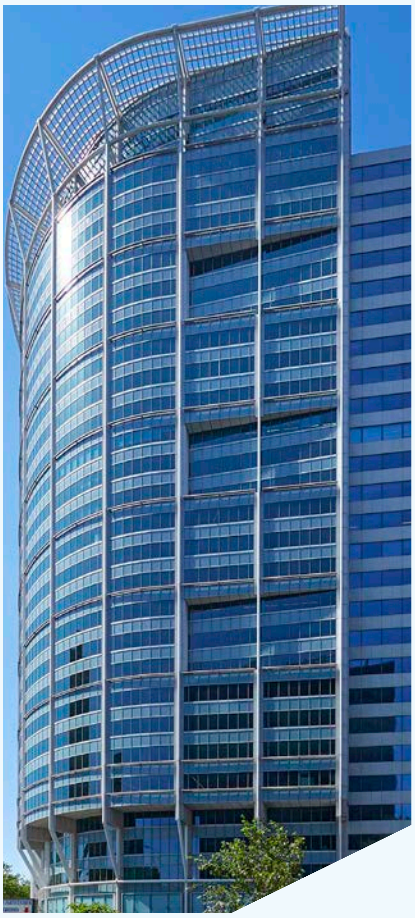

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Securityholder Information

Cromwell Property Group

Cromwell Property Group (ASX:CMW) (Cromwell) is a Real Estate Investor and Manager with operations on three continents and a global investor base. As at 30 June 2020, Cromwell had a market capitalisation of A$2.4 billion, a direct property investment portfolio in Australia valued at A$3.0 billion and total assets under management of A$11.5 billion across Australia, New Zealand and Europe.

Cromwell is included in the S&P/ASX 200 and the FTSE EPRA/NAREIT Global Real Estate Index.

THIS DOCUMENT IS ISSUED BY

Cromwell Property Group
consisting of
Cromwell Corporation Limited ABN 44 001 056 980
and
Cromwell Diversified Property Trust
ARSN 102 982 598 ABN 30 074 537 051
(the responsible entity of which is
Cromwell Property Securities Limited
AFSL 238052 ABN 11 079 147 809)
Level 19, 200 Mary Street, Brisbane QLD 4000
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SECURITYHOLDER ENQUIRIES

All enquiries and correspondence regarding your security-holding should be directed to Cromwell's Investor Services Team on 1300 268 078.

FINANCIAL HIGHLIGHTS

Assets under management

$11.5 billion

FY20 operating profit

$221.2 million

up 27.0%

NTA per unit

$0.99

(FY19 $0.97)

Distributions of 7.50 cps

↑3.4%

meeting original guidance

Gearing

41.6%

FY20 operating profit per security

↑3.5%

to 8.50 cps

WALE

6.4 years

Financial Results Summary	FY20	FY19	Change
Statutory profit ($M)	**181.1**	159.9	**$13.3**
Statutory profit (cents per security)	**6.96**	7.53	**(7.6%)**
Direct Property Investment ($M)	**172.2**	136.1	26.5%
Indirect Property Investment ($M)	**55.9**	45.4	23.1%
Funds and Asset Management ($M)	**40.8**	28.5	43.2%
Total Segment Results ($M)	**268.9**	210.0	**28.0%**
Operating profit ($M)	**221.2**	174.2	**27.0%**
Operating profit (cents per security)	**8.50**	8.21	**3.5%**
Distributions ($M)	**195.5**	157.5	**24.1%**
Distributions (cents per security)	**7.50**	7.25	**3.4%**
Payout Ratio (%)	**88%**	90%	**(2.1%)**

Financial Position	Jun-20 (Actual) ($M)	Jun-19 (Actual) ($M)
Total Assets	**4,990.5**	3,695.7
Total Liabilities	**(2,401.5)**	(1,512.7)
Net assets	**2,589.0**	2,183.0
Securities on issue ('000)	**2,612.9**	2,236.6
NTA per security (including interest rate swaps)	**$0.99**	$0.97
Gearing[1]	**41.6%**	35.0%
Gearing (look-through)[1]	**47.5%**	42.3%

(1) Gearing calculated as (total borrowings less cash)/(total tangible assets less cash). Look through gearing adjusts for 30.7% interest in CEREIT, 94% interest in Ursynów, 28% interest in Portgate, 50% in Oyster and 50% interest in LDK.

Objective

To provide securityholders with an attractive combination of stable long-term cash flows, demonstrated asset enhancement capabilities and transactional profits, and low risk exposure to Asian capital flows and European real estate markets.

FY21 distribution guidance of

7.50 cents

per security

Distribution per security yield

8.20%

based on the closing price of 91.5 cents at 26 August 2020

CHAIR'S REPORT

FY20 was notable, not just for the impact COVID-19 has had on all of our lives, but also in terms of testing the resilience of the Cromwell business and its people, and their continued ability to deliver for Cromwell's securityholders. CEO Paul Weightman details the FY20 results in his report, but on behalf of the Cromwell Board, I would like to extend my thanks to the whole Cromwell family for their efforts in delivering excellent results in a difficult and challenging operating environment.

Board refresh

The year also saw a successful refresh of Cromwell's Board. The Annual General Meeting in November 2019 saw the retirement of Non-executive Director, Ms Michelle McKellar, after 12 years of exemplary service and Chair, Mr Geoffrey H Levy, AO, also retired on 26 February 2020 after successfully onboarding our two new independent Non-executive Directors, Ms Lisa Scenna and Ms Tanya Cox.

Michelle joined the Board in 2007 and Geoff joined a year later in 2008. Both were active contributors to the Board and its Committees in their time at Cromwell, highly valued for their advice and wise counsel through a period which has seen significant growth and value creation for Cromwell securityholders. I had the honour of succeeding Geoff as Chair and have been ably assisted by Mr Andrew Fay in his role as Deputy Chair, as well as Lisa, Tanya and our other independent no-executive director Ms Jane Tongs, over the last few months.

The entire Board is conscious of the legacy left by Geoff and Michelle, and the other directors who preceded them. We are determined to stay true to their example, to Cromwell's values and to always do what is right for all Cromwell's securityholders.

COVID-19 response

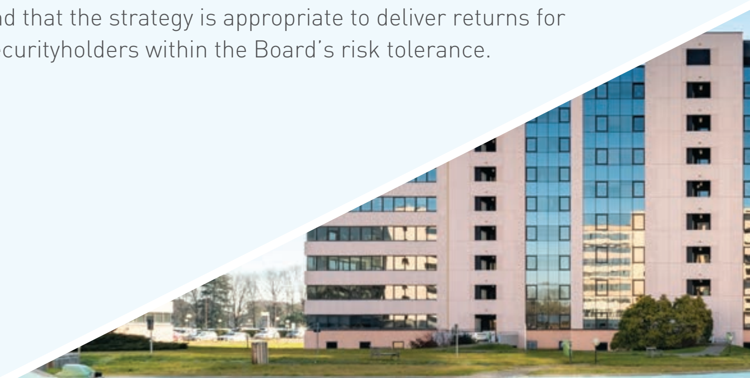
COVID-19 has created unprecedented uncertainty and dislocation within the global economy and commercial real estate markets. Cromwell experienced the impact of the virus earlier than most with our Milan office moving to working from home in February. We took the opportunity then to plan and prepare for what was to come. The Board's priorities since that time have been to:

- ensure the safety and wellbeing of our people and their families;
- to work through pandemic issues with our 3,000+ tenant-customers;
- to minimise and mitigate the commercial and financial impact of the pandemic on the business; and
- to safeguard the interests of our securityholders and investors.

Cromwell continued to operate smoothly despite the whole business moving to working from home in March, and while some of our people have since begun to work from the office once again, others have yet to return. Irrespective of where they are, they have all demonstrated a strong collective commitment to our mission and values. I am proud that the business has been able to stand beside them throughout the last few months.

Strategic review

Our Strategic Review, the results of which were presented to the Cromwell Board in June 2020, has validated our belief that this is a resilient business that will continue to perform as markets recover. The Board is confident that Cromwell's business model is robust and resilient, and that the strategy is appropriate to deliver returns for securityholders within the Board's risk tolerance.



I would like to emphasise the last part of the statement. We have 14,000 securityholders, the majority of whom are retired and we know that the consistency, and reliability, of Cromwell's distributions is something they value. The entreaties that we should change strategy, sell core portfolio assets, transition to a more of a funds management model would introduce a higher level of risk to the business. We do not think this is in the best interests of all securityholders, nor in anyway appropriate in the middle of a pandemic.

Cromwell Property Group Foundation

Finally, it is also pleasing to see the good work of the Cromwell Property Group Foundation continue. I believe it is important to be mindful of others who may be doing it tough, and to look for ways that we can help and contribute back into the communities in which we all live and work.

The Foundation has now donated more than $1 million to worthy causes relevant to the mature-aged community in Australia, and alongside the other local contributions made by our people in the other countries in which we operate, I am proud that we are able to make a lasting difference in the lives of those who may be less fortunate than ourselves.

The details of the Foundations 2020 beneficiaries are shown on page 8.

On behalf of the Cromwell Board I would like to thank securityholders for their ongoing support.

Leon Blitz
Chair
Cromwell Property Group

Cromwell Property Group Foundation 2020 beneficiaries

On 18 August 2020, the Cromwell Property Group Foundation (Foundation) announced Active Rehabilitation, Bolton Clarke, Griffith University, MercyCare and the Lady Musgrave Trust as beneficiaries of its FY20 fundraising activities.

A total of $166,400 was donated in FY20, which takes the total donations of the Foundation to more than $1 million since its 2014 inception.

"The Foundation surpassing $1 million in donations is a significant milestone," stated Foundation President and Cromwell CEO, Paul Weightman.

"With a focus on charities and causes that fly under the radar, the Foundation has supported tangible change to the mature-age community. This has continued in 2020, with Active Rehabilitation, Bolton Clarke, Griffith University, MercyCare and The Lady Musgrave Trust all working towards important positive change to the lives of many."

Active Rehabilitation Research Foundation - $33,900

The Active Rehabilitation Research Foundation has been provided with $33,900 in an attempt to identify and prevent people at risk of falling, before they feel dizzy and fall. Patients with deficits of the vestibular system (within the inner ear) often suffer from the symptoms of dizziness, imbalance and vertigo. The most common effect of these deficits is a 'fall', which can have catastrophic consequences, particularly for the elderly.

Active Rehabilitation's initial research will immediately provide evidence to influence screening recommendations in all those over 60 years of age admitted to a hospital and provide essential information to plan further research to evaluate the best way to manage patients with deficits of the vestibular system.

Active Rehabilitation Research Foundation CEO, John Fitzgerald stated, "We are delighted to have been chosen as a beneficiary for the 2020 grants from the Cromwell Property Group Foundation."

"The vestibular research we will undertake in the mature-age patients of our community is very important. It is a wonderful opportunity for smaller, efficient non-university and non-government research foundations like ours who traditionally struggle to attract research funding."

Bolton Clarke - $17,500

Bolton Clarke offers nursing services, resources and real community support to help people age well, delivering more than one million days of residential aged care and more than four million home visits every year.

Bolton Clarke has been provided with $17,500 to fund the Be Healthy & Active programme. Targeted at Australians aged 60 and over, the programme provides practical and accessible education in the community to improve health outcomes, reduce avoidable disease and suffering, and therefore reduce the demand on health services.

The Be Healthy & Active programme currently consists of ten free health education sessions on topics ranging from falls prevention to nutrition, bladder health and dementia. Since it began in late 2015, more than 700 health sessions have been delivered across the country to more than 20,000 people.

The programme is supported by five free online information videos and downloadable resources. Sessions can be delivered online or in person and in multiple languages to provide broad community access to important health information.

"The Cromwell Property Group Foundation funding will allow us to reach more older people across Australia with accessible health information to support their wellbeing and help them stay connected and informed," said National Be Healthy & Active Manager, Kerry Rendell.

MercyCare and Griffith University - $75,000

MercyCare and Griffith University have been provided with $75,000 in FY20, with another $75,000 planned for FY21 for their Intergenerational Project.

MercyCare is a leading provider of Aged Care and Early Learning, plus a host of services for those experiencing disadvantage, with the vision for individuals and communities to thrive. To make this a reality means grappling with these problems of social isolation and loneliness, cognitive decline and cognitive delay, and all the implications facing the most senior and junior people in care.

The approach, which has had success overseas, is now being led by Griffith University in Australia, and brings together individuals at either end of the age spectrum to forge relationships based around mutual activities and strengths.

Anneke Fitzgerald, PhD, a Professor of Health Management at Griffith University stated, "COVID-19 has led us to think about the use of technology and the idea of virtual intergenerational practice. With the Cromwell Property Group Foundation's help, we will be able to develop this further, so that while confined, generations are not disconnected. We will use video-conferencing technology for connecting older people and school children."

The Lady Musgrave Trust - $40,000

Established in 1885, The Lady Musgrave Trust (the Trust) is one of Queensland's oldest charities, which provides life-saving services to vulnerable women and their children when they are facing critical homeless situations as a result of domestic violence, family breakdown and poverty.

The Foundation has added to its $40,000 FY19 donation with a further $40,000 in 2020. This year's donation contributed to the Trust's Annual Forum held on 5 August 2020 and the production and distribution of 'The Handy Guide for Older Women' launched at the event.

The Lady Musgrave Trust's CEO, Karen Lyon Reid, said "The ABS Census Data identified a 31% increase in older women's homelessness over five years, which was alarming. We knew we needed to take action to address this critical issue."

"The Cromwell Property Group Foundation strongly believes in supporting community - it is their values that will help us to make significant progress in our charity work and particularly this project. We are grateful to Cromwell for their support and collaboration on this project."

About the Cromwell Property Group Foundation

The Cromwell Property Group Foundation was established in 2014 to support charities or organisations that provide support to, or conduct research into, causes relevant to the mature aged community. To date, the Foundation has donated over $1 million to numerous causes, resulting in significant change to countless lives.

Donations to the Cromwell Property Group Foundation of more than $2 are tax deductible. To donate, request a grant or seek more information, visit www.cromwellfoundation.org.au

FY20 Beneficiaries

Active Rehabilitation Research Foundation	Bolton Clarke	MercyCare / Griffith University Queensland, Australia	The Lady Musgrave Trust
$33,900	**$17,500**	**$75,000**	**$40,000**

$166,400

was donated in FY20

CEO'S REPORT

On Thursday 27 August, Cromwell Property Group reported full-year (FY20) statutory profit of $181.1 million, up 13.3% on the prior year (FY19 $159.9 million).

Operating profit, considered by the Directors to best reflect underlying earnings, was $221.2 million, up 27.0% on last years' result. This was equivalent to 8.50 cents per security, beating our original FY20 earnings guidance of 8.30 cents per security by 0.20 cents per security.

Distributions of 7.50 cents per security were up 3.4%, meeting our original guidance despite being in the middle of a once in a lifetime pandemic. This is a great result and one of which we are very proud.

The 2020 calendar year will continue to be a difficult one. COVID-19 is having, and will continue to have, a significant impact on economies, real estate markets, tenant-customers and friends, families and loved ones around the world. It will continue to impact us for months to come.

Cromwell's strategy seeks to balance risk and return. It is based on an underlying principle of resilience and a commitment to invest in IT, systems and people to ensure that we can manage through unforeseen events and market dislocations. These initiatives have enabled us to manage the business remotely, work from home and operate smoothly throughout the last few months.

Given our strong tenant skew towards government and larger ASX-listed entities, rental collection was relatively unimpacted by COVID-19. In our Australian portfolio, the Government's Code of Conduct applied to 93 SMEs representing less than 10% of gross passing income and a total of $9.6 million was waived or deferred between March and 30 June 2020, representing less than 4% of total rent.

Our 'Invest to Manage' strategy also continues to deliver good results and provide the business with future growth opportunities. These opportunities include Victoria Avenue, Chatswood, Cromwell Polish Retail Fund (CPRF) and a number of other emerging funds management opportunities within Europe.

Strategy Summary

Direct Property Investment	Core	Defensive government base, long WALE, strong covenants, low capex and structured growth
	Core+	Generate leasing upside and take advantage of short term market trends
	Active/For sale	Drive outperformance from repositioning and asset enhancement or alternatively capital recycling
Indirect Property Investment	CEREIT	CEREIT provides stable and growing distributions, access to Asian capital
	LDK	Significant opportunity to scale-up LDK JV and establish a sizeable Seniors Living business
	CPRF	Temporarily warehoused as part of 'Invest to Manage' strategy. Targeting eventual 20 to 30% stake
Funds and Asset Management	Europe	Platform repositioning complete and ready to deploy operational leverage New opportunities to scale-up platform – European Logistics and proposed Data Centres Funds Deliver continued growth in quality and resilience of CEREIT portfolio
	A/NZ	Consistent long term recurring revenue within A/NZ FM and high margins from retail syndicates
Capital Management		'Through the cycle' target gearing range of 30% to 40% with leverage capacity to be used on a short term basis to execute the 'Invest to Manage' strategy

FY20 Group Financial Highlights

Earnings and Distributions

Underlying operating profit
↑ **$221 million**
up **27.0%** (FY19 $174 million)

Underlying operating profit per security
↑ **8.50 cents**
3.5% above FY19 (8.21 cps)

Distributions per security
↑ **7.50 cents**
3.4% above FY19 (7.25 cps)

Platform

Direct Property Investment
$3.0 billion value
5.6% WACR
6.2 year WALE
$1.1bn development pipeline

Indirect Property Investment

CEREIT	CPRE[1]
€394 million book value (30.7% interest)	**€452 million independent external valuation**

Funds and asset management
$8.2 billion total AUM
$5.8 billion AUM in Europe (78% recurring)
$2.4 billion AUM in A/NZ

Financial Position

NTA per unit
$0.99
(FY19 $0.97)

Liquidity[2]
$667 million

Debt tenor
3.2 years

Gearing
41.6%

Interest rate hedging
66% / 2.6 years

Next debt maturity
March 2022

(1) Excludes equity accounted interest in Ursynow.
(2) Cash and cash equivalents plus undrawn commitments.

Capital Management Update

During the year, as COVID-19 hit, and to manage costs, we reduced all discretionary expenditure and stopped non-essential hires and travel. Our careful management of costs will continue into FY21.

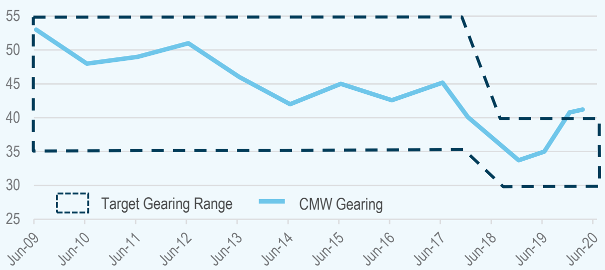
Our strategy states that gearing may rise above its stated target range of 30% to 40% on a short-term basis to accommodate our 'Invest to Manage' opportunities.

Gearing is currently 1.6 percentage points above the target range, in line with strategy, as we are currently warehousing CPRF. We will deleverage over time as the fund is sold down and I should point out that the sell-down of the CPRF, would, in its own right, see gearing comfortably reduce well into the lower end of the target range.

Overall, our cost of debt remains at historic lows, we have no material upcoming debt expiries, ample liquidity and strong cashflows underpinned by high credit quality government tenants with substantial headroom to covenants.

We are in an extremely strong position.

Group Gearing (2009 to 2020)



Direct Property Segment Update

In our direct property investment segment profit was $172.2 million, 26.5% higher than the previous year driven by development profit at Northpoint and strong like-for-like Net Operating Income (NOI) growth above the rolling 3.0% target.

The direct property portfolio is valued at $3.0 billion and is split into three components:

- The Core portfolio comprises ten assets representing 78% of the portfolio by value and has a WALE of 7.5 years. It has occupancy of 99.2% and has generated NOI growth of 3.6%;
- The Core+ portfolio comprises six assets or 20% of the portfolio by value, has 96.4% occupancy, a WALE of 3.0 years and NOI growth of 5.8%; and
- The Active/Held for Sale portfolio consists of five assets (2% portfolio) to be sold or repositioned.

During the year, the weighted average cap rate improved to 5.57% with a fair value increase in investment property of $65.2 million net of property improvements, lease costs and incentives, due in part to market cap rate compression evident from the strong competition in the market for long WALE government backed leases.

The Core and Core+ portfolios continue to generate strong NOI growth well above our rolling target of 3.0% and we have strong line of sight to a $1.1 billion pipeline of development work including the opportunity with BlackRock at 475 Victoria Avenue, Chatswood and the DA lodged for a new 18,000 sqm PCA A-grade office building at 19 National Circuit in Canberra.

Direct Property Portfolio Snapshot

Key Core/Core+ Portfolio Metrics[1]						
Core	Properties 10	Book value $2.35 billion	WACR 5.34%	WALE 7.5 years	Occupancy 99.2%	NOI growth 3.6%
Core +	Properties 6	Book value $0.60 billion	WACR 6.49%	WALE 3.0 years	Occupancy 96.4%	NOI growth 5.8%
Total	Properties 16	Book value $2.95 billion	WACR 5.57%	WALE 6.4 years	Occupancy 98.4%	NOI growth 4.1%
Active/ For sale	Properties 5	Book value $0.06 billion	WACR 7.25%	WALE 0.3 years	Occupancy 38.0%	NOI growth (64.8%)%

(1) NOI growth calculated on a like-for-like basis. All other metrics as at 30 June 2020.

Artist Impression: 19 National Circuit Canberra stopped as the Polish government announced the closure of all non-essential stores in response to COVID-19. Most tenant-customers were able to reopen in May with footfall returning to close to 2019 levels in June.

The Polish law stipulates that tenants must serve notice to renegotiate their lease within three months of re-opening. If they fail to do so, then rent during the mandated closure period becomes payable and they lose the right to renegotiate.

I should point out that unlike in Australia, there is no waiver or abatement of rent. Rent remains payable, the lease is simply reprofiled or extended. This process, however, does take time and so far 111 tenant-customers have agreed lease variations with another 162 still to go.

For the June quarter, overall cash collection for the portfolio was 64% and it is expected that further amounts will be collected once negotiations conclude with each tenant-customer. The total FY20 operating profit impact of rent not charged during the lockdown period was €2.6 million.

We will recommence the sell-down of CPRF once these negotiations complete and the post COVID-19 landscape becomes clearer. In the meantime, returns from the Fund are accretive to earnings and we are happy to hold these resilient hypermarket, grocery and DIY anchored assets on our balance sheet and collect the rents.

At LDK, our 50% Seniors Living joint venture, 210 apartments were successfully completed at Greenway Views at the end of April and 77 apartments have since been sold. We have a high level of conviction in the Seniors Living thematic and the LDK model and we are identifying further village sites to add scale to the joint venture.

Indirect Property Investment Segment

In the indirect property segment, operating profit was $55.9 million, up 23.1% from $45.4 million in the prior year. The increase was mainly driven by CPRF, while the Cromwell European REIT (or CEREIT) was the largest contributor with first half 2020 Net Property Income of €57.7 million, up 6.6% with distributions of 1.74 euro cents per unit.

Our 30.7% stake in CEREIT is now worth over $645 million. This is significant securityholder value creation from a standing start in 2017.

CEREIT adopts Cromwell's high governance and compliance standards and its unwavering focus on unitholders' best interests was reflected in it being ranked 7th in the listed real estate investment trusts and business trusts section in the Singapore Governance and Transparency Index 2020. This is a great result.

In October 2019, we acquired all third-party investor interests in CPRF and began the process to restructure the Fund to what's called an authorised investment fund, so that it can be offered to investors. In March, this process

CEREIT

Key Statistics

Book value
€394 million

WALE
4.6 years

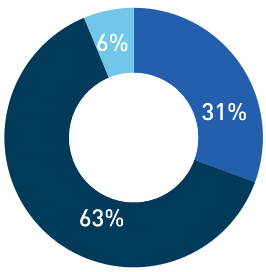
AUM
€2.1 billion

Occupancy
94.8%

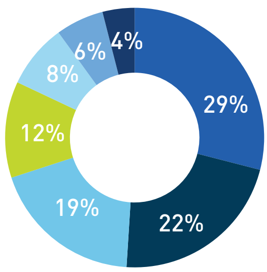
WACR
6.4%

Properties
95[1]

Sector diversification



Geographic diversification

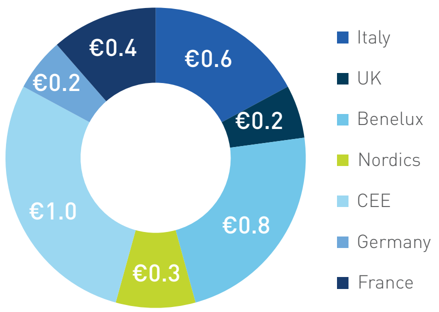


(1) Includes Sangerhausen property acquired after 30 June 2020.

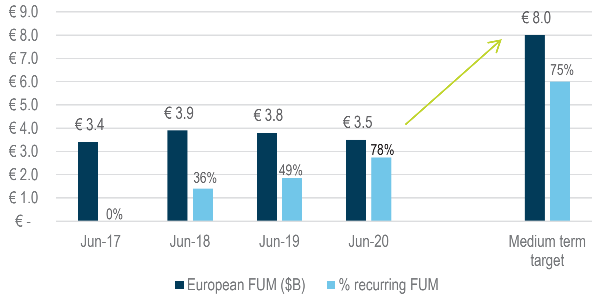
(2) Others include three government-let campuses, one leisure/retail property and one hotel in Italy.

CPRF Properties

European FUM by Region (€bn)



Evolution of European FUM



Funds And Asset Management Segment

In the funds and asset management segment profit was $40.8 million, up 43.2% from $28.5 million. Total external funds under management, or FUM, was $8.2 billion, split into $2.2 billion of retail and $6.0 billion of wholesale FUM, the latter reducing post the $600 million sale of Northpoint Tower.

In Europe, our local teams spent the last few months working with 2,200 tenant-customers on COVID-19 responses and negotiating support packages for approximately 780 tenant customers in ten different countries.

The quality of the FUM in the platform also continues to improve with 78% of total FUM representing recurring permanent or long-dated capital. Despite current challenges with COVID-19, Cromwell has a number of new growth opportunities to continue to build towards its medium-term target of €8 billion.

In the retail investor segment, the withdrawal window for the Cromwell Direct Property Fund closed on 31 July 2020. Investors representing 90.1% of issued capital elected to continue their investment, a testament to DPF's track record of delivering regular, reliable monthly income.

Outlook

The next twelve months will continue to be impacted by the largest ongoing economic and health crisis of this generation. Most global economies are in recession with the last quarter of calendar 2020 possibly the first quarter of growth we will see anywhere since COVID-19 emerged.

Challenges remain ahead. There is no vaccine, international travel is not feasible, further waves are possible and there is no doubt that all major economies are suffering. Cromwell has a strong balance sheet with ample liquidity and 45% of gross passing income sourced from government entities. Our cashflows are more than sufficient to comfortably service debt. We are in an extremely strong position.

Going forward operating profit will be hard to forecast accurately, in large part because of the unpredictability of transactional revenues, but we have enough confidence in the resilience of our forward operating earnings and cash flows to maintain guidance for distributions at the current level.

FY21 Distribution guidance of 7.50 cents per security represents a distributions per security yield of 8.20%, based on a closing price of 91.5 cents per security on 26 August 2020.

Guidance remains subject to there being no material adverse change in market conditions, other unforeseen events or change in control or change in strategy.

I would like to thank all of Cromwell's employees who have worked tirelessly to execute our strategy and to my fellow Directors for their support and counsel during the year.

Yours sincerely

P. Weightman

Paul Weightman
CEO
Cromwell Property Group

Blaak 555, Rotterdam
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Andrew Fay
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Lisa Scenna
Jane Tongs
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Listing:
Cromwell Property Group
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All ASX and media releases as well as company news can be found on our webpage www.cromwellpropertygroup.com

FINANCIALS

Cromwell Property Group Annual Financial Report 30 June 2020

Consisting of the combined consolidated Financial Reports of Cromwell Corporation Limited (ABN 44 001 056 980) and Cromwell Diversified Property Trust (ARSN 102 982 598)

Cromwell Corporation Limited
ABN 44 001 056 980
Level 19, 200 Mary Street
Brisbane QLD 4000

Cromwell Diversified Property Trust
ARSN 102 982 598

Responsible entity:
Cromwell Property Securities Limited
ABN 11 079 147 809 AFSL 238052
Level 19, 200 Mary Street
Brisbane QLD 4000

DIRECTORS' REPORT

The Directors of Cromwell Corporation Limited and Cromwell Property Securities Limited as responsible entity for the Cromwell Diversified Property Trust (collectively referred to as "the Directors") present their report together with the consolidated financial statements for the year ended 30 June 2020 for both:

- the Cromwell Property Group ("Cromwell") consisting of Cromwell Corporation Limited ("the Company") and its controlled entities and the Cromwell Diversified Property Trust ("the CDPT") and its controlled entities; and
- the CDPT and its controlled entities ("the Trust").

The shares of the Company and units of the CDPT are combined and issued as stapled securities in Cromwell. The shares of the Company and units of CDPT cannot be traded separately and can only be traded as stapled securities.

Principal activities

The principal activities of Cromwell during the financial year consisted of property investment (both direct and indirect), funds management and asset and property management. The Trust's principal activity during the financial year was property investment (both direct and indirect). There were no significant changes in the nature of Cromwell's or the Trust's principal activities during the financial year.

Strategy

Cromwell has adopted an "Invest to Manage" strategy to drive the medium-term growth of distributions and securityholder value. The Invest to Manage strategy prioritises investments where returns can be enhanced. The strategy uses existing balance sheet liquidity and asset recycling to fund a range of initiatives that build enterprise value, adding to medium-term earnings, generating a higher total shareholder return. Cromwell is executing the strategy by deploying capital to its three business segments:

- Direct investment portfolio - growing our secure cash flow generating property portfolio:
    - Maintain an allocation in our direct portfolio to Core assets that provide a strong, secure and resilient cash flow, long WALE, strong covenants and low capex requirements which should deliver year on year growth in net operating property income of 3%;
    - Maintain an allocation in our direct portfolio to Core + assets from which we can generate value and take advantage of short term market trends;
    - Maintain an allocation in our direct portfolio to Active assets that give us the opportunity to generate outperformance from repositioning and asset enhancement.
- Indirect investments portfolio - harnessing our unique integrated fund and asset management platform to grow revenue from the funds we manage:
    - Make indirect investments, including co-investments, with selected capital partners in listed and unlisted funds that we manage that exceed our benchmark risk adjusted returns, and in doing so generate transactional and recurring returns and fund and asset management revenues.
- Funds and asset management platform - generating additional returns and increased asset values from selective asset enhancement initiatives:
    - Generate long term recurring revenue from our retail funds management platform that offers quality products to our retail investors that are based on a disciplined approach to asset selection;
    - Invest in our fund and asset management platform to grow enterprise value and to be a partner of choice for global capital providers.

Impact of COVID-19 upon operations

COVID-19, a respiratory illness, was declared a world-wide pandemic by the World Health Organisation in March 2020. Immediately following the global outbreak of COVID-19, Cromwell enacted its Business Continuity Plan (BCP) and transitioned most of its international workforce to remote work arrangements. Many of Cromwell's tenants, clients, suppliers and banking counterparties also enacted similar arrangements. These actions, coupled with Cromwell's prior investment in systems, processes and people has ensured there has been minimal disruption to the operation of any of Cromwell's business segments due to COVID-19.

Cromwell's robust risk management framework continues to be applied across operating segments and management continues to monitor the impact of COVID-19 on Cromwell's risk profile. Non-financial risks emerging from global movement restrictions, and remote working by our staff, counterparties, clients and suppliers, are being identified, assessed, managed and governed through the timely application of Cromwell's risk management framework. We are aware of the emotional and psychological impact on our staff and continue to explore and develop programs to help them through this period.

Cromwell has considered the impact of COVID-19 and other market volatility in preparing these financial statements. Whilst the specific areas of judgement noted previously did not change, the impact of COVID-19 has resulted in the wider application of judgement within those identified areas. Given the dynamic and evolving nature of the COVID-19 pandemic, limited recent experience of the economic and financial impacts of such a pandemic, and the short duration between the declaration of the pandemic and the preparation of the annual report, changes to the estimates and outcomes that have been applied in the measurement of Cromwell's assets and liabilities may arise in the future. It should be noted that against a background of relative uncertainty surrounding how COVID-19 and its social and economic consequences will unfold, these estimates represent the Directors' views as they existed at 30 June 2020 and through to the date of this report.

Key items and related disclosures that have been impacted by COVID-19 were as follows:

- **Rental income and recoverable outgoings** – notwithstanding Cromwell's and Trust's tenant population being heavily skewed towards government, ASX-listed entities and other robust tenants, given the recent rental market volatility, management engaged with all tenants in Australia and Poland in order to achieve the best possible commercial outcomes for all parties. This process resulted in tenants (204) being provided with appropriate rent relief in the form of rental waivers ($6.2 million or 2% of total rental income) and deferred payment plans (resulting in the deferred collection of $7.7 million for periods ranging from 3 months to 24 months), coupled with lease extensions (amortisation cost $0.8 million to 30 June 2020).
- **Investment properties** - Cromwell reviewed the appropriateness of inputs into investment property valuations. This process included a comprehensive review and update of relevant cash flow information taking into account the impacts of COVID-19. Other than those properties classified as being held for sale, all investment properties were externally valued at 30 June 2020.
- **Interest in associates and joint ventures and investments in subsidiaries** - Cromwell's investments in associates and joint ventures were assessed for indicators of impairment. Where indicators of impairment were identified Cromwell tested the carrying amount by comparing the investment's recoverable amount with its carrying value. No investments were found to be impaired.
- **Receivable, loan assets, and amounts due from subsidiaries** - in response to COVID-19 management has undertaken a review of its relevant tenant receivable and loan asset portfolios, loans to subsidiaries and other financial asset exposures. This process involved a thorough examination of all receivable balances to assess the extent of expected credit losses that should be recognised.

Economic uncertainties currently prevailing around the world make it challenging to forecast the future, but Cromwell remains positive given its robust asset portfolio, with a large exposure to government tenants, ASX listed and non-SME tenants, and existing funds management business and growing property management platform.

Result for the year – execution of strategy positions Cromwell to deliver strong, resilient returns

Key outcomes of Cromwell's application of the "Invest to manage" strategy during the year ended 30 June 2020 are:

- Statutory profit up 13.2% to $181.1 million compared with prior year;
- Operating profit up 27.0% to $221.2 million compared with prior year;
- Investment property fair values increase $17.5 million during the year;
- Operating profit impact of relief granted to tenants of $6.2 million in the year (statutory profit impact $7.0 million);
- Gearing level of 42% currently sits outside target range;
- Distributions unimpacted by COVID-19;
- Gross assets of approximately $5.0 billion at year end;
- Assets under management $11.5 billion at year end.

Key financial metrics

	Cromwell 2020	Cromwell 2019
Financial performance		
Total assets under management ($B)	**11.5**	11.9
Total cost of relief granted to tenants for the year ($M)	**7.0**	-
Total revenue and other income for the year ($M)	**494.7**	457.3
EBITDA ($M) [1]	**327.3**	257.6
Statutory profit for the year ($M)	**181.1**	159.9
Statutory profit per stapled security for the year (basic) (cents)	**6.96**	7.53
Operating profit for the year ($M)	**221.2**	174.2
Operating profit per stapled security for the year (cents)	**8.50**	8.21
Dividends / distributions for the year ($M)	**195.5**	157.5
Dividends / distributions per stapled security for the year (cents)	**7.50**	7.25
Financial position		
Total assets ($M)	**4,990.5**	3,695.7
Net assets ($M)	**2,589.0**	2,183.0
Net tangible assets ($M)[2]	**2,573.4**	2,176.2
Net debt ($M)[3]	**1,975.9**	1,254.8
Gearing (%)[4]	**42%**	35%
Stapled securities issued (M)	**2,612.9**	2,236.6
NTA per stapled security	**$0.99**	$0.97

(1) Earnings before interest, tax, depreciation and amortisation.
(2) Net assets less deferred tax assets, intangible assets and deferred tax liabilities.
(3) Borrowings less cash and cash equivalents and restricted cash.
(4) Net debt divided by total tangible assets less cash and cash equivalents.

Financial performance

Cromwell recorded a statutory profit of $181.1 million for the year ended 30 June 2020 (2019: $159.9 million). The Trust recorded a statutory profit of $153.8 million for the year ended 30 June 2020 (2019: $163.4 million).

Statutory profit includes a number of items which are non-cash in nature or occur infrequently and/or relate to realised or unrealised changes in the values of assets and liabilities and in the opinion of the Directors, should be adjusted in order to allow securityholders to gain a better understanding of Cromwell's operating profit. Operating profit is considered by the Directors to reflect the underlying earnings of Cromwell. It is a key metric taken into account in determining distributions but is a measure which is not calculated in accordance with International Financial Reporting Standards ("IFRS") and has not been reviewed by Cromwell's auditor. There has been no significant change to the methodology of the calculation of operating profit since Cromwell stapled in 2007 other than the inclusion of items, such as foreign currency, which are associated with the ongoing growth of the business.

The most significant items that impacted statutory profit of Cromwell for the year and which are not considered a component of underlying operating profit were:

- An increase in the fair value of investment properties of $17.5 million (2019: increase of $86.4 million);
- Other transaction costs (including property acquisition costs of $16.2 million in relation to the acquisition of 400 George Street, QLD) incurred in the course of business of $23.4 million (2019: $2.9 million);
- Lease incentive and lease cost amortisation of $29.2 million (2019: $20.8 million); and
- Net non-operating losses in relation to equity accounted investments of $14.8 million (2019: gain of $1.6 million).

Cromwell recorded an operating profit of $221.2 million for the year ended 30 June 2020, a 27% increase over the operating profit of $172.4 million for the previous corresponding year.

A reconciliation of operating profit, as assessed by the Directors, to statutory profit is as follows:

	Cromwell 2020 $M	Cromwell 2019 $M
Operating profit	**221.2**	174.2
Reconciliation to profit for the year		
Gain on sale of investment properties	**3.3**	0.7
Loss on disposal of other assets	**(3.6)**	(0.3)
Other transaction costs	**(23.4)**	(2.9)
Operating lease costs	**3.1**	-
Fair value net gains / (losses):		
Investment properties	**17.5**	86.4
Derivative financial instruments	**18.4**	(10.5)
Investments at fair value through profit or loss	**(4.3)**	(9.2)
Non-cash property investment income / (expense):		
Straight-line lease income	**9.7**	9.3
Lease incentive amortisation	**(25.7)**	(18.8)
Lease cost amortisation	**(3.5)**	(2.0)
Other non-cash expenses or non-recurring items:		
Amortisation of loan transaction costs	**(10.0)**	(7.8)
Finance costs attributable to discounted lease incentives	**(0.8)**	-
Net exchange loss on foreign currency borrowings	**(1.8)**	(12.7)
Costs in relation to asset classified as held for sale	**-**	(35.3)
Decrease in recoverable amounts	**(4.3)**	(0.4)
Amortisation and depreciation[1]	**(7.4)**	(2.4)
Relating to equity accounted investments[2]	**(14.8)**	1.6
Net foreign exchange losses	**(3.0)**	(3.0)
Restructure costs	**-**	0.3
Net tax losses utilised[3]	**10.5**	(7.3)
Profit for the year	**181.1**	159.9

(1) Comprises depreciation of plant and equipment and right of use assets and amortisation of intangible assets.
(2) Comprises fair value adjustments included in share of profit of equity accounted entities.
(3) Comprises tax expense attributable to changes in deferred tax assets recognised as a result of carried forward tax losses.

OPERATING PROFIT PER SECURITY

Operating profit on a per security basis is considered by the Directors to be the most important measure of underlying financial performance for Cromwell as it reflects the underlying earnings of Cromwell as well as the impact of changes in the number of securities on issue. Operating profit and distributions on a per security basis are shown below.

	2020 Cents	2019 Cents
Statutory profit per stapled security	**6.96**	7.53
Operating profit per stapled security	**8.50**	8.21
Distributions per stapled security	**7.50**	7.25

Operating profit per security for the year was 8.50 cents (2019: 8.21 cents). This represents an increase of approximately 4% over the prior year and above guidance. The change in operating profit per security has arisen as a result of a number of key factors, mainly:

- Increased earnings generated from the accretive impact of the Australian and Polish investment properties acquired in addition to development fees earned;
- Increased earnings generated by the European platform from performance fees;
- Offset by an increase in operating tax expense.

DIVIDENDS / DISTRIBUTIONS

The table below shows details of Cromwell's and the Trust's quarterly dividends and distributions paid during the year:

	Dividend per security	Distribution per security	Total per security	Total $M	Franked amount per security	Record date	Payment date
2020							
Interim distribution	**-**	**1.8750¢**	**1.8750¢**	**48.7**	**-**	**30-Sep-19**	**22-Nov-19**
Interim distribution	**-**	**1.8750¢**	**1.8750¢**	**48.8**	**-**	**31-Dec-19**	**21-Feb-20**
Interim distribution	**-**	**1.8750¢**	**1.8750¢**	**49.0**	**-**	**31-Mar-20**	**22-May-20**
Final distribution	**-**	**1.8750¢**	**1.8750¢**	**49.0**	**-**	**30-Jun-20**	**21-Aug-20**
		7.5000¢	**7.5000¢**	**195.5**	**-**		
2019							
Interim distribution	-	1.8125¢	1.8125¢	36.1	-	28-Sep-18	23-Nov-18
Interim distribution	-	1.8125¢	1.8125¢	40.4[1]	-	31-Dec-18	22-Feb-19
Interim distribution	-	1.8125¢	1.8125¢	40.5	-	29-Mar-19	24-May-19
Final distribution	-	1.8125¢	1.8125¢	40.5	-	28-Jun-19	23-Aug-19
		7.2500¢	7.2500¢	157.5	-		

(1) Includes an amount of $2,667,000 for both Cromwell and the Trust in excess of the pro-rata entitlement for the quarterly distribution paid to those securityholders who acquired securities in December 2018 as part of the non-renounceable entitlement offer.

ANALYSIS OF SEGMENT PERFORMANCE

The contribution to operating profit of each of the 3 segments of Cromwell and the reconciliation to total operating profit is set out below:

	2020 %	**2020 $M**	2019 %	2019 $M
Direct property investment (i)	**64.0%**	**172.2**	64.8%	136.1
Indirect property investment (ii)	**20.8%**	**55.9**	21.6%	45.4
Funds and asset management (iii)	**15.2%**	**40.8**	13.6%	28.5
Total segment results	**100.0%**	**268.9**	**100.0%**	**210.0**
Finance income		**5.8**		4.8
Management and administration costs		**(39.2)**		(39.6)
Income tax expense		**(14.3)**		(1.0)
Operating profit		**221.2**		**174.2**

(i) Direct property investment

Summary information at 30 June 2020 about the direct property investment portfolio is included below:

Portfolio[(1)]	Portfolio (%)	Carrying amount ($M)	Like for Like NOI Growth (%)	WALE (years)	Occupancy (%)	Capitalisation rate (%)	Discount rate (%)	Fair value adjustment ($M)
2020								
Core	**78%**	**2,347.4**	**3.6%**	**7.5 yrs**	**99.2%**	**5.4%**	**6.4%**	**92.2**
Core+	**20%**	**596.0**	**5.6%**	**3.0 yrs**	**96.4%**	**6.5%**	**6.7%**	**14.7**
Active / held for sale	**2%**	**62.3**	**(49.0%)**	**0.3 yrs**	**38.0%**	**7.3%**	**7.8%**	**(23.5)**
Total	**100%**	**3,005.7**	**11.3%**	**6.2 yrs**	**90.9%**	**5.6%**	**6.5%**	**83.4**
2019								
Core	69%	1,742.4	3.3%	9.4 yrs	99.2%	5.5%	6.8%	86.8
Core+	28%	697.7	5.5%	3.1 yrs	95.4%	6.0%	6.9%	32.6
Active	3%	80.8	121.2%	0.6 yrs	52.8%	6.0%	0.7%	(33.0)
Total	100%	2,520.9	5.5%	6.9 yrs	91.7%	5.8%	6.7%	86.4

(1) Includes 100% owned assets and assets classified as held for sale

Impact of COVID-19

As a component of the governmental response to COVID-19 in Australia, a commercial Code of Conduct was developed and legislated in each State and Territory requiring landlords to provide rent relief to relevant qualifying tenants. The Code of Conduct required landlords to provide relief for a period of up to six months to relevant qualifying tenants in the form of rent waivers and rent payment deferral. These measures were designed to reflect a proportionate sharing of the revenue loss experienced by tenants as a result of the impacts of COVID-19. Cromwell has also agreed to provide assistance to some tenants that are not eligible under the Code of Conduct but who have been materially impacted by the COVID-19 pandemic.

Tenant rent collections from the Direct portfolio were relatively unimpacted by the onset of the COVID-19 pandemic. The tenant population is heavily skewed towards government, ASX-listed and other larger entities that were either not materially impacted by the pandemic or not eligible for relief. This resulted in only a small amount of rent being waived ($1.9 million) or deferred ($7.7 million) during the latter part of the year.

Further information at 30 June 2020 about the composition of the Direct property investment portfolio and its related tenant profile are below:

	Lease extensions provided		Tenant relief provided			
Portfolio	Period (years)	Rental value of extension ($M)	Amortisation of incentives ($M)	Rent waived ($M)	Total impact on Profit & loss statement ($M)	Rent deferred ($M)
Core	10.3	15.5	-	0.5	0.5	6.9
Core+	0.7	-	-	1.4	1.4	0.8
Active / held for sale	-	-	-	-	-	-
Total	**11.0**	**15.5**	**-**	**1.9**	**1.9**	**7.7**

The tenant mix in Cromwell's Australian property portfolio is weighed to Government and ASX-listed tenants which has proven resilient in the current economic conditions.

	Tenant mix					
Portfolio	Govt & Govt agencies (%)	Transport (%)	Professional services (%)	Technology (%)	Retail (%)	Other (%)
Core	53%	25%	11%	6%	2%	3%
Core+	17%	-	47%	21%	4%	11%
Active / held for sale	-	-	3%	-	-	97%
Total	**45%**	**18%**	**20%**	**9%**	**3%**	**5%**

Tenants most impacted by COVID-19 were Retail and Transport (including Qantas).

Valuations

The same high quality tenant characteristics that led to net property income remaining robust played a significant role in valuations of the Direct property portfolio remaining relatively unimpacted by the onset of the COVID-19 pandemic and resilient considering the circumstances. It should be noted valuers indicated that, as a result of the COVID-19 pandemic, there is material valuation uncertainty as at 30 June 2020 due to there being limited transactional evidence available for the period since the pandemic began, as well as uncertainty surrounding future market rent levels compared with pre-pandemic levels.

Valuations for the direct portfolio increased by $65.2 million during the year (2019: $74.8 million), net of property improvements, leasing incentives and lease costs. This is equivalent to an increase in value of approximately 2.6% or 2.5 cents per stapled security from June 2019 valuations.

	2020 $M	2019 $M
Change in valuations, net of property improvements, lease costs and incentives	65.2	74.9
Non-cash adjustments for straight-lining of rentals and lease amortisation	18.2	11.5
Increase in fair value of investment properties	83.4	86.4

Core Portfolio

This component of the portfolio is composed of properties that have a long term WALE with near full occupancy which have an expectation of low incentive and CAPEX expenditures going forward.

The Core portfolio consists of 10 assets and represents 78% of Cromwell's total direct portfolio by value. Net fair value increases of $92.2 million were primarily the result of the value of strong tenant covenants at 2-24 Rawson Place, NSW and 700 Collins Street, VIC, whilst valuations in respect of the remainder of the portfolio remained robust. Like for like NOI growth was 3.6% for the year which was above the target growth of 3.0%.

The increase in scale of the portfolio was driven by the acquisition of 400 George Street, QLD for $525.5 million, offset by the disposal of Farrer Place, NSW.

Core + Portfolio

This component of the portfolio is composed of properties that have a medium term WALE with material leasing upside opportunities going forward.

The Core + portfolio consists of the same 6 assets as the prior year and represents 20% of Cromwell's total direct portfolio by value. Like for like NOI growth was 5.6%.

Net fair value increases of $14.7 million were primarily the result of continued positive leasing outcomes at 200 Mary Street, QLD and market recognition of the potential at 475 Victoria Avenue, NSW. These were offset by a diminution of value recorded in respect of TGA Complex, ACT, as the WALE on this building declines.

Active Portfolio

This component of the portfolio is composed of properties that are vacant (or near vacant) and or are actively being marketed or repositioned. Information in respect of the properties that compose this segment of the portfolio is below:

- Wakefield Street, SA - currently vacant. Subsequent to year end Cromwell and the Trust exchanged contracts to sell the property. This transaction is due to settle in September 2020.
- 13 Keltie Street, ACT - currently vacant. Immediately prior to year end Cromwell and the Trust exchanged contracts to sell the property. This transaction is due to settle in October 2020.
- 19 National Circuit, ACT - currently vacant. Cromwell is in the process of finalising development approval to increase the usable space and gross lettable area of the property.
- Tuggeranong Office Park, ACT – vacant land. Cromwell is in the process of identifying opportunities for the realisation or use of the property.

(ii) Indirect property investment

CPRF

On 6 November 2019, Cromwell acquired all third-party investor interests in the Cromwell Polish Retail Fund (CPRF). The CPRF portfolio contains six catchment-dominating shopping centres, plus a significant interest in a seventh, in Poland. Notwithstanding the onset of COVID-19, Poland is currently experiencing sustained positive trends in desirable demographic metrics such as consumer disposable income, consumer spending and retail sales. The combined value of the investment properties acquired at exchange was $938.8 million (€584.9 million) along with an interest in another property part owned with Unibail-Rodamco-Westfield, which is accounted for as an equity accounted investment.

The portfolio is currently being repositioned into a saleable fund and will be offered to capital partners as soon as current economic conditions improve.

The portfolio was independently valued as at 30 June 2020 and summary information is included below:

Property	Portfolio (%)	Carrying amount ($M)	WALE (years)	Occupancy (%)	Capitalisation rate (%)	Fair value adjustment ($M)
Janki, Warszawa	50%	372.3	4.4 yrs	91.2%	5.8%	(34.9)
Korona, Wrocław	19%	141.2	5.2 yrs	99.5%	6.8%	(14.7)
Ster, Szczecin	13%	94.9	3.3 yrs	88.8%	7.3%	(10.9)
Rondo, Bydgoszcz	12%	89.8	5.0 yrs	96.9%	7.0%	(3.5)
Tulipan Łódź	3%	25.4	6.1 yrs	100.0%	7.3%	(1.1)
Kometa, Toruń	3%	23.0	6.7 yrs	100.0%	7.3%	(0.8)
Total	**100%**	**746.6**	**4.7 yrs**	**94.8%**	**6.4%**	**(65.9)**

Impact of COVID-19

As a result of the COVID-19 pandemic the Polish government issued on 13 March 2020 a decree that all retail centres with a trading area in excess of 2,000 square metres were to be closed, except for essential tenants including supermarkets, pharmacies and DIY stores. This was known as the "Anti-crisis shield" and included Cromwell's portfolio. Subsequently, on 1 April 2020, the Polish government enacted a law temporarily suspending all lease contracts for tenants of retail centres affected by the mandatory closures. As compensation for landlords, tenants were required to offer a minimum six months lease extension plus the period of the lock-down. On 18 May 2020 all retail centres were allowed to reopen, except for tenancies engaged in leisure-related activities such as cinemas and gymnasiums (these were allowed to re-open in June 2020). The closure affected approximately 63% of the lettable space in Cromwell's portfolio with the remaining 37% occupied by tenants allowed to trade during the lock-down. The total financial impact of lost rental and outgoings was $4.3 million.

In order to support its tenants following the re-opening, Cromwell has also agreed to provide, or is in the process of providing, rental relief in the form of short-term rent discounts and / or short-term turnover-based rent for the period since re-opening until early 2021 in return for lease extensions beyond the mandatory lease extension described above. In principle agreements have been reached with 111 tenants for rental relief representing 40% of the net lettable space of relevant tenants. Under applicable accounting standards rental relief granted to tenants by mutual agreement are treated as lease modifications with the financial impact recognised on a straight-line basis over the remaining lease term. The amortisation of these lease incentives provided to tenants was $0.8 million to year end.

Further information at 30 June 2020 about tenant relief is presented below:

	Lease extensions provided		Tenant relief provided			
Property	**Period (years)**	**Rental value of extension ($M)**	**Amortisation of incentives ($M)**	**Rent waived / discounted ($M)**	**Total impact on Profit & loss statement ($M)**	**Rent deferred ($M)**
Janki, Warszawa	0.9	7.5	0.4	2.2	2.6	-
Korona, Wrocław	0.9	2.8	0.2	1.0	1.2	-
Ster, Szczecin	1.0	1.4	0.1	0.5	0.6	-
Rondo, Bydgoszcz	1.1	1.3	0.1	0.5	0.6	-
Tulipan Łódź	-	-	-	0.1	0.1	-
Kometa, Toruń	-	-	-	-	-	-
Total	**3.9**	**13.0**	**0.8**	**4.3**	**5.1**	**-**

The tenant mix in the Polish property portfolio is outlined below. Tenants deemed to be essential services by the Polish Government included grocery stores, pharmacies and medical centres and these have remained open during the current pandemic. Tenants most impacted by COVID-19 were cinemas, gymnasiums and travel agencies.

	Tenant mix					
Property	**Essential services (%)**	**Fashion (%)**	**Food / beauty (%)**	**Travel (%)**	**Fitness / cinema (%)**	**Other (%)**
Janki, Warszawa	22%	55%	11%	1%	-	11%
Korona, Wrocław	35%	30%	13%	1%	10%	11%
Ster, Szczecin	40%	26%	22%	-	-	12%
Rondo, Bydgoszcz	47%	17%	10%	1%	4%	21%
Tulipan Łódź	87%	-	-	-	-	13%
Kometa, Toruń	99%	-	-	-	-	1%
Total	**37%**	**36%**	**12%**	**1%**	**3%**	**11%**

Valuations

Cromwell's six 100% owned Polish retail properties warehoused within the Cromwell Polish Retail Fund were independently valued at 30 June 2020 resulting in a $65.9 million decrease. Valuers noted that, as a result of the COVID-19 pandemic, there is a material valuation uncertainty as at 30 June 2020 with limited transactional evidence available for the period since the outbreak of COVID-19 and uncertainty whether market rent levels have reduced compared with pre-Covid levels. To compensate for this uncertainty the valuers assumed an increase in capitalisation rates of approximately 25 basis points across the portfolio while leaving market rent assumptions at pre-COVID levels. Additionally, the valuers assumed a three months rent-free period since the re-opening after the lockdown for tenants that were forced by the Polish government to be closed during the COVID-19's lockdown - in accordance with the Polish government's opening schedule. Agreements reached with tenants post year-end on rental relief and compensating lease extensions were not taken into account.

As a result, valuations of properties with hypermarkets occupying a large portion of the net lettable space decreased to a lesser extent, such as the Rondo, Kometa and Tulipan, decreasing in value between 3.4% and 4.2%, while the other three properties with a higher portion of other retail tenants being Janki, Korona and Ster, decreased in value compared with acquisition price by a higher margin between 8.6% and 10.3%.

Ursynòw

As a component of the CPRF transaction, Cromwell and the Trust acquired a 94.1% interest in CH Ursynów sp. z o.o., (Ursynów), an entity that owns a retail asset in Poland, for $49.4 million. The remaining 5.9% equity is owned by Unibail-Rodamco-Westfield B.V. (URW). Owing to the terms of a shareholder agreement between Cromwell and the Trust and URW the arrangement has been classified as a joint venture. During the period since acquisition (November 2019) to year end, Cromwell and the Trust recognised operating profit of $3.7 million in respect of this investment.

The tenant mix in the Ursynów property is outlined below.

	Tenant mix					
	Essential services (%)	Fashion (%)	Food / beauty (%)	Travel (%)	Fitness / cinema (%)	Other (%)
Ursynów	19%	14%	8%	42%	-%	17%

CEREIT

Cromwell owned 30.7% (2019: 35.8%) of CEREIT at the end of the year. Cromwell accounts for its holding in CEREIT as an equity accounted investment. The share of operating profit recorded for the year was $48.7 million (2019: $44.6 million).

The CEREIT's distribution per unit for the first half of the year was €2.03 cents per unit and on 15 August 2020 a distribution in respect of the second half of the year was announced as €1.74 cents per unit. Owing to their resilient composition, CEREIT's property and tenant portfolios have been relatively unimpacted by COVID-19. Occupancy has remained stable at 94.7% and only €0.4 million in rent income has been abated and €3.0 million has been provided for in respect of uncollected rentals due to the COVID-19 pandemic. External valuations as at 30 June 2020 were conducted for 22 properties representing approximately 50% of CEREIT's portfolio by value at 31 December 2019, with their net valuation falling by only 2.0% or €17.7 million. At 30 June 2020, CEREIT had 94 properties (2019: 97) and a portfolio value of €2.1 billion (2019: €1.8 billion) located in Denmark, Netherlands, Italy, Finland, Germany, Poland and France. Property acquisitions have been funded from the disposal of existing investment properties and by a capital raising by CEREIT in June / July 2019 (note: Cromwell did not participate in this private placement which saw new units in CEREIT issued in July 2019).

The continued successful growth of CEREIT has been achieved by harnessing Cromwell's integrated European asset management platform and its ability to identify and execute off-market property acquisitions.

Northpoint

On 23 September 2019 Cromwell completed the disposal of the 50% interest in the joint venture vehicle that held the property at 100 Miller Street, North Sydney (Northpoint). The interest was sold for a contract price of $150.0 million, the proceeds of which were recycled to acquire the property at 400 George Street, Brisbane. The transaction also crystallised a $32.0 million development fee, based upon capital appreciation derived by the property trust in respect of the Northpoint redevelopment project managed by Cromwell in the period 2016 to 2018, which added considerable value to the property.

Co-Investments

Cromwell has co-investments in both Australian unlisted property trusts and European real estate investment mandates. Co-investment levels range from 1% to 28% and are accounted for as investments at fair value through profit or loss, or, as is the case with Portgate, an equity accounted investment. Cromwell receives distributions or a share of profit from its co-investments which also support the funds management business. Cromwell may also, from time to time, warehouse assets to use as seed portfolios for new funds or mandates. Owing to divestments during the year the balance of co-investments held by Cromwell at year end was $12.9 million (June 2019: $28.4 million).

(iii) Funds and asset management

Retail funds management

Retail funds management profit decreased to $8.3 million for the year ended 30 June 2020 from $13.6 million for the year ended 30 June 2019. During the year Cromwell received $1.6 million (2019: $8.7 million) in performance and acquisition fees from retail funds management activities due to the timing of performance fee revenues (generally based upon fund rollover dates) being episodic in nature. Total retail funds under management decreased to $2.2 billion from $2.3 billion at 30 June 2019.

Cromwell remains committed to increasing the size and diversification of its funds management business, which it believes is highly complementary to its internally managed property portfolio and property and facilities management activities. We continue to invest in a number of initiatives across our retail funds management business which will allow us to continually improve our service offering to investors in both Cromwell and our unlisted funds.

Direct Property Funds

Further information at 30 June 2020 about the composition of the Direct property funds are below:

Fund	Operating profit Total ($'000)	Operating profit Per security (cents)	Distributions per security (cents)	Net tangible assets Total ($'000)	Net tangible assets Per security ($)	Tenant relief provided Rent waived ($'000)	Tenant relief provided Rent deferred ($'000)
2020							
Cromwell Direct Property Fund	**19,234**	**7.55**	**7.25**	**345,492**	**$1.18**	**366.0**	**355.0**
Cromwell Property Trust 12	**6,877**	**9.05**	**9.00**	**106,747**	**$1.40**	**-**	**-**
Cromwell Riverpark Trust	**13,268**	**14.58**	**11.75**	**186,025**	**$2.04**	**180.7**	**48.4**
Cromwell Ipswich City Heart Trust	**6,562**	**12.50**	**11.25**	**78,372**	**$1.49**	**41.3**	**-**
2019							
Cromwell Direct Property Fund	12,946	7.66	7.00	223,577	$1.18	N/A	N/A
Cromwell Property Trust 12	6,603	8.69	8.75	102,102	$1.34	N/A	N/A
Cromwell Riverpark Trust	12,859	14.13	11.50	184,047	$2.02	N/A	N/A
Cromwell Ipswich City Heart Trust	5,928	11.29	11.00	76,284	$1.45	N/A	N/A

Tenant rent collections from the retail funds management property portfolio were similarly unimpacted by the onset of the COVID-19 pandemic. The tenant population is skewed towards government, ASX-listed and other larger entities that were either not materially impacted by the pandemic or not eligible for relief. This resulted in only a small amount of rent being waived or deferred during the latter part of the year.

The same high-quality tenant characteristics that have led to Cromwell's own net property income remaining robust have also played a significant role in valuations of the retail funds management property portfolio being relatively unimpacted by the onset of the COVID-19 pandemic and valuations have remained relatively resilient considering the circumstances.

On 1 July 2020, the first full liquidity event for the Cromwell Direct Property Fund commenced. The Product Disclosure Statement for the fund specified that after expiry of the Initial Term in July 2020, Cromwell Funds Management Limited (as responsible entity) would give all investors an opportunity to withdraw from the fund (the "Liquidity Event"). The Trust extension notice period commenced on 1 July 2020 and concluded on 31 July 2020. On 3 August 2020, due to the outcome of the liquidity event, Cromwell Funds Management Limited announced the extension of Cromwell Direct Property Fund for a second term, with withdrawal requests totalling only 9.9% of issued capital (these will be funded by a combination of existing cash reserves and undrawn debt).

Property Securities Funds

Information at 30 June 2020 about the composition of the Property securities funds are below:

Fund	Statutory profit / (loss) Total ($'000)	Statutory profit / (loss) Per security (cents)	Distributions per security (cents)	Net assets Total ($'000)	Net assets Per security ($)	Annual return performance [1] Fund performance (%)	Annual return performance [1] Relevant benchmark (%)
2020							
Cromwell Phoenix Property Securities Fund	**(60,870)**	**(27.62)**	**5.91**	**231,761**	**$1.00**	**(20.5%)**	**(20.7%)**
Cromwell Phoenix Opportunities Funds	**1,879**	**10.64**	**14.90**	**32,794**	**$1.87**	**7.2%**	**(5.7%)**
2019							
Cromwell Phoenix Property Securities Fund	29,924	15.04	10.69	275,448	$1.32	12.5%	19.4%
Cromwell Phoenix Opportunities Funds	1,318	7.26	15.88	34,029	$1.91	5.7%	1.9%

(1) Calculated after fees and costs.

The performance of Cromwell Phoenix Property Securities Fund was heavily impacted by market sell-off as a result of the COVID-19 pandemic. The fund remains liquid and outperformed its benchmark for the year.

Cromwell Phoenix Opportunities Fund (a microcap securities fund) performed extremely well against both the sentiment of the financial markets as a whole and its own benchmark for the year.

During the current year the Cromwell Australian Property Fund was closed and investors paid out final distributions. During the prior year the Cromwell Phoenix Core Listed Property Fund was also closed and investors paid out final distributions.

Oyster

Oyster Property Group's assets under management increased to NZD$2.0 billion at 30 June 2020 (30 June 2019: NZD$1.7 billion).

Cromwell recognised a share of profit of $2.5 million for the year (2019: $1.4 million).

Wholesale funds management

The European business continues to execute the strategy of securing longer-term and more secure revenue sources. Wholesale funds management profit increased to $30.1 million (2019: $14.0 million) as the investment in processes and people begin to deliver a more sustainable and versatile business along with earning significant performance fees during FY20.

The European funds management business contributed $29.2 million (2019: $7.9 million) after convertible bond finance costs.

During the year the European business traded almost €1.0 billion of real estate assets (2019: €1.3 billion). The resulting acquisition and disposal fees amounted to $12.3 million (2019: $15.5 million) out of total funds management fees of $108.0 million (2019: $71.1 million). Acquisition fees included $4.9 million (2019: $5.0 million) for CEREIT. The European funds management business also received performance fees (promotes) during the year of $36.7 million (2019: $1.2 million).

As at 30 June 2020 the European funds management business had €3.5 billion ($5.8 billion) assets under management (30 June 2019: €3.8 billion ($6.1 billion)).

The movement in AUM for the European business for 2020 was as follows:

	CEREIT €'M	Korean Mandate €'M	CPRF €'M	EDF €'M	Other Mandates €'M	Total €'M
Balance at 30 June 2019	1,808	88	535	301	1,021	3,753
Acquisitions	303	-	-	-	-	303
Disposals	(85)	-	-	(131)	(428)	(644)
Revaluations	49	3	24	(17)	67	126
Balance at 30 June 2020	**2,075**	**91**	**559**	**153**	**660**	**3,538**
Percentage of AUM	59%	3%	16%	4%	18%	100%

The European business continues to broaden its focus from Private Equity Funds and Mandates towards longer term, more secure revenue sources. Following further acquisitions by CEREIT and the transfer of CPRF assets into CDPT, the European business now has 78% (2019: 50%) of its AUM in long-term mandates.

The revenue mix from the year prior to the IPO of CEREIT until balance date demonstrates the steady increase in recurring income.

Revenue	2017 $'M	2018 $'M	2019 $'M	**2020 $'M**
Recurring	47.9	51.9	54.4	**59.0**
Transactional	12.7	20.3	15.5	**12.3**
Performance	17.5	8.3	1.2	**36.7**
Total	78.1	80.5	71.1	**108.0**

During the year Cromwell exercised its pre-emptive right to acquire third party investor interests in CPRF and the portfolio was acquired in November 2019. This portfolio is currently being repositioned into a saleable structure which will be offered to institutional investors at the earliest opportunity. The portfolio is accretive to operating earnings in its current form and it is expected to remain so until sold in accordance with Cromwell's invest to manage strategy.

The remaining AUM, making up 22% of total AUM at balance date, is held in 16 mandates ranging in size from €9.0 million to €153.3 million with various end dates between September 2020 and June 2023. Mandates with AUM valued at €428 million are expected to expire over the course of the next 12 months, with disposals on expiry generating disposal fees and performance fees for Cromwell. Growth in CEREIT and new funds or mandates are expected to offset the value of the expiring mandates.

Asset management

Asset Services

Australian asset services recorded an operating profit for the year of $2.4 million (2019: profit of $0.9 million). This was largely due to the timing of project management and leasing activities and also reflects an increase in the scale of the Australian portfolio.

LDK

Cromwell holds a 50% interest in the LDK Healthcare Unit Trust (LDK), a joint venture conducting a Seniors living business created in 2018. During 2018, Cromwell and LDK commenced a project to repurpose the Cromwell-owned property at Tuggeranong Office Park in the ACT into a Seniors living village under a Development lease. This was subsequently sold to LDK in May 2019. 210 suites at Greenway have been completed and sales have commenced. To the end of June 2020, 27 units had been settled and a further 29 units had been sold but were yet to be settled.

LDK also operates one of Sydney's premium Seniors villages, The Landings at Turramurra (The Landings). The site comprises 220 architecturally designed, spacious dwellings. This site continues to operate profitably. During the year 97% of residents chose to move from their historic deferred management fee arrangement to the new LDK membership model.

LDK made its first profit during the year which, when offset against initial expected start-up losses, led to Cromwell absorbing a life to date profit during the year of $6.7 million.

Finance costs

Interest expense for the year increased to $58.3 million (2019: $47.6 million). The increase in interest expense is in line with increased borrowings used to acquire investment properties in Australia and Poland, all of which have been accretive to earnings.

To support Cromwell's liquidity position during the initial onset of the COVID-19 pandemic, all undrawn facilities were drawn down in full in March 2020, and a further $100 million facility was sourced and drawn in full. Holding the liquidity in cash on the balance sheet rather than in the revolving credit facilities resulted in additional finance costs of $1.5 million. Prior to balance date $432 million of cash was repaid to the revolving credit facilities given more certainty over the strength of credit markets.

A further facility of $113.1 million has been entered into in relation to the asset enhancement initiative at 475 Victoria Avenue, NSW. This facility was drawn to $72.2 million at balance date.

The average interest rate decreased from 3.35% for the year ended 30 June 2019 to 2.84% for the year ended 30 June 2020.

The net fair value gain in relation to derivative financial instruments of $18.4 million (2019: loss of $10.5 million) primarily arose as a result of the revaluation of the conversion features in relation to the convertible bonds, which was a gain of $23.7 million for the year (2019: $3.0 million gain). Cromwell's policy to hedge a significant portion of future interest expense with hedging instruments resulted in a loss for the year of $5.3 million (2019: $13.5 million loss) due to ongoing decreasing market interest rates now making the liabilities in respect of these instruments greater than the same time last year. Cromwell has hedged future interest rates through various types of interest rate swaps and caps with 67% of its debt at 30 June 2020 (2019: 97%) hedged or fixed to minimise the risk of changes in interest rates in the future. All hedging contracts expire between July 2020 and July 2024.

FINANCIAL POSITION

	Cromwell As at		Trust As at	
	2020	2019	**2020**	2019
Total assets ($M)	**4,990.5**	3,695.7	**4,834.0**	3,654.1
Net assets ($M)	**2,589.0**	2,183.0	**2,484.7**	2,183.8
Net tangible assets ($M) [1]	**2,573.4**	2,176.2	**2,495.8**	2,188.4
Net debt ($M)[2]	**1,975.9**	1,254.8	**2,044.5**	1,301.3
Gearing (%)[3]	**42%**	35%	**43%**	36%
Stapled securities issued (M)	**2,612.9**	2,236.6	**2,612.9**	2,236.6
NTA per stapled security	**$0.99**	$0.97	**$0.96**	$0.97
NTA per stapled security (excluding interest rate derivatives)	**$0.99**	$0.99	**$0.96**	$0.99

(1) Net assets less deferred tax assets, intangible assets and deferred tax liabilities.
(2) Borrowings less cash and cash equivalents and restricted cash.
(3) Net debt divided by total tangible assets less cash and cash equivalents.

Investment property

For the year ended 30 June 2020 Cromwell's approach to property valuations was substantially consistent with prior years, being in accordance with the established Valuations policy, but with an added emphasis in relation to the impact of COVID-19 upon inputs relevant to the valuation model for each property. At balance date the valuations for 22 of Cromwell's investment properties are based on independent external valuations representing 95% of the value of the portfolio. Investment properties held for sale were valued with reference to the relevant sale price. The weighted average capitalisation rate (WACR) was 5.7% across the portfolio, compared with 5.8% at June 2019.

Debt

Net debt increased by $721.1 million due to total borrowings increasing by $835.7 million. The proceeds from the additional borrowings has been used to acquire the property at 400 George Street, QLD and the Polish investment property portfolio. Gearing increased from 35% to 42% during the year as a result of the increase in borrowings. Notwithstanding the current low interest rate environment, this places Cromwell's gearing outside of the range of between 30% - 40%

through the cycle range. It is expected that Cromwell's gearing will oscillate around the range depending upon investment deployment.

Cromwell's main loan facility (bilateral loan facility) is secured against selected Core and Core+ investment properties in the Australian portfolio. This facility's performance against loan covenants at balance date demonstrates the ability of Cromwell to carry higher gearing levels without impacting the ongoing operations of the business.

Covenant	Actual	Limit	Headroom
Loan to value	36.3%	60.0%	$1,119.9 million
WALE	6.5 yrs	3.0 yrs	3.5 yrs
Interest cover	5.0 times	2.0 times	$74.3 million

Cromwell's Euro / GBP revolving credit facility has a look-through gearing covenant of 65.0% versus balance date actual look-through gearing of 47.5%.

All other loan facilities are asset level financing with no reference to group level gearing.

Liquidity

As at 30 June 2020 Cromwell had $194.1 million of cash (2019: $101.6 million) and undrawn bank facilities totalling $472.9 million (2019: $780.7 million).

Equity

An additional 376.2 million stapled securities were issued during the year at an average issue price of $1.15, comprising the 354.4 million securities issued under the Security placement and SPP in July 2019, the operation of the distribution reinvestment plan for the first half of the year which resulted in the issue of 16.9 million securities during the year, and a further 4.9 million securities issued following the exercise of performance rights.

NTA per security has increased during the year from $0.97 to $0.99, primarily as a result of an overall increase in scale due to accretive acquisitions (most notably increases in direct investment property and equity accounted investment valuations), and the issue of additional securities at a premium to NTA.

OUTLOOK

Cromwell's financial results clearly demonstrate the strength, resilience and defensive nature of its property portfolio with its weighting towards government and government agency tenants. Cromwell's Directors intend to ensure that Cromwell will continue to have access to the strong and stable cash flow derived from this portfolio, which will enable it to pay reliable distributions and to continue to support those tenants most in need of assistance from their landlord, including the nation's national air transport carrier.

While real estate transactions in Europe and Australia have been subdued over the last quarter of FY20, Cromwell remains well placed to work with a range of capital partners to take advantage of future opportunities as they arise. The Polish retail assets have seen turnover return to levels similar to levels prior to the beginning of the COVID-19 pandemic.

Cromwell enjoys a relationship with a network of loyal retail investors in Australia whom it treats with the utmost respect and can expect their ongoing support for future retail funds management opportunities that may eventuate from the current economic conditions.

Cromwell has a strong balance sheet with sufficient liquidity and ample loan covenant headroom to maintain operations well into the future and to continue to invest into our direct and indirect portfolio and our fund and asset management platform.

The environment in which Cromwell operates remains challenging. In Australia, the Code of Conduct is likely to be extended for a significant part of FY21 which will limit the growth in net operating income of the Australian Portfolio. This will be offset by the likelihood that the Polish retail assets, which have been accretive to earnings, will remain on the balance sheet for longer than originally expected. Cromwell is comfortable holding these defensive assets, weighted as they are to grocery, hypermarket and DIY tenants with long leases, and which offer greater stability than many other property asset classes and markets such as hospitality, leisure and entertainment, conventions and the UK and US. Cromwell's ability to continue to rely on the strong and stable cash flows of its Australian property portfolio and other defensive assets may be impacted by any change in control and strategy, which could have an impact on future distributions.

Distribution and operating profit

Given the uncertainty of the current environment, Cromwell is not providing operating profit guidance for FY21 at this time.

Cromwell provides distribution guidance for FY21 of 7.50cps. Cromwell's ability to continue to provide distributions to investors is subject to any change of control and the outcomes associated with such an event. Furthermore, any alteration in the current economic conditions of Cromwell and our tenants, the continuing changing landscape of the COVID-19 pandemic and responses by various governments may impact on the level of distributions declared during FY21.

Risks

Cromwell actively identifies and manages the risks and megatrends that may impact its operations, strategy and outlook. The Board is ultimately accountable for corporate governance and the management of risk. The Board has separate committees to review and assess key risks. The Investment Committee is responsible for overseeing and reviewing all major transactions. The Audit and Risk Committee is responsible for overseeing and reviewing the effectiveness of Cromwell's risk management framework.

Cromwell has an active enterprise-wide risk management framework which recognises that all senior managers have a role to play in the effective management of risk. Risks are identified and assessed in a timely and consistent manner with regular reporting back to the Board from management via the Audit and Risk Committee.

Cromwell's key risks and the controls in place to mitigate those risks are outlined in the table below:

Key Risk	Description	Mitigation
Performance	Inability to meet market guidance and deliver distributions. Investments that do not perform in line with expectations. Loss of AUM.	• Board approved "Invest to Manage" strategy continuously reviewed with processes to monitor and manage performance • Defensive core portfolio with market leading WALE ensures cash flow for 6 years • Investment Committee and regular review of performance of investments against targets • Transition of Europe to long term, secure, reliable revenue streams
Capital Management	Ensuring continuous access to debt and equity markets to support the sustainability of Cromwell.	• Board approved gearing range through the cycle reduced to 30% - 40% • Prudent capital management with cash flow forecasting and sensitivity analysis. Available liquidity matched to capital requirements reviewed monthly and reported to the Board • Long dated debt expiry profile • Diversification of debt funding sources • Spreading of debt maturities
People and Culture	Ensuring Cromwell has access to and can retain key talent. Maintaining Cromwell's culture.	• We invest in our staff with focused learning and development plans • Diversity and inclusion Working Group • Succession planning for senior staff • Competitive remuneration • Performance management and review • Annual engagement surveys of staff
Information and data security	Ensuring no loss of data, breaches of confidentiality. Ensuring continuity of IT applications. Ensuring no negative impact on tenants and investors.	• Regular training, testing and disaster recovery activities • Privacy policy, guidelines and procedures • Disaster recovery and business continuity plan
Leasing	Inability to lease assets in line with asset management plans and forecasts.	• Defensive portfolio with long WALE • Large and diversified tenant base • Experienced leasing team • Active asset management with focus on repositioning, refurbishing and re-leasing properties to enhance returns
Governance and compliance	Ensuring continuous compliance with regulatory requirements. Meeting stakeholder and investor expectations.	• Independent Compliance Committee with direct reporting into the Audit and Risk Committee • Board approved Tax Risk Management Policy ensures ongoing REIT status • Cromwell Culture and Values entrenched in performance reviews

Health and safety	Ensuring the health, safety and wellbeing of all staff.	• Prevention of death or serious injury at any Cromwell owned or controlled property • Staff wellbeing program encourages the pursuit of healthy lifestyles • Employee assistance program provides staff with access to a wide network of health professionals to discuss any issues in confidence • Regular façade audits of properties • Work health and safety programs in place at owned properties

CLIMATE CHANGE ADAPTATION

Cromwell is a supporter of the Task Force on Climate-related Financial Disclosure (TCFD) recommendations and recognise the potential risks and opportunities arising from climate change and a transition to a low-carbon economy.

The TCFD recommendations are voluntary in nature and were introduced to support a consistent reporting approach to enable financiers, investors, insurers and other stakeholders to understand an organisations material climate related risks, and the financial implications and approach being undertaken to manage them.

Cromwell prepared a climate-related disclosure statement in 2019 providing a position statement on each of the 4 core elements and 11 disclosures that form the TCFD recommendations. Our intention is to update this statement annually as part of the sustainability report to include greater detail on the targets we have set and our progress towards meeting the recommendations. These disclosure statements and annual sustainability report can be found on Cromwell's website at www.cromwellpropertygroup.com/sustainability or by following the link to https://www.cromwellpropertygroup.com/sustainability/climate-related-financial-disclosure-statement

The Task Force structured the disclosure recommendations around four thematic areas that represent core elements of an organisations operations. These recommended elements and Cromwell's response is represented below:

TCFD thematic element	Overview of the TCFD Recommended Disclosures and Cromwell's response	Reference
Governance Disclose the organisation's governance around climate-related risks and opportunities	The Group Sustainability Committee, chaired by the Chief Sustainability Officer (CSO), is responsible for identifying climate-related risks and opportunities. The Audit and Risk Committee (ARC) is responsible for monitoring the effectiveness of the sustainability framework and advising the Board on the progress and actions undertaken on sustainability and corporate risk management. The Board's oversight of climate-related risks and Management's role in assessing and managing risks and opportunities is detailed in the TCFD Statement	Section 1 Governance
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Our business operates in a complex social, economic and physical environment, managing assets of differing types and quality and in differing geographies. Our objective is to provide stable, secure and growing distributions to unitholders, with the potential for capital growth. As investors and asset managers, the greatest material risks posed from climate change are likely to be from physical risks directly impacting upon the assets we own and manage, and the indirect risks associated with our management operations. This may be in the form of direct impacts such as weather-related events and the costs to protect property from damage or indirect impacts from increases in operations costs due to increased temperatures, energy costs and insurance Our climate adaption strategy is to ensure that we understand and respond to the impacts from climate change in the short, medium and long term. Cromwell considers climate risks and impacts over the following time frames: • Short term = 1 to 3 years • Medium term = 4 to 7 years (leading to 2030) • Long term = 8 to 15 years (up to and post 2030, leading to 2040) This information is then used to determine risk mitigation strategies where appropriate.	Section 2 Strategy

Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	Cromwell has introduced formal reviews of the impact from climate change across its operations. Assessment of the risk from acute physical events related to weather extremities and longer term chronic effects continue to be considered as the depth of knowledge is increased through ongoing evaluation utilising the growing body of climate science, future environmental impact forecasts, scenario testing and through engagement with insurers financiers and industry organisations. The process for identifying, assessing and managing climate-related risks and how the process is integrated into risk management framework is detailed in the TCFD Statement	Section 3 Risk Management
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Cromwell has disclosed its sustainability performance for more than ten years and reports annually in accordance with the Global Reporting Initiative (GRI). Each year our annual sustainability report sets out the boundaries for reporting and provides a breakdown between the properties for which Cromwell has ownership and direct management control of operations. Cromwell has set targets to respond to the transition to net zero emissions and in FY20 obtained net zero certification from Climate Active for its Australian corporate operations. Cromwell recognises that the greatest impact from reducing emissions is within its property assets. For the Australian assets where Cromwell has operational control, energy consumption and emissions intensity has been tracked for ten years. Our annual Sustainability Report provides access to data tables that further provide information on our corporate emissions, energy and performance certification for our property portfolios and the actions we are implementing to achieve our long-term targets. Further details on our metrics and targets are also contained in the TCFD Statement.	Section 4 Metrics and Targets

DIRECTORS

The Directors of Cromwell Corporation Limited and Cromwell Property Securities Limited as responsible entity of the CDPT ("responsible entity") during the year and up to the date of this report are:

Mr Leon Blitz – Non-executive Chair

B.Com (Hons), C.A. (S.A.), 56

Director since:	28 June 2017
Chair since:	26 February 2020
Board Committee membership:	Member of the Investment Committee Member of the Nomination and Remuneration Committee
Independent:	Yes

Skills and Experience

Mr Blitz is the co-founder and CEO of Grovepoint, a London-based private equity and FCA regulated investment management firm which manages and invests principal, institutional and family office funds.

Through his role at Investec Bank, which over 20 years included Head of Principal Investments, Private Banking and Property Lending, Mr Blitz developed a deep understanding of property, banking and risk management. He also managed acquisition and integration processes for the Investec Group in UK and European jurisdictions.

Mr Blitz has a significant track record as a deal maker and fundraiser and has extensive experience in working with high performance management teams to develop and execute corporate strategies and implementation plans. He has acted as a Non-executive Director of a number of companies in the UK and Europe and is on the governance and advisory board of a London-based industrial investment holding company, as well as playing a leading role in governing a number of LLP investment and GP management partnerships.

Mr Blitz is the Chair of an international London-based chamber of commerce and plays a leadership role in a number of charitable and communal organisations. He is a Chartered Accountant, and trained at Arthur Andersen.

Mr Andrew Fay - Non-executive Deputy Chair

BAgEc (Hons), A Fin, 55

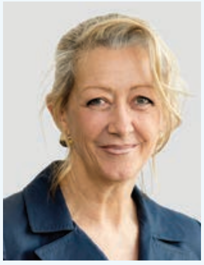
Director since:	15 October 2018
Deputy Chair since:	26 February 2020
Board Committee membership:	Member of the Audit and Risk Committee Member of the Investment Committee Member of the Nomination and Remuneration Committee
Independent:	Yes

Listed Company Directorships (held within the last three years):

Non-executive Director – Pendal Group Limited (2011 – current)
Non-executive Director – Spark Infrastructure Group (2010 – current)
Non-executive Director – Gateway Lifestyle Group (2015 – 2018)

Skills and Experience

Mr Fay has over 30 years' experience in the financial services industry, bringing extensive knowledge of investment and funds management, including the property asset classes. Whilst a large part of his executive career was as a professional investor, he has also been directly involved in advising and determining the strategic direction of businesses including being involved in a range of merger and acquisition activities. These businesses come from a diverse range of industries, including internet, medical devices, microbiology, renewable energy, financial services and property, and have given him considerable experience in operating in international markets. During his 14 years at Deutsche Asset Management (Australia) Ltd he held a number of senior positions including Chair, CEO Australia, Regional Chief Investment Officer (CIO) Asia-Pacific and CIO Australia. He was also Chair of Deutsche Managed Investments Ltd, Tasman Lifestyle Continuum Ltd and a Non-executive Director of Gateway Lifestyle Group. Mr Fay is a former Director of DB Real Estate Australia Ltd and South Australian Power Networks Pty Ltd. Earlier in his career, he held various investment roles at AMP Capital and was also a member of the Investment Board Committee of the Financial Services Council from 1998 to 2006. Mr Fay has substantial Board Committee experience having chaired both Remuneration and Nomination and Audit and Risk Committees for Top 100 ASX listed entities. He is currently a Non-executive Director of J O Hambro Capital Management Holdings Ltd, and is a consultant to Microbiogen Pty Ltd.



Ms Tanya Cox - Non-executive Director

MBA, Grad Dip Applied Corporate Governance, FAICD, FGIA, 59

Director since:	21 October 2019
Board Committee membership:	Chair of the Nomination and Remuneration Committee Member of the Audit and Risk Committee
Independent:	Yes

Listed Company Directorships (held within the last three years):

Non-executive Director – OtherLevels Holdings Ltd (2015 – 2020)
Non-executive Director – BuildingIQ. Inc (2015 – 2019)

Skills and Experience

Ms Cox has over 15 years of board experience and extensive executive experience in sustainability, property, finance and funds management. Ms Cox began her career at the Bank of New Zealand and over an 11 year period succeeded to the role of General Manager of Finance, Operations and IT. Ms Cox led similar functions at the managed fund custodian Ausmaq Limited, before joining Rothschild & Co Australia Limited as Director and Chief Operating Officer for the Australian operations. During her tenure at Rothschild & Co Australia Limited, Ms Cox was a member of several Executive Committees, including Chair of the Risk Committee and a member of the Investment Committee.

In 2003, Ms Cox joined Dexus as Chief Operating Officer and Company Secretary, with her responsibilities expanding in 2012 to include the role of Executive General Manager – Property Services. During her tenure at Dexus, Ms Cox was a member of the Executive Committee and the Investment Committee, and her responsibilities included oversight of all operational aspects of the business including corporate responsibility and sustainability, marketing and communications, information technology, operational risk management, corporate governance and company secretarial practices.

Since retiring from her executive career in 2014, Ms Cox has gained board experience at listed companies through former Non-executive Director roles at BuildingIQ, Inc and at OtherLevels Holdings Ltd (delisted 10 August 2020). Ms Cox is Chair of Equiem Holdings Pty Ltd, Chair of the World Green Building Council, Former Chair and current Director of the Green Building Council of Australia and Member of the NSW Climate Change Council. Ms Cox is a former Director of Low Carbon Australia.

Ms Cox holds a Master of Business Administration from the Australian Graduate School of Management at University of New South Wales and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia. Ms Cox is a Fellow of the Australian Institute of Company Directors, the Governance Institute of Australia (formerly known as the Institute of Chartered Secretaries & Administrators) and is a Member of Chief Executive Women.

Ms Lisa Scenna - Non-executive Director

B.Comm, Member of Chartered Accountants Australia and New Zealand, MAICD, 52

Director since:	21 October 2019
Board Committee membership:	Chair of the Investment Committee Member of the Audit and Risk Committee
Independent:	Yes

Listed Company Directorships (held within the last three years):

Non-executive Director – Harworth Group plc (effective 1 September 2020)
Non-executive Director – Polypipe Group plc (2019 – current)

Skills and Experience

Ms Scenna has over 25 years of executive experience in property and asset management and funds/investment management in both the United Kingdom and Australia. Ms Scenna joined Westfield Group in 1994 and progressed to the role of Head of Investor Relations. Ms Scenna moved to Stockland Group as General Manager – Finance and Business Development and rose through the group to the role of UK Joint Managing Director in 2007. In this role, Ms Scenna was responsible for establishing Stockland Group in the UK, had full responsibility for the regional operations and was involved in a number of acquisitions and integrations.

In 2009, Ms Scenna left Stockland Group to stay in the UK and accepted the role of Group Head of Explore at Laing O'Rourke, the country's largest privately-owned construction solutions provider. For just under three years, Ms Scenna led the Explore Investments and Explore Living businesses across Europe, Canada, the Middle East and Australasia. In this role, Ms Scenna led the infrastructure investing activities globally and worked with clients and investors to build Laing O'Rourke's direct infrastructure portfolio held in co-ownership with a number of institutional investors across the UK, Australia and Canada.

In 2013, Ms Scenna joined UK construction and regeneration company, Morgan Sindall Group plc, as the Managing Director of their Investments business. During her tenure, Ms Scenna was a Director of the Morgan Sindall Investments Board. Through her extensive executive experience in the UK, Ms Scenna has developed strong connections with local authorities, developers and investors and has a deep understanding of the drivers for competitors.

Ms Scenna is a Non-executive Director of Polypipe Group plc and, effective 1 September 2020, a Non-executive Director and Member of the Remuneration Committee of Harworth Group plc. Polypipe Group plc and Harworth Group plc are listed on the London Stock Exchange.

Ms Scenna is the former Deputy Chair of the Private Infrastructure Development Group's Supervisory Board and has played a leadership role in charitable organisations.

Ms Scenna holds a Bachelor of Commerce from the University of New South Wales and is a member of Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors.

Ms Jane Tongs - Non-executive Director

B.Bus, MBA, FCA, FCPA, MAICD, 60

Director since:	26 November 2014
Board Committee membership:	Chair of the Audit and Risk Committee
Independent:	Yes

Listed Company Directorships (held within the last three years):

Chair – Netwealth Group Limited (2000 – current)

Skills and Experience

Ms Tongs has over 30 years of management expertise, serving on the boards of insurance, funds management, property and other financial services entities. She has extensive experience in profitably growing businesses and enhancing the profitability of established businesses. Current examples are Netwealth Group Limited, Warakirri Asset Management Ltd and Hollard Insurance Company Pty Ltd. Her previous property experience includes Non-executive Director positions at AIMS Fund Management Limited (formerly MacarthurCook Fund Management Limited), AIMS Investment Managers Ltd (formerly MacarthurCook Investment Managers Ltd), Little Real Estate Pty Ltd (formerly Run Ltd), the Heine Property Group and Warakirri Agricultural Trusts. She was a Non-executive Director of the Australian Energy Market Operator and of Catholic Church Insurance Limited and served as a Member and Company Director to the Advisory Board of the South Australian Financing Authority. She developed her leadership and management experience earlier in her career, specifically as Partner at PricewaterhouseCoopers, specialising in the financial services sector and litigation support.

Along with her deep expertise in finance, her board experience is vast with over 20 years' experience as a Chair, Chair of Audit and Risk Committees and Non-executive Director. She is currently Chair of Netwealth Group Limited and of the Lendlease Australian Prime Property Fund Investors Committee and a Non-executive Director of Warakirri Asset Management Ltd, Hollard Insurance Company Pty Ltd and Brighton Grammar School. Ms Tongs is a Fellow of Chartered Accountants Australia and New Zealand and of CPA Australia and a member of the Australian Institute of Company Directors.

Mr Paul Weightman - Managing Director / Chief Executive Officer

B.Com, B.Law, 58

Director since:	6 August 1998
Board Committee membership:	Member of the Investment Committee
Independent:	No

Skills and Experience

Mr Weightman was a founding Director of Cromwell, acted as its Executive Chair from 1998 to 2008 and has acted in his current role since 2008, driving Cromwell's strategic development from a small retail syndicator to an ASX200 international real estate investor and funds manager. He practised as a solicitor for more than 20 years, acted as Managing Partner of a national law firm and continues to hold a practising certificate as a solicitor of the Supreme Court of Queensland. Mr Weightman is also a Fellow of the Royal Institution of Chartered Surveyors and is an approved person registered with the Financial Conduct Authority (UK).

Mr Weightman sits on the Boards of Cromwell Investment Services Limited and Cromwell EREIT Management Pte. Ltd., the latter of which is a licensed REIT manager with the Monetary Authority of Singapore and the manager of Cromwell European REIT.

He has extensive Australian and international experience in real estate investment and management and has legal, commercial and corporate experience in areas including mergers and acquisitions, revenue matters, property development, corporate and financial structuring, public listings, joint ventures and funds management.

Mr Geoffrey Levy (AO) (retired) - Non-Executive Chair

B.Com, LLB, FFIN, MAICD, 61

Director and Chair since:	17 April 2008
Director until retired:	26 February 2020
Independent:	Yes

Skills and Experience

Mr Levy has over 30 years of significant experience in banking and finance, funds management, mergers and acquisitions and corporate commercial law. He held the position of Partner at Freehills, Hollingdale and Page (now Herbert Smith Freehills) earlier in his career as well as Principal of Wentworth Associates, which was later acquired by Investec Bank (Australia) Ltd in

2001. At Investec Bank (Australia) Ltd, he became the Chief Executive Officer, and the Executive Chair from 2001 to 2008, and thereafter as Non-executive Deputy Chair until 2014.

Mr Levy's extensive ASX listed board experience, over three decades, includes Non-executive Directorships at Hoyts Cinemas Ltd, Ten Network Holdings Ltd, Specialty Fashion Group Ltd, Mirvac Ltd, Rebel Sports Ltd, Freedom Furniture Ltd and STW Ltd. He has also been an Executive and Non-executive director on a number of property and private equity funds and non-listed companies.

He also has vast regulatory and policy experience gained through chairing various Federal and State Government entities, taskforces and panels, including as Deputy Chair of the Australian Sports Anti-Doping Authority, Chair of Film Finance Corporation Australia Ltd, Chair of the NSW Government Property Asset Utilisation Taskforce and Chair of the NSW Attorney General Review into the Public Purpose Fund. He was also appointed as the Attache to the South African Olympic Team at the 2000 Olympic Games.

He is currently the Executive Chair of Monash Private Capital and its groups of companies and funds. He is also a founding partner of Our Innovation Fund, a venture capital firm investing in high growth innovative digital businesses and is highly considered as a veteran investor in the Tech start-up Ecosystems. In June 2005, he was appointed an Officer in the Order of Australia in the Queen's Birthday Honours List for his significant contributions to sports, the arts and philanthropy.

Ms Michelle McKellar (retired) - Non-executive Director

FAICD, FPINZ, 65

Director since:	**1 March 2007**
Director until retired:	**28 November 2019**
Board Committee membership:	**Chair of the Investment Committee** **Member of the Audit and Risk Committee** **Member of the Nomination and Remuneration Committee**
Independent:	**Yes**

Skills and Experience

Ms McKellar has over 30 years of property and portfolio management experience in senior roles throughout the Asia-Pacific. Ms McKellar established the CBRE business in New Zealand which she grew successfully for 12 years before being appointed as CBRE's Hong Kong-based Managing Director and Chief Operating Officer Greater China. During her career at CBRE, which encompassed major investment transactions, she was responsible for introducing a significant amount of Asian foreign investment into the region. She subsequently served as the CEO of Jen Group of Companies, overseeing an extensive commercial and retail property portfolio across South East Asia, Australia and New Zealand. Ms McKellar is also a founding Director of China based QSR (quick service restaurants) company – Dash Brands – established in 2007 in Shanghai and remained as Non-executive Director until 2017. Dash Brands acquired Domino's Pizza China in 2011 and owns the master franchise for China. In each of these roles encompassing real estate, property development and the QSR industry, she developed key relationships and gained deep property expertise that provides valuable insights into the nuances of the markets across Asia Pacific. Ms McKellar also served as Chair and Non-executive Director at Oyster Property Group, a leading New Zealand commercial property and fund manager which is 50% owned by Cromwell Property Group.

Ms McKellar is a Fellow of the Australian Institute of Company Directors and a Fellow of the Property Institute of New Zealand. She also sits on the advisory Board of the University of Auckland's Business School's Department of Property and continues to mentor graduates in the industry. She currently serves as CEO of Australian based family company McKellar Property Group and Joint Managing Director of MAP Group, a New Zealand based property consultancy and advisory firm.

Mr David Blight (resigned) - Non-executive Director

B.AppSc (Valuation), 58

Director	1 June 2018
Director until resigned:	19 July 2019
Independent:	No

Listed Company Directorships (held within the last three years):

Non-executive Director – Japara Healthcare Limited (2014 – current)
Non-executive Director – Lifestyle Communities Limited (2018 – current)

Skills and Experience

Mr Blight is currently Director and CEO of ARA Australia, the Australian business of the Singapore based ARA Group, which is a substantial securityholder of Cromwell Property Group. He is also Non-executive Director and Chair of the Remuneration and Nomination Committee for Japara Healthcare Limited, an ASX listed residential aged care business and Non-executive Director of Lifestyle Communities Limited. Mr Blight has been in the real estate investment and development industry for nearly 35 years both in Australia and globally. He was previously Chair & CEO of the global ING Real Estate Investment Management business and Vice Chair of ING Real Estate, overseeing real estate assets of circa $150 billion while based in The Netherlands.

Ms Lucy Laakso – Company Secretary

B.Bus, MBA (Corporate Governance), Juris Doctor (First Class Honours), GAICD

Appointed since: 10 August 2015

Skills and Experience

Ms Laakso has 20 years of corporate and financial services experience, having worked as a legal practitioner and in the areas of company secretariat, corporate governance, compliance and business banking. Prior to joining Cromwell, Ms Laakso was a manager in the company secretariat/compliance team at Access Capital Advisers (now Whitehelm Capital). She also worked at ASX listed Suncorp Group Limited in areas including corporate secretariat, compliance and business banking. Ms Laakso also has private practice experience at Norton Rose Fulbright and inhouse legal experience at a fund manager. She is a member of two Property Council of Australia national committees: the National Risk Roundtable and the Corporate Governance and Regulation Committee.

DIRECTORS' MEETINGS

Directors	Board of Directors		Nomination and Remuneration Committee		Audit and Risk Committee		Investment Committee	
	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend
L Blitz	37	40	9	9	6	6	1	1
A Fay	39	40	9	9	9	9	1	1
T Cox (1)	34	34	7	7	4	4	-	-
L Scenna(1)	33	34	1	1	3	3	-	-
J Tongs	40	40	3	3	9	9	-	-
P Weightman	39	40	-	-	-	-	1	1
G Levy(2)	20	20	-	-	-	-	-	-
M McKellar(3)	9	11	2	2	4	4	1	1
D Blight(4)	-	-	-	-	-	-	-	-

(1) Appointed 21 October 2019.
(2) Retired 26 February 2020.
(3) Retired 28 November 2019.
(4) Resigned 19 July 2019.

Remuneration report

A Message from the Chair, Nomination and Remuneration Committee

Dear Securityholder

On behalf of the Board, I am pleased to present Cromwell's Remuneration Report for the year ended 30 June 2020 (FY20).

OUR UNIQUE BUSINESS

As our long standing securityholders are aware Cromwell is unique in its A-REIT peer group. Cromwell has approximately 60% of its balance sheet invested in direct property assets in Australia, 16% invested in the Polish Retail Fund, which will be sold down to third party investors post the Covid-19 pandemic, and the remainder invested in domestic and international property securities. Cromwell also manages approximately $4.9 billion of direct property assets in 14 countries across Europe on behalf of third party investors.

Our long standing securityholders will also be aware that your CEO, and the Cromwell executive team, have been successfully managing your investment for many years. As a result, your CEO, over the past two decades has personally amassed a holding of more than 26.6 million Cromwell securities, a far greater holding than any A-REIT CEO and a position that forges a very close alignment with Cromwell securityholders.

For these reasons, Cromwell's remuneration structure does not closely reflect the remuneration structure of its A-REIT peers, but over the past two years, has been progressively modified to incorporate elements of our peers' remuneration frameworks, while retaining those characteristics that, in the view of the Nomination and Remuneration Committee, are most likely to create long-term value for securityholders by rewarding employees for safeguarding and promoting the interests of our tenants, clients and capital partners.

YEAR IN REVIEW

The first half of FY20 saw Cromwell continue to deliver on its Invest to Manage strategy, acquiring 400 George Street, Brisbane for circa $525 million and the Cromwell Polish Retail fund. The financial results for the first half of FY20 were particularly strong with operating profit of $134.1 million (an increase of 62% over the prior corresponding period). This equated to operating profit per security of 5.18 cents per security, an increase of 26% over the prior corresponding period.

The second half of FY20 has, of course been dominated by COVID-19. Cromwell's financial results clearly demonstrate the quality and resilience of the Australian property portfolio, with its significant weighting to Government, government agency and listed tenants. Since the start of the Coronavirus pandemic, Cromwell has been working closely with its tenants to provide financial assistance. The Polish retail assets have also performed well during this period. Understandably, given the current situation, we have been unable to start marketing the new fund to investors who will ultimately acquire the Polish retail assets, but you should be aware that holding the Polish assets is accretive to earnings and is expected to remain so until sold when the environment improves. This investment has temporarily increased our gearing to a level outside our target range of 30% - 40%, but again, with interest rates at an all-time low, we are comfortable for this to continue until the environment improves.

Cromwell is very proud of what it has achieved during these difficult times:

- its overall financial performance was not materially impacted by COVID-19
- in fact, notwithstanding COVID-19, Cromwell will exceed its original FY20 earnings guidance
- Cromwell paid its forecast 2020 distribution in full
- Cromwell has not laid off or furloughed any employees
- Cromwell has not sought or accepted any assistance from the Government
- Cromwell maintained the health and safety of its employees and the integrity of its assets
- Cromwell incurred additional interest cost in drawing available debt as a defensive measure
- Cromwell has provided assistance to SMEs who were materially impacted by the COVID-19 crisis, and
- Cromwell has provided financial assistance to its largest tenant (Qantas), via lease payment deferral

The results delivered by Cromwell during these times are testament to the quality and professionalism of Cromwell's management and staff and the product of a carefully selected property portfolio that has proven to be resilient and sustainable in earning income and providing consistent distributions to securityholders.

RESPONSE TO FIRST STRIKE

During the FY19 year the Nomination and Remuneration Committee undertook the following initiatives:

- appointed an independent Non-Executive Director as Chair
- sought advice from two independent remuneration experts regarding best practice executive KMP remuneration frameworks
- engaged with and incorporated feedback from securityholders and proxy houses on the FY20 remuneration framework
- established STI KPIs and LTI hurdles that rewarded executives for successful delivery of the "Invest to Manage" Strategy and aligned executive remuneration outcomes with the experience of shareholders
- increased transparency, clarity and detail provided in the Remuneration Report

Prior to the AGM in November 2019, Cromwell received positive feedback from multiple proxy advisors and institutional securityholders regarding the Remuneration Framework outlined in the Remuneration Report. However, on a poll at the AGM in November 2019, 52.99% of votes cast were cast against the resolution to adopt the Remuneration Report. Of those votes cast against the resolution, 88.56% were cast by the disclosed holdings of two investor groups.

In February 2020 I took over as independent Chair of the Nomination and Remuneration Committee from Andy Fay and undertook a further review of the Cromwell remuneration framework. Consistent with investors and proxy advisers, I supported the view that the FY20 framework was a significant improvement on the previous framework, including that more remuneration was "at risk", the weighting towards medium and long-term security rewards increased, the framework more closely aligned with Cromwell peers, it pays fairly for skills and achievement and incentivises outperformance.

As a result, only a limited number of changes have been incorporated in the FY21 remuneration framework, although we will continue to review and refine our remuneration arrangements, to ensure they deliver on our goals, account for the ever-changing business environment, legislative reform and they reflect feedback from our investors and their advisors.

At the Annual General Meeting in November 2020 we will seek your support of this Report.

Yours Sincerely

Tanya Cox
Chair, Nomination and Remuneration Committee

REMUNERATION REPORT

The remuneration report is presented for the financial year ending 30 June 2020. The report forms part of the Directors' Report and has been prepared and audited in accordance with the requirements of the *Corporations Act 2001* (Cth). This report is where we explain how performance has been linked to reward outcomes that forge a clear alignment between Cromwell staff and securityholders.

1. Remuneration Overview

Set out below is a summary of the FY20 CEO and other executive KMP remuneration framework as well as the key changes proposed for FY21. Some of the proposed changes in FY21 will require shareholder approval at Cromwell's November 2020 Annual General Meeting.

Key Questions	FY20	Proposed in FY21
Were any changes made to the CEO's remuneration structure in FY20 and are there any proposed for FY21?	No change to the total opportunity or the mix between at risk (61%) and fixed pay (39%). LTI hurdles encompass three hurdles one of which is a relative TSR measure. An official clawback policy on unvested rights and deferred securities is in place. Director discretion applies where a formulaic application of relevant remuneration metrics would lead to perverse outcomes.	See below for proposed changes to LTI. For LTI grants issued under the FY20 LTI scheme and STI awards issued as securities, the VWAP period for FY21 will be the 10 days immediately succeeding the full year results.
CEO's remuneration: **Short term incentive (STI)**	Maximum opportunity set at $900,000. STI KPI hurdles 80%/20% financial to non-financial. An STI gateway in place being 95% of earnings guidance and adhering to cultural related expectations including acting ethically and responsibly. Any exceptional awards remain subject to the cap of $900,000 and Operating EPS guidance having been achieved. Where any STI KPI is missed by more than 10% of the lower end of the stretch performance range there is board discretion when determining the award of any exceptional bonus for another KPI. Any STI award will be paid in cash given the relative size of the CEO's shareholding of over 17.7 times fixed remuneration at 30 June 2020. This will be reviewed if the CEO's shareholding falls below 3 times Fixed Remuneration.	No changes proposed.

Key Questions	FY20	Proposed in FY21
CEO's remuneration: Long-term incentive (LTI):	The LTI opportunity remains at $1,500,000. The CEO currently has performance rights under the 2019 LTI scheme approved at the 2018 AGM which have two LTI KPI hurdles, linked to Total Return and ROCE, as well as the LTI scheme in existence prior to that AGM. From FY20 onwards, the new LTI scheme (outlined below) was intended to commence but was voted against at the 2019 AGM: **FY20 LTI Scheme** Two LTI KPI hurdles are linked to delivering Cromwell's long-term strategy and remain a measure of Total Return and ROCE, being a target range of 8.5% - 11.5%. The measurement period is 3 years with a fixed stretch range set for each hurdle over the 3-year period. A third KPI hurdle is a measurement of the Relative TSR will be point to point over the three-year period. The three LTI KPI hurdles are evenly weighted. LTI securities that are awarded will vest at three years with 50% placed in a trading lock for a further year. Securities in a trading lock will participate in distributions. There is no retesting of the KPI. Vesting starts at 25% at the lower bound of the stretch target, straight-line vesting to 100% at the upper bound. Good leaver and Change of Control provisions apply to unvested securities at a pro rata rate and will be tested. The board does retain discretion. See section 6.3 for further details.	At the AGM in November 2019, securityholders voted against the grant of Performance Rights and stapled securities to the CEO. The LTI is an important component of Cromwell's Remuneration Framework as it rewards performance in line with the experience of securityholders. If the grant of Performance Rights and stapled securities to the CEO is not approved at the next AGM, the board has determined that Cromwell will acquire the stapled securities on market.
Were any changes made to the other Executive KMP's remuneration structure in FY20 and are there any proposed for FY21?	The remuneration structure of other executive KMP includes an STI opportunity, the FY20 LTI Scheme and the prior LTI scheme. 50% of any STI will be deferred as securities for one year. An official clawback policy on unvested rights and deferred securities has been introduced. Director discretion applies where a formulaic application of relevant remuneration metrics would lead to perverse outcomes.	Fixed Remuneration for FY21 has been frozen.

Key Questions	FY20	Proposed in FY21
Other KMP remuneration: Short term incentive (STI)	For other executive KMP the STI opportunity is set at between 50% - 100% of fixed remuneration. The STI KPIs have at least 50% financial to non-financial hurdles set by the CEO and reviewed by the Board. Most STI KPIs have stretch target ranges to achieve varying rewards for varying levels of outperformance. 50% of the award is deferred as securities for one year and is eligible for distributions during the deferred period. In the event of a change in control the securities will fully vest. An STI gateway is in place being 95% of earnings guidance and adhering to cultural related expectations including acting ethically and responsibly. If an executive KMP is determined to be a Good leaver (retirement, health etc) then unvested securities remain on foot with Board discretion to accelerate vesting. If an executive KMP is determined to be a Bad leaver, unvested securities are forfeited. Board discretion may be exercised where formulaic application is likely to produce a material and perverse remuneration outcome. Malus and Claw Back clauses allow unvested securities to be clawed back where a recipient has acted fraudulently, dishonestly or where there has been a material misstatement or omission in Cromwell's financial statements leading to receipt of an unfair benefit. This may also occur where an executive KMP fails to meet cultural related expectations including acting ethically and responsibly.	No changes proposed
Other KMP remuneration: Long-term incentive (LTI):	For other executive KMP the LTI opportunity is set at 50% of Fixed Remuneration for the FY20 LTI scheme.	No changes proposed

Remuneration overview / key questions

Other Key questions	Cromwell's response	Further information
1. How is the Group's performance reflected in this year's remuneration outcomes?	For FY20, Cromwell provided Operating EPS guidance of 8.30cps and DPS guidance of 7.50cps. Despite the impact of COVID-19, Cromwell paid distributions to securityholders in line with guidance and achieved earnings ahead of guidance. This was made possible because of Cromwell's resilient Australian property portfolio, holding CPRF on the balance sheet from acquisition to balance date, the continued strong performance of CEREIT and the strong half-year result which was underpinned by significant performance fees earned in Europe. At the beginning of the year Cromwell also outlined its "Invest to Manage" strategy objectives. A key component of this strategy was the steady growth in stable AUM in Europe. Prior to 31 December 2019, Cromwell had secured €303m of AUM on behalf of CEREIT and acquired the CPRF portfolio. By the end of January 2020, Cromwell had €390m of transactions either contracted or in exclusivity, expecting to complete in FY20. In addition, Cromwell was well advanced on approximately €400m of transactions with various capital partners that had a high probability of success. However, due to COVID-19, Cromwell was only able to complete a further €38m by 30 June 2020, which resulted in total AUM in Europe decreasing during the year. Total Shareholder Return in FY20 was negative 16% (FY19: positive 11%), compared with negative 21% for the S&P/ASX 300 A-REIT accumulation index. Cromwell has outperformed the S&P/ASX 300 A-REIT accumulation index over the last 1, 3, 5, 10 and 15 years. No STI or LTI hurdles or KPIs were adjusted to compensate KMP for the negative impact of COVID-19. As a result of the above performance the CEO was awarded 61% of his maximum STI opportunity for FY20 (FY19: 89%).	Link between remuneration and performance - refer to section 4.0
2. Were there any changes made to total Non-executive Directors' remuneration pool in 2020?	No. The maximum amount approved by securityholders currently stands at $1,000,000, which has not changed from 2017.	Refer to section 7.0.
3. Did any LTI awards vest in 2020?	PRPs approved by securityholders and issued in 2017, vested in 2020, the performance hurdles of which were tested annually for 3 years. 1,597,640 LTI performance rights were granted to KMP in 2020. 594,683 were granted under the prior LTI scheme and 1,002,957 were granted under the FY20 LTI scheme. 3,452,043 LTI performance rights vested and were exercised by KMP in 2020. All performance rights that vested related to the prior LTI scheme.	Refer Section 5.3 and Section 6.3 and summary 8.3

Other Changes for FY20

4. Minimum KMP Securityolding Requirement	Non-Executive Directors are required to hold a minimum of one year's fees, within 3 years from July 2019 or their start date. The CEO is required to hold a minimum of 150% of fixed remuneration as securities. Other executive KMP are required to hold a minimum of 50% of Fixed Remuneration within four years. Securities in STI and LTI holding lock are included in KMP total holdings. Director discretion may be exercised based on a staff member's personal circumstances.
5. KMP security issues	FY20 STI and LTI security grants will be calculated using a Face Value methodology, with no adjustment for distributions.
6. Board base fees and committee fees	On 1 July 2019, fees and payments to non-executive Directors increased by CPI which was 1.3%. There was no increase to Board or Committee fees on 1 July 2020.
7. Additional KMPs for FY20	From 1 July 2019 the Chief Investment Officer became a KMP.
8. Notice Periods for Executive KMPs	All Executive KMP had their 2-way notice periods standardised to 6 months.

2. Remuneration Governance

2.1 ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board has appointed a Nomination and Remuneration Committee ("Committee"). The Committee oversees the remuneration framework and monitors remuneration outcomes. In doing so, it considers the interests of securityholders and the behaviours the Group wishes to promote.

The Board reviews and approves, on an annual basis, the remuneration of Cromwell's KMP, based on the recommendation of the Committee.

During the financial year the members of the Committee were:

Ms T Cox	Non-executive Director – joined the Committee on 21 October 2019 and appointed Chair on 26 March 2020
Mr A Fay	Non-executive Director and Chair until 25 March 2020
Mr L Blitz	Non-executive Director
Ms M McKellar	Non-executive Director – retired from the Committee on 28 November 2019
Ms L Scenna	Non-executive Director – joined the Committee on 21 October 2019 and retired from the Committee on 25 March 2020
Ms J Tongs	Non-executive Director – retired from the Committee on 25 March 2020

The Committee operates independently of Cromwell Management and may engage remuneration advisers directly.

Management makes recommendations to the Nomination and Remuneration Committee in relation to the development and implementation of reward strategy and structure. The CEO provides his recommendation to the Committee on fixed pay and incentive outcomes for his direct reports.

Further information on the role and activities of the Committee is available on Cromwell's website and the Corporate Governance Statement to be released with the Annual Report.

2.2 SERVICES FROM REMUNERATION CONSULTANTS

During the year the Committee engaged the services of Guerdon Associates to advise on the refinement of the short-term and long-term executive incentive schemes and the impact of COVID-19 on remuneration practices. Guerdon Associates did not provide a remuneration recommendation as defined by Section 9B of the *Corporations Act 2001*. Members of the Committee have consulted directly with a range of proxy advisors and institutional investors to understand their viewpoint on issues relating to remuneration generally and have discussed with them the nature and circumstances of Cromwell's business operations and economic environments in which it operates.

2.3 OBJECTIVE OF REMUNERATION

The objective of the Cromwell remuneration strategy is to support and drive the execution of the Cromwell business strategy, which is to utilise our unique Australian and international platform to grow value for securityholders in a sustainable manner. Cromwell's remuneration strategy is designed to align behaviours with Cromwell's strategic objectives.

Cromwell's remuneration framework makes provision for:

- Fixed remuneration (FR) which is benchmarked to market and used as a tool to attract and retain executives with the skills and experience needed to respond to the challenges of achieving Cromwell's strategic objectives and observing Cromwell behaviours and values.
- Short-term incentives, where deemed appropriate by the Board, to drive short term objectives such as operational improvement, cultural transformation and the pursuit of new growth opportunities to position the Group to achieve its strategic objectives.
- Long-term incentives that are used as both a retention tool and to create alignment between employees and the objectives of securityholders in securing sustainable returns.

Cromwell strives to create an executive remuneration framework that drives a performance culture, ensuring there is a strong link between executive pay and the achievement of company strategies and value to securityholders.

3. Key Management Personnel

In this report, key management personnel (KMP) are those individuals having the authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly.

They comprise:

- Non-executive Directors
- The Executive Director – who is the CEO Paul Weightman
- Other Executives considered KMP

Name	Position / Title	
Independent Non-executive Directors		
Leon Blitz	Non-executive Chair	Full year – appointed Chair on 26 February 2020
Andrew Fay	Non-executive Deputy Chair	Full year – Deputy Chair from 26 February 2020
Tanya Cox	Non-executive Director	Commenced 21 October 2019
Lisa Scenna	Non-executive Director	Commenced 21 October 2019
Jane Tongs	Non-executive Director	Full year
Geoff Levy	Non-executive Chair	Retired 26 February 2020
Michelle McKellar	Non-executive Director	Retired 28 November 2019
Non-Independent Non-executive Director		
David Blight	Non-executive Director	Resigned 19 July 2019
Executive Director		
Paul Weightman	Chief Executive Officer	Full year
Other Executives		
Michael Wilde	Chief Financial Officer	Full year
Jodie Clark	Chief Operations Officer, Property Licensee	Full year
Robert Percy	Chief Investment Officer	Full year

4. 2020 Performance

Cromwell has committed to an "Invest to Manage" strategy to drive medium-term growth in Cromwell distributions and security price. This will be achieved by:

- maintaining and enhancing our Australian secured cash flow generating platform and adding value through selective Australian asset enhancement initiatives;
- leveraging our unique international property management platform to grow revenue from funds we manage.

Our ability to successfully deliver on CEREIT's growth objectives in FY20 was underpinned by Cromwell's integrated European funds management platform and its ability to identify and execute off-market property acquisitions. Following on from the success of CEREIT, the European platform established a Korean mandate for €88m and secured the Cromwell Polish Retail Fund, which will be launched as a new fund once the economic environment improves.

The success of this strategy is demonstrated by the growth in Assets under Management and the transition from short-term mandates to long-term stable funds under management in Europe, as shown in the table below.

	Assets Under Management				
Financial Year	Australia $'M	Europe – Short Term $'M	Europe – Stable $'M	New Zealand $'M	Total $'M
2020	**4,839**	**1,273**	**4,516**	**917**	**11,545**
2019	4,992	3,009	3,072	816	11,889
2018	4,705	3,905	2,193	681	11,484
2017	4,516	5,006	–	572	10,094
2016	4,303	5,506	–	469	10,278

Cromwell aims to deliver consistent cash flow returns from the core properties in its direct property portfolio. The core assets in the direct property portfolio consist of 10 properties worth $2.3 billion with a combined weighted average lease expiry of 7.5 years and 99% occupancy. The growth in like for like net operating income (NOI) derived from the core portfolio over the last 3 years has been consistently above the target of 3% and was 3.6% in FY20.

	Like for Like NOI growth		
Portfolio	2020	2019	2018
Core	**3.6%**	3.3%	4.6%
Core +	**5.6%**	5.5%	1.6%

Cromwell's key financial measures for the last five years are set out below:

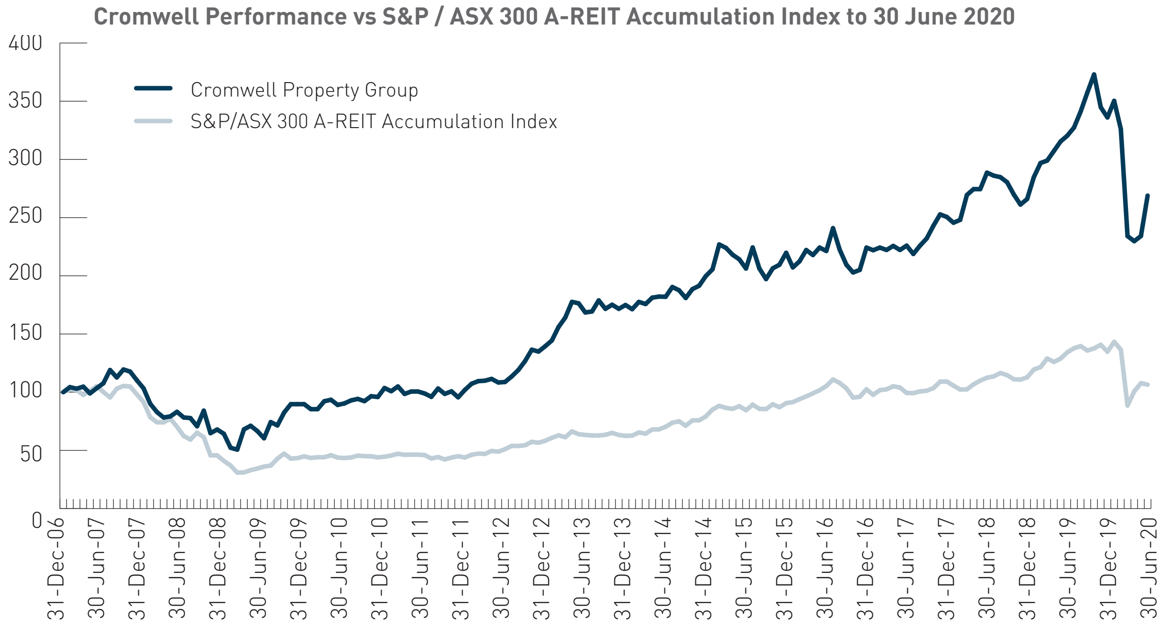
	2020	2019	2018	2017	2016
Operating earnings per security	**8.5 cents**	8.2 cents	8.4 cents	8.7 cents	9.4 cents*
Distribution per security	**7.5 cents**	7.3 cents**	8.3 cents	8.3 cents	8.2 cents
Gearing	**42%**	35%	37%	45%	43%
Like for like KMP remuneration as % of operating earnings	**3.8%**	4.0%	3.9%	4.5%	3.0%

* 2016 operating earnings exceeded expectations due to transactional revenue from one-off performance fees from Cromwell Box Hill Trust and the opportunistic investment in the Investa Office Fund. When these items are considered, Cromwell has seen sustained consistent earnings levels from 2015 through to the current financial year, despite significant investment into the European platform and the impact of COVID-19. At the same time, KMP remuneration has remained below 5% of operating earnings, despite increasing the number of KMP, which reflects Cromwell's adherence to a disciplined approach to managing the business for the benefit of securityholders.

** In 2019, as part of the "Invest to Manage" strategy, Cromwell adjusted its distribution policy down from 95% - 100% of operating earnings to 85% - 95% of operating earnings. The surplus funds will be reinvested into investment opportunities to accelerate the growth of the funds management platform.

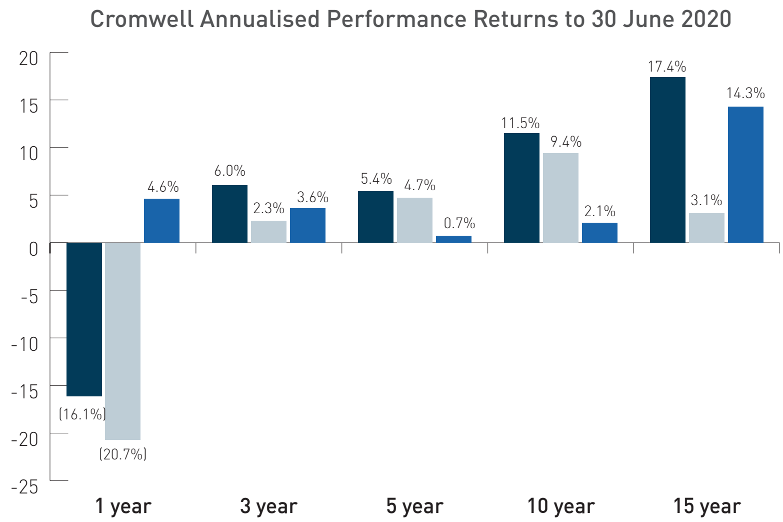
Total return of Cromwell securities

The chart below illustrates Cromwell's performance against the S&P/ASX300 A-REIT Accumulation Index since stapling in 2006.



Total Securityholder Returns (Annualised)

Cromwell's Total Securityholder Return (TSR) over the last 1, 3, 5, 10 and 15 years relative to benchmark indices is shown below.



	1 year	3 year	5 year	10 year	15 year
Cromwell Total Return	-16.1%	6.0%	5.4%	11.5%	17.4%
S&P / ASX 300 A-REIT Accumulation Index	-20.7%	2.3%	4.7%	9.4%	3.1%
Cromwell Excess Performance	4.6%	3.6%	0.7%	2.1%	14.3%

Over all periods Cromwell has outperformed the Property Index.

The Board believes execution of the "Invest to Manage" strategy will result in both sustainable long-term earnings and higher overall returns to securityholders. Over the course of any short-term period, the total securityholder return of Cromwell will vary against the index. Over the medium term, the overall performance of Cromwell should be demonstrated in sustained operating earnings and growth in total securityholder returns. The LTI hurdles implemented for all KMP will reward the achievement of medium-term returns.

5.0 CEO Remuneration for 2020

5.1 FIXED REMUNERATION

All employees receive a remuneration package that includes a fixed pay component. The fixed remuneration comprises cash salary, superannuation and other salary sacrificed benefits.

Fixed remuneration is a set amount reflecting the role complexity, responsibilities and skill levels required, with reference to the market.

FY20 Strategy and Performance Link

- To attract, retain and motivate executives with the right capability and experience to achieve results in the geographic regions in which Cromwell operates or has set strategic objectives.
- Reviewed annually by the Board, who consider performance during the year, relevant external market data, tenure and experience.
- Cromwell's approach is to initially set fixed remuneration at a level that allows progressive increases to apply as the individual performs in their role and becomes more experienced.

5.2 AT RISK CASH AWARD (SHORT TERM INCENTIVE)

Short term incentives are included as part of the CEO remuneration package as the CEO has a material impact on the key marginal drivers of operating earnings in any given financial year.

The purpose of the STI award is to focus the CEO's efforts on those key marginal drivers and outcomes that are priorities for Cromwell for the relevant financial year and to motivate the CEO to strive and reward him to achieve stretch performance objectives that assist the achievement of Cromwell's strategic agenda.

Short term incentives are paid in cash and once paid there are no forfeiture provisions.

An STI gateway is in place, being 95% of earnings guidance and adhering to cultural related expectations, including acting ethically and responsibly.

FY20 Strategy and Performance Link

Limited to a maximum of $900,000. The 2020 performance measures for the CEO were:

- 20% linked to the operating profit per stapled security;
- 20% linked to achieving funds management transactional income targets in Europe and Australia;
- 10% linked to achieving funds management recurring income targets in Australia;
- 10% linked to NOI growth of Core portfolio;
- 20% linked to European platform growth strategy (excluding CPRF);
- 20% linked to culture, succession planning, technology systems, Seniors Living strategy and sustainability scores.

KPI's were weighted 80% to financial measures and 20% non-financial, with the majority of non-financial targets being measurable.

The Board's assessment of the CEO's STI performance against key performance indicators for 2020 is provided in the following table:

Key performance indicator – 2020	Commentary	Weighting %	Opportunity $	Awarded $
Earnings per security Minimum target – 8.20 cps Outperformance target – 8.60 cps	Actual operating EPS of 8.50 cps	20%	180,000	157,500
Transactional Income Minimum target – $42 million Outperformance target – $62 million	Actual transactional income of $51 million was achieved in 2020	20%	180,000	130,500
EU AUM growth target Minimum target – €750 million Outperformance target – €1,000 million	EU AUM target specifically excluded any AUM acquired by the Group. This means CPRF was excluded from the results. Final result was €303 million	20%	180,000	-
Like for Like NOI Growth – core assets Minimum target – 3% Outperformance target – 3.5%	Actual like for like NOI growth for the core assets was 3.6%. This was greater than the upper hurdle of 3.5%. The board has discretion to award an additional amount of $22,500 in the event of outperformance but has chosen not to do so.	10%	90,000	90,000
AU funds management income Minimum target – $9 million Outperformance target – $10.5 million	Actual AU funds management income of $9.1 million was achieved	10%	90,000	48,000
People, leadership and environment	Set targets relate to culture, succession planning, improving European and Group systems, progress of development at Greenway and sustainability outcomes of GRESB/DJSI	20%	180,000	135,000
Total bonus awarded			**900,000**	**561,000**

5.3 AT RISK EQUITY ELEMENT

2019 LTI Scheme

As outlined in the 2018 remuneration report and approved by securityholders at the 2018 AGM, the LTI scheme for the CEO was amended in the 2019 year. Under the 2019 scheme the CEO receives $1,500,000 of performance rights granted under the face value methodology. The rights vest over three years if the below hurdles and vesting conditions are met. The board sets minimum and outperformance targets annually.

Hurdle	Weighting	Vesting
Total Return (Operating earnings plus change in NTA)/opening NTA 3 year rolling test Nil exercise price Face value methodology	25%	**Vesting** Below minimum target – nil Minimum target – 50% vest Between minimum and outperformance target – straight-line vesting from 50% to 100%. Above outperformance target – board has no discretion to award above the maximum.
Return on Contributed Equity (Operating earnings plus NTA impact from completed projects)/Average weighted contributed equity 3 year rolling test Nil exercise price Face value methodology	75%	**Vesting** Below minimum target – nil Minimum target – 50% vest Between minimum and outperformance target – straight-line vesting from 50% to 100%. Above outperformance target – board has no discretion to award above the maximum.

The targets set for 2018, 2019 and 2020 and performance against each target are as follows:

	2020	2019	2018
Total Return			
Target range	**9.0%-12.0%**	9.0%-10.0%	9.0%-12.0%
Achieved	**5.9%**	9.4%	19.5%
Vesting Percentage	**0.0%**	69.9%	100.0%
Return on Contributed Equity			
Target range	**9.0%-12.0%**	8.0%-10.0%	8.0%-18.0%
Achieved	**9.8%**	9.5%	13.6%
Vesting Percentage	**62.6%**	86.4%	78.2%

Based on the performance from 2018 to 2020, of the 899,297 performance rights granted on 21 December 2018, 638,074 will vest and 261,223 are forfeit.

Prior LTI Scheme

Prior to 2019, the following LTI scheme was in operation:

Two equally weighted measures were used:

1.) Meeting key performance indicators (KPIs) - 50%.

KPIs were tailored for each KMP to reflect the responsibilities of their role, as well as their expected contribution to the achievement of Cromwell's objectives. KPIs were designed to best incentivise each KMP to meet Cromwell's objectives, effectively aligning their interests with securityholders.

Measurement:
Although specific KPIs for each KMP are different each KMP's performance is assessed according to a traditional balanced scorecard methodology. The balanced scorecard assigns performance and responsibility criteria across four broad categories, which align executive and securityholder experience through achievement of strategic objectives and securityholder ownership.

2.) Achievement of Cromwell Employee Values - 50%.

Cromwell sees its culture and values as an essential element to its success, especially considering the integration of the European business and its expanding geographical reach. Ensuring cultural alignment with Cromwell's values is critical to ensure behaviour is appropriate and processes are consistent.

Measurement:
All staff are assessed on their demonstration of Cromwell's Values as part of their annual performance review.

Year of Performance	LTI Vesting Period	Performance Measures and Hurdles	KPI % Achieved	Maximum Possible Grant	Actual Number Granted
2018	21 Dec 2018 - 7 Nov 2021	In FY18 LTIs were awarded on the same basis of assessment against KPIs as the KPIs for STIs. In the year the CEO achieved 94% of his KPIs and was allocated performance rights on this basis. To vest the annual hurdles in each year of the option period must be met. The hurdles were met in 2019 and 2020. Results for 2021 are still to occur.	94%	1,964,448	1,846,581
2017	16 Feb 2018 - 30 Sep 2020	In FY17 LTIs were awarded on the same basis of assessment against KPIs as the KPIs for STIs. In the year the CEO achieved 75% of his KPIs and was allocated performance rights on this basis. To vest the CEO must meet 70% of annual hurdles in two out of the three years comprising the vesting period. This hurdle has been achieved.	75%	2,442,933	1,832,200

5.4 REMUNERATION MIX

A significant component of the CEO Remuneration is linked to short and long-term company performance to assist in aligning the CEO's interest with those of securityholders. A higher portion of the CEO remuneration is at risk as he has the greatest scope to influence Cromwell's long-term performance.

CEO maximum opportunity at risk remuneration: 61%

5.5 TOTAL EXPENSED/ACCRUED REMUNERATION FOR THE CEO

The total expensed/accrued remuneration of the CEO is as follows:

	2020	2019	2018	2017
	$	$	$	$
Total Expensed/Accrued Remuneration - CEO				
Fixed remuneration (inclusive of movement in annual leave, superannuation and other benefits)	**1,659,132**	1,656,986	1,617,931	1,827,634
Long service leave accrual	**25,005**	25,005	220	84,188
STI awarded	**561,000**	797,225	846,000	1,400,000
LTI – security-based payment expense	**1,012,717**	1,456,435	471,532	481,166
Total Expensed/Accrued Remuneration - CEO	**3,257,854**	3,935,651	2,935,683	3,792,988

Since 2017, the CEO's remuneration has been progressively shifted from fixed remuneration to at-risk remuneration and from cash awards to equity-based awards.

6.0 Other Executive KMP Remuneration for 2020

6.1 FIXED REMUNERATION

All employees receive a remuneration package that includes a fixed remuneration component. The fixed remuneration comprises cash salary, superannuation and other salary sacrificed benefits.

6.2 AT RISK CASH AWARD (SHORT TERM INCENTIVE)

STI opportunity is set at between 50% - 100% of fixed remuneration.

STI KPIs have at least 50% financial hurdles set by the CEO and reviewed by the Board. Most STI KPIs have stretch target ranges to deliver varying rewards for varying levels of outperformance.

Unlike the CEO, 50% of STI awards are deferred as securities for one year. Other Executive KMP are eligible for distributions during this period.

An STI gateway is in place being 95% of earnings guidance and adhering to cultural related expectations including acting ethically and responsibly.

FY20 Strategy and Performance Link - CIO

Limited to a maximum of 100% of fixed remuneration. The 2020 performance measures for the CIO were:

- 20% linked to the operating profit per stapled security;
- 20% linked to achieving funds management transactional income targets in Europe and Australia;
- 10% linked to achieving funds management recurring income targets in Australia;
- 10% linked to NOI growth of Core portfolio;
- 20% linked to European platform growth strategy (excluding CPRF); and
- 20% linked to improvement in Sustainability indices, staff turnover and staff engagement.

KPI's were weighted 80% to financial measures and 20% non-financial, with the majority of non-financial targets being measurable. The CIO was awarded 62% of his potential bonus for 2020.

FY20 Strategy and Performance Link – CFO and COO

Limited to a maximum of 50% of fixed remuneration. The 2020 performance measures for the CFO and COO were:

- 10% linked to the operating profit per stapled security;
- 15% linked to cost control in the European platform;
- 10% linked to earnings in the European platform;
- 15% linked to cost control at a Group level; and
- Remaining 50% linked to staff turnover, staff engagement, internal reporting, improved learning and development metrics and Sustainability indices.

KPI's were weighted 50% to financial measures and 50% non-financial, with the majority of non-financial targets being measurable. The CFO and COO were both awarded 88% of their potential bonus for 2020.

6.3 AT RISK EQUITY ELEMENT

FY20 LTI Scheme

All executive KMP participate in the same LTI scheme.

The number of performance rights granted is calculated under the face value methodology based on the VWAP of Cromwell's security price for the 10 days immediately preceding and 10 days immediately succeeding 30 June with no adjustment for distributions.

Two performance hurdles align with the Board agreed strategy and are measured each year, the average over the 3 years used to determine vesting. The final measure is Relative TSR, using a point to point measurement.

KPI target ranges are fixed for 3 years and measured over 3 years.

For each LTI hurdle 25% vests at the lower bound with straight line vesting to 100% at the maximum threshold.

At 3 years 50% of performance rights which have vested are held in a trading lock for one year following the vesting date. The 50% of securities held in the trading lock are entitled to distributions.

Hurdles

33.33% Total Return.

Total Return = (Distributions + Change in NTA)/Opening NTA.

Measured as an average of each of the 3 years. The hurdle is 8.5%-11.5% over the period. Equity Issues that significantly impact NTA will be considered, as well as significant write downs in intangible assets. In the case of a write down of intangible assets this would impact negatively on the achieved performance. Where significant value is created in management driven asset enhancements, this should be reflected in the NTA and hence improve the overall return.

This hurdle aligns the underlying absolute returns that shareholders experience but removes the general listed market movements which is out of the control of management.

The stretch target range is consistent with moving from the prior Operating Earnings to Distributions, reflects the current low return environment and is consistent with stretch target returns determined by the successful implementation of Cromwell's "Invest to Manage" strategy.

33.33% Return on Contributed Equity (ROCE)

ROCE=Operating Profit/Weighted Average Contributed Equity.
Measured as an average of each of the 3 years. With a ROCE hurdle range of 8.5%-11.5%.

This measure was chosen as it best reflects the sustainable returns achieved on shareholders contributed equity. By removing the NTA created from completed projects a far more stable and relevant stretch target range can be set which is accepted as being a good measure of the performance of management. Over the medium to long term an improving ROCE (as defined) has been shown to correlate with upward share price movements and hence returns experienced by shareholders.

The upper end of the stretch target range has only been achieved once in the last 6 years and if achieved and based on historical multiples would result in mid-teen total per annum returns to shareholders (before distribution reinvestment). This would result in achievement of the stretch targets contained in the successful implementation of Cromwell's "Invest to Manage" strategy.

33.33% Relative TSR

Measured against the S&P/ASX300 A-REIT Accumulation Index on a percentile basis with 50th percentile lower bound and 75th percentile upper bound. Measured once over measurement period.

Below Median - 0% vesting

Other conditions

For LTI, in the event of a successful takeover, KPI hurdles are tested and vest on a pro-rata basis based on achievement of the hurdles. Board discretion applies for amounts greater than pro-rata.

If the staff member is determined to be a Good leaver (retirement, redundancy etc) unvested rights and securities remain on foot and are tested based on the normal vesting schedule. There is Board discretion to accelerate vesting after considering personal circumstances of the executive KMP (e.g. illness) and quantum of outstanding award. If an executive KMP is determined a Bad leaver then unvested rights and securities are forfeited.

The Board is able to exercise discretion where formulaic application is likely to produce a material and perverse remuneration outcome.

Malus and Claw Back clause allowing unvested rights and securities to be clawed back where a recipient has acted fraudulently, dishonestly or where there has been a material misstatement or omission in Cromwell's financial statements leading to the receipt of an unfair benefit. This may also occur where the executive KMP fails to meet the cultural related expectation including acting ethically and responsibly.

The targets set for 2020 and performance against each target are as follows:

	2020
Total Return	
Target range	**8.5%-11.5%**
Achieved	**4.9%**
Vesting Percentage	**0.0%**
Return on Contributed Equity	
Target range	**8.5%-11.5%**
Achieved	**9.8%**
Vesting Percentage	**56.4%**

Details of performance rights granted under the FY20 LTI Scheme are as follows:

	No of performance rights granted	Grant date	Financial years tested	Expiry date
M Wilde	355,214	27-Mar-2020	2020 – 2022	30-Sep-2022
J Clark	355,214	27-Mar-2020	2020 – 2022	30-Sep-2022
R Percy	292,529	27-Mar-2020	2020 – 2022	30-Sep-2022

Prior LTI Scheme

Prior to 2019, the LTI scheme outlined in section 5.3 was in operation:

Year of Performance	LTI vesting period	KPI % Achieved	Maximum Possible Grant	Actual Number Granted
Michael Wilde – Chief Financial Officer				
2019	4 Oct 2019 – 1 Oct 2022	94%	183,529	172,518
2018	7 Nov 2018 – 7 Nov 2021	86%	216,584	186,012
2017	16 Feb 2018 – 1 Nov 2020	100%	218,852	218,852
Jodie Clark – Chief Operations Officer				
2019	4 Oct 2019 – 1 Oct 2022	94%	182,553	171,600
2018	7 Nov 2018 – 7 Nov 2021	93%	216,584	200,569
2017	16 Feb 2018 – 1 Nov 2020	100%	235,312	235,312
Robert Percy – Chief Investment Officer				
2019	4 Oct 2019 – 1 Oct 2022	89%	281,535	250,566

6.4 REMUNERATION MIX

Other executive KMP at risk remuneration ranges between 50%-60%.

7.0 Non-executive Directors Remuneration

7.1 BOARD REMUNERATION STRUCTURE

Fees and payments to Non-executive Directors reflect the market in line with the demands which are made on, and the responsibilities of, the Directors. The Board determines remuneration of Non-executive Directors within the maximum amount approved by securityholders from time to time. This maximum currently stands at $1,000,000 per annum in total for fees to be divided among the Non-executive Directors in such a proportion and manner as they agree. Fees are set so that:

- Cromwell Non-executive Directors are remunerated fairly for their services, recognising the workload, and level of skills and experience required for the role;
- Cromwell can attract and retain talented Non-executive Directors; and
- Fees are in line with market practice.

7.2 TOTAL REMUNERATION FOR NON-EXECUTIVE DIRECTORS

Non-executive Directors are paid a fixed remuneration, comprising base and committee fees or salary and superannuation (as applicable). Non-executive Directors do not receive bonus payments or participate in security-based compensation plans and are not provided with retirement benefits other than statutory superannuation.

	2020 $	2019 $
Chair	223,052	220,189
Non-executive Director	102,484	101,168
Audit & Risk Committee – Chair	20,868	20,600
Audit & Risk Committee – Member	13,911	13,732
Nomination & Remuneration Committee – Chair	8,695	8,583
Nomination & Remuneration Committee – Member	5,796	5,721
Investment Committee	-	-

Consistent with prior years, from 1 July 2019, fees and payments to Non-executive Directors were increased by CPI. Non-executive Director fees were not increased on 1 July 2020.

8.0 Remuneration and Conditions of Employment of the KMP

8.1 CASH AND AT RISK AWARDS EXPENSED OR ACCRUED IN 2020

The table below outlines the cash remuneration and at-risk cash awards received as well as the value of equity-based compensation expensed during the year in accordance with applicable statutory accounting rules.

		Short-term				Post-employment	Long-term	Security based payments		
		Salary[8] and fees $	Non-monetary benefits $	At-risk cash bonus $	Total short term $	Super-annuation $	Long service leave $	Deferred STI award	LTI scheme $	Total $
Non-executive Directors:										
L Blitz	**2020**	**155,482**	**14,263**	**-**	**169,745**	**-**	**-**	**-**	**-**	**169,745**
	2019	120,579	11,824	-	132,403	-	-	-	-	132,403
A Fay[1]	**2020**	**113,577**	**6,977**	**-**	**120,554**	**10,790**	**-**	**-**	**-**	**131,344**
	2019	75,761	-	-	75,761	7,197	-	-	-	82,958
T Cox[2]	**2020**	**75,739**	**-**	**-**	**75,739**	**7,195**	**-**	**-**	**-**	**82,934**
L Scenna[3]	**2020**	**74,816**	**-**	**-**	**74,816**	**-**	**-**	**-**	**-**	**74,816**
J Tongs	**2020**	**116,652**	**7,903**	**-**	**124,555**	**11,082**	**-**	**-**	**-**	**135,637**
	2019	116,388	-	-	116,388	11,057	-	-	-	127,445
G Levy[4]	**2020**	**139,406**	**12,120**	**-**	**151,526**	**13,244**	**-**	**-**	**-**	**164,770**
	2019	201,014	-	-	201,014	19,083	-	-	-	220,097
M McKellar[5]	**2020**	**53,546**	**14,208**	**-**	**67,754**	**-**	**-**	**-**	**-**	**67,754**
	2019	120,579	-	-	120,579	-	-	-	-	120,579
D Blight[6]	**2020**	**7,107**	**-**	**-**	**7,107**	**675**	**-**	**-**	**-**	**7,782**
	2019	92,358	-	-	92,358	8,774	-	-	-	101,132
Executive management group (EMG):										
P Weightman	**2020**	**1,609,610**	**28,519**	**561,000**	**2,199,129**	**21,003**	**25,005**	**-**	**1,012,717**	**3,257,854**
	2019	1,617,302	19,153	797,225	2,433,680	20,531	25,005	-	1,456,435	3,935,651
M Wilde	**2020**	**824,599**	**26,143**	**187,708**	**1,038,450**	**21,003**	**21,365**	**187,708**	**230,410**	**1,498,936**
	2019	801,034	15,055	100,000	916,089	20,531	34,468	-	132,377	1,103,465
J Clark	**2020**	**850,235**	**22,119**	**187,708**	**1,060,062**	**21,003**	**19,981**	**187,708**	**240,128**	**1,528,882**
	2019	798,018	14,052	100,000	912,070	20,531	21,309	-	144,498	1,098,408
R Percy [7]	**2020**	**676,385**	**25,046**	**215,250**	**916,681**	**21,003**	**12,752**	**215,250**	**160,341**	**1,326,027**
Total	**2020**	**4,697,154**	**157,298**	**1,151,666**	**6,006,118**	**126,998**	**79,103**	**590,666**	**1,643,596**	**8,446,481**
remuneration	2019	3,985,799	60,084	997,225	5,043,108	107,704	80,782	-	1,733,310	6,964,904

(1) Mr Fay was appointed on 15 October 2018.
(2) Ms Cox was appointed on 21 October 2019.
(3) Ms Scenna was appointed on 21 October 2019.
(4) Mr Levy retired on 26 February 2020.
(5) Ms McKellar retired on 28 November 2019.
(6) Mr Blight was appointed on 1 June 2018 and resigned 19 July 2019.
(7) Mr Percy became a KMP on 1 July 2019.
(8) Includes any change in accruals for annual leave.

8.2 AT RISK CASH AWARDS AND PERFORMANCE RIGHTS VESTING AND FORFEITURE IN 2020

For each at risk cash award and grant of performance rights options (equity-based compensation) included in the tables above, the percentage of the available at-risk cash bonus paid, or equity-based compensation that vested, during the year and the percentage that was forfeited because the person did not meet the service and performance criteria is set out below.

The performance rights are subject to vesting conditions as outlined above. No performance rights will vest if the conditions are not satisfied, hence the minimum value of performance rights yet to vest is $nil. The maximum value of the performance rights yet to vest has been determined as the amount of the grant date fair value of the performance rights that is yet to be expensed at balance date. References to options in the table below relate to performance rights.

	At-risk cash bonus		Equity based compensation				
	Cash bonus paid %	Cash bonus forfeited %	Years options granted	Options vested in 2020 %	Options forfeited in 2020 %	Years options may vest	Maximum value of grant to vest $
P Weightman	62.3%	37.7%	2018/19	92.9%[1]	7.1%[1]	2021/22	827,939
M Wilde	88.3%	11.7%	2018/19/20	100.0%[2]	-	2021/22/23	345,145
J Clark	88.3%	11.7%	2018/19/20	100.0%[2]	-	2021/22/23	350,933
R Percy	61.5%	38.5%	2018/19/20	100.0%[2]	-	2021/22/23	260,982

(1) Related to performance rights issued in 2016 and 2019
(2) Related to performance rights issued in 2016

8.3 EQUITY BASED COMPENSATION FOR THE CEO AND OTHER KMP

Details of the PRP are set out in part 5.2 of the remuneration report.

All Executive Directors and employees of Cromwell are considered for participation in the PRP subject to a minimum period of service and level of remuneration, which may be waived by the Committee. Grants to Executive Directors are subject to securityholder approval.

Consideration for granting performance rights, grant periods, vesting and exercise dates, exercise periods and exercise prices are determined by the Board or Committee in each case. Performance rights carry no voting rights. When exercised, each performance right is convertible into one stapled security.

The terms and conditions of each grant of performance rights under the PRP affecting remuneration for Key Management Personnel in the current or future reporting periods are included in the table below:

Grant date	Expiry date	Exercise price	No of performance rights granted	Assessed value per right at grant date
16-Feb-2018	1-Nov-2020	-	454,164	75.9¢
16-Feb-2018	1-Nov-2020	$0.50	2,136,616	28.8¢
07-Nov-2018	06-Nov-2021	-	386,581	80.8¢
07-Nov-2018	06-Nov-2021	$0.50	278,531	34.0¢
21-Dec-2018	06-Nov-2021	$0.50	1,846,581	35.4¢
21-Dec-2018	30-Sep-2020	-	899,297	72.2¢
21-Dec-2018	30-Sep-2021	-	1,606,038	87.6¢
04-Oct-2019	01-Oct-2020	-	344,118	106.3¢
04-Oct-2019	01-Oct-2020	$0.50	250,566	57.5¢
27-Mar-2020	01-Sep-2022	-	668,638	63.0¢
27-Mar-2020	01-Sep-2022	-	334,319	30.2¢

Details of changes during the 2020 year in performance rights on issue to Key Management Personnel under the PRP are set out below.

	Opening balance	Granted	Exercised	Forfeited	Lapsed	Closing balance
P Weightman	8,972,641	-	(2,788,525)[4]	(261,223)	-	5,922,893
M Wilde	535,022	527,732[1]	(130,158)[5]	-	-	932,596
J Clark	582,877	526,814[2]	(146,996)[6]	-	-	962,695
R Percy	969,131	543,095[3]	(386,364)[7]	-	-	1,125,862
	11,059,671	1,597,640	(3,452,043)	-	-	8,944,046

(1) The fair value at grant date was $368,248.
(2) The fair value at grant date was $367,273.
(3) The fair value at grant date was $296,285.
(4) The fair value at grant date was $613,476. The face value at exercise date was $1,868,312. Exercise price was fully paid.
(5) The fair value at grant date was $87,987. The face value at exercise date was $171,809. Exercise price was fully paid.
(6) The fair value at grant date was $99,369. The face value at exercise date was $194,035. Exercise price was fully paid.
(7) The fair value at grant date was $80,750. The face value at exercise date was $316,818. Exercise price was fully paid.

The assessed fair value at grant date of performance rights granted is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables in section 8.1 of the remuneration report.

A total of 3,366,613 performance rights were granted during 2020 (2019: 5,145,726) of which 1,597,640 (2019: 4,738,497) were issued to Key Management Personnel. No approval for the issue of these performance rights was obtained under ASX Listing Rule 10.14. The model inputs for performance rights granted during the 2020 year are disclosed in note 21.

Plan rules contain a restriction on removing the "at risk" aspect of the instruments granted to executives. Plan participants may not enter into any transaction designed to remove the "at risk" aspect of an instrument before it vests without explicit approval from the Board.

8.4 EMPLOYMENT CONTRACTS AND TERMINATION PROVISIONS

Paul Weightman (CEO)

Remuneration and other terms of employment for the Chief Executive Officer are formalised in an employment agreement. Cromwell may terminate the agreement without notice for gross misconduct; otherwise, Cromwell may terminate the agreement on six months' notice, or payment of entitlements for this period in lieu of notice. Mr Weightman may terminate the agreement at any time with six months' notice. Other major provisions of the agreement are as follows:

- Term of agreement – Commencing 1 July 2006, no fixed termination date.
- Base salary, exclusive of superannuation, of $1,500,000, to be reviewed annually by the Nomination and Remuneration Committee.
- Performance cash bonus of up to $900,000 with KPI targets to be reviewed annually by the Nomination and Remuneration Committee.
- Long term incentive of up to $1,500,000 by way of Performance Rights with vesting hurdles reviewed annually by the Nomination and Remuneration Committee.

All other executives

Remuneration and other terms of employment for other executives are contained under standard employment contracts. There are no termination payments due under the contracts other than statutory entitlements for accrued leave. Remuneration is reviewed annually.

Termination provisions

There are no fixed term conditions in executive employment contracts. Minimum termination periods for executives are outlined below and adhered to in all cases except in the case of serious breaches of the employment contract.

Notice period employee		Notice period Cromwell
Managing Director / CEO	6 months	6 months
All other key management personnel	6 months	6 months

8.5 SECURITYHOLDINGS

The number of stapled securities in Cromwell held during the year by key management personnel of Cromwell, including their personally related parties are as follows:

	Balance at 1 July	Performance rights exercised	Net purchases (sales)	Balance at 30 June
Non-executive directors:				
Mr L Blitz	-	-	550,000	550,000
Mr A Fay	646,155	-	26,086	672,241
Ms T Cox	-	-	90,000	90,000
Ms L Scenna	-	-	55,000	55,000
Ms J Tongs	297,321	-	82,586	379,907
Executive Management Group (EMG):				
Mr P Weightman	23,846,806	2,788,525	-	26,635,331
Mr M Wilde	324,536	130,158	(63,504)	391,190
Ms J Clark	350,936	146,996	-	497,932
Mr R Percy	596,357	386,364	-	982,721
	26,062,111	3,452,043	740,168	30,254,322

8.6 LOANS TO KEY MANAGEMENT PERSONNEL

Cromwell has provided loans to Mr Weightman, a Director of the Company, for the exercise of his employee options under Cromwell's Performance Rights Plan. Each loan term is three years, limited recourse and interest free. The outstanding balance at balance date was $2,736,980 (2019: $1,960,001).

8.7 OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Cromwell rents an apartment, located at 185 Macquarie Street, Sydney, which is owned by Mr Weightman, a Director of the Company. Total rent paid during 2020 was $96,200 (2019: $114,396). At balance date an amount of $8,017 (2019: $9,533) was payable. The payment of rent is on normal commercial terms and conditions and at market rates.

The lease expired on 30 June 2020 and has not been renewed by Cromwell.

End of Remuneration Report

Significant changes in the state of affairs

Changes in the state of affairs of Cromwell during the financial year are set out within the financial report. There were no significant changes in the state of affairs of Cromwell during the financial year other than as disclosed in this report and the accompanying financial report.

Subsequent events

Other than as disclosed in note 26, no matter or circumstance has arisen since 30 June 2020 that has significantly affected or may significantly affect:

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

Environmental regulation

The Directors are not aware of any particular and significant environmental regulation under a law of the Commonwealth, State or Territory relevant to Cromwell.

Trust Disclosures

ISSUED UNITS

Units issued in the Trust during the year are set out in note 12 in the accompanying financial report. There were 2,612,871,600 (2019: 2,236,642,691) issued units in the Trust at balance date.

VALUE OF SCHEME ASSETS

The total carrying value of the Trust's assets as at year end was $4,834.0 million (2019: 3,654.1 million). Net assets attributable to unitholders of the Trust were $2,494.7 million (2019: $2,183.8 million) equating to $0.96 per unit (2019: $0.99 per unit).

The Trust's assets are valued in accordance with policies stated in notes to the financial statements.

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE (AIFMD) REMUNERATION DISCLOSURE

The senior management and staff of Cromwell whose actions have a material impact on the risk profile of the Trust are considered to be the key management personnel identified in the Remuneration Report which is included in this Directors' Report.

The amount of the aggregate remuneration paid by Cromwell to those key management personnel in respect of the financial year ending 30 June 2020 was $8,446,481 (2019: $6,964,904). This amount is comprised of fixed remuneration of $4,469,887 and variable remuneration of $3,976,594 (2019: $4,234,369 and $2,730,535 respectively).

This remuneration disclosure is being made to satisfy Cromwell Property Securities Limited's obligations under AIFMD. References to "remuneration", "staff" and "senior management" should be construed accordingly.

Indemnifying officers or auditor

Subject to the following, no indemnity or insurance premium was paid during the financial year for a person who is or has been an officer of Cromwell. The constitution of the Company provides that to the extent permitted by law, a person who is or has been an officer of the Company is indemnified against certain liabilities and costs incurred by them in their capacity as an officer of the Company.

Further, the Company has entered into a Deed of access, insurance and indemnity with each of the Directors and the company secretary. Under the deed, the Company agrees to, amongst other things:

- indemnify the officer to the extent permitted by law against certain liabilities and legal costs incurred by the officer as an officer of the Company and its subsidiaries;
- maintain and pay the premium on an insurance policy in respect of the officer; and
- provide the officer with access to board papers and other documents provided or available to the officer as an officer of the Company and its subsidiaries.

Cromwell has paid premiums for directors' and officers' liability insurance with respect to the Directors, company secretary and senior management as permitted under the *Corporations Act 2001* (Cth). The terms of the policy prohibit disclosure of the nature of the liabilities covered and the premiums payable under the policy. No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the Company or any of its controlled entities.

Rounding of amounts

Cromwell is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument amounts in the Directors' report have been rounded off to the nearest one hundred thousand dollars, or in certain cases to the nearest dollar, unless otherwise indicated.

Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the *Corporations Act 2001* (Cth).

The Company may decide to employ Deloitte Touche Tohmatsu on assignments additional to their statutory duties where the auditor's expertise and experience with the Company and/or Cromwell are important.

The Directors have considered the position and, in accordance with advice received from the Audit & Risk Committee, are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth). The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* (Cth) as none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants* and all non-audit services have been reviewed by the Audit & Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor.

Details of the amounts paid or payable to the auditor and its related parties for non-audit services provided to Cromwell are set out below:

	2020 $	2019 $
Non-audit services		
Due diligence services	**111,801**	208,050
Tax compliance services – Australia	**34,436**	30,800
Tax compliance and other services - overseas	**44,261**	181,300
Total remuneration for non-audit services	**190,478**	420,150

During the year, Deloitte, as auditor, received remuneration for audit and other services relating to other entities for which Cromwell EREIT Management Pte. Ltd and Cromwell Investment Services Limited, both controlled entities, act as responsible entity. The remuneration was disclosed in the relevant entity's financial reports and totalled $1,272,200 (2019: $1,542,700).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) accompanies this report.

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

PL Weightman
Director

Dated this 26th day of August 2020

Deloitte.

Deloitte Touche Tohmatsu
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Board of Directors
Cromwell Corporation Limited and
Cromwell Property Securities Limited
(as responsible entity for Cromwell Diversified Property Trust)
Level 19, 200 Mary Street
Brisbane QLD 4000

26 August 2020

Dear Directors

Auditor's Independence Declaration

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Board of Directors of Cromwell Corporation Limited and Cromwell Property Securities Limited as responsible entity for Cromwell Diversified Property Trust.

As lead audit partner for the audit of the financial report of Cromwell Property Group (the stapled entity which comprises Cromwell Corporation Limited, Cromwell Diversified Property Trust and the entities they controlled at the end of the year or from time to time during the year) and Cromwell Diversified Property Trust for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

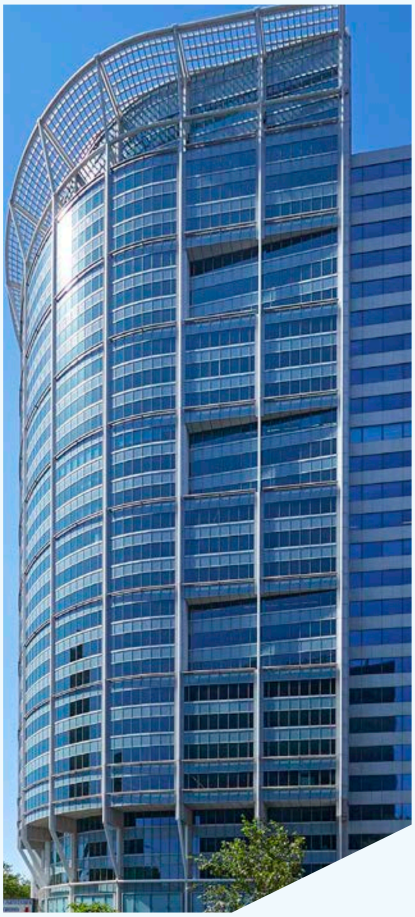
Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Rodgers
Partner
Chartered Accountants

FINANCIAL STATEMENTS



Consolidated Statements of Profit or Loss

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Cromwell 2020 $M	Cromwell 2019 $M	Trust 2020 $M	Trust 2019 $M
Continuing operations					
Revenue					
Rental income and recoverable outgoings		**253.8**	198.5	**253.2**	197.8
Funds management fees		**122.1**	99.2	**–**	–
Development sales and fees		**32.0**	9.5	**–**	–
Interest		**5.8**	4.8	**9.0**	8.5
Distributions		**2.0**	2.5	**–**	–
Other revenue		**0.3**	0.1	**0.2**	0.1
Total revenue	5(a)	**416.0**	314.6	**262.4**	206.4
Other income					
Fair value net gains from:					
Investment properties	7(d)	**17.5**	86.4	**17.5**	86.4
Derivative financial instruments		**18.4**	–	**18.4**	–
Share of profit of equity accounted investments	8(f),(g)	**39.5**	55.6	**32.4**	51.4
Net foreign currency gains		**–**	–	**–**	2.0
Gain on sale of investment property	7(g)	**3.3**	0.7	**3.3**	0.7
Total revenue and other income		**494.7**	457.3	**334.0**	346.9
Expenses					
Property expenses and outgoings		**57.2**	34.0	**64.9**	39.1
Funds management costs		**8.7**	2.0	**–**	–
Property development costs		**–**	5.9	**–**	–
Finance costs	10(d)	**71.4**	68.1	**69.5**	67.8
Employee benefits expense	23(a)	**90.2**	71.4	**–**	–
Administration and overhead costs		**36.5**	43.7	**24.3**	16.5
Amortisation and depreciation		**7.4**	2.4	**–**	–
Fair value net loss from:					
Derivative financial instruments		**–**	10.5	**–**	10.5
Investments at fair value through profit or loss		**4.3**	9.2	**–**	–
Other transaction costs		**23.4**	2.9	**19.0**	1.8
Loss on disposal of other assets		**3.6**	0.3	**3.4**	–
Costs in relation to asset classified as held for sale	8(f),(g)	**–**	35.3	**–**	35.3
Decrease in recoverable amounts		**4.3**	0.4	**–**	–
Net foreign currency losses		**2.8**	3.0	**4.2**	–
Total expenses		**309.8**	289.1	**185.3**	171.0
Profit before income tax		**184.9**	168.2	**148.7**	175.9
Income tax expense/(benefit)	6(c)	**3.8**	8.3	**(5.1)**	12.5
Profit for the year from continuing operations		**181.1**	159.9	**153.8**	163.4
Profit/(loss) for the year is attributable to:					
Company shareholders		**29.1**	(2.9)	**–**	–
Trust unitholders		**152.0**	162.8	**152.0**	162.8
Non-controlling interests		**–**	–	**1.8**	0.6
Profit for the year from continuing operations		**181.1**	159.9	**153.8**	163.4
Earnings per security					
Basic earnings per company share/trust unit (cents)	4(c)	**1.12¢**	(0.15¢)	**5.91¢**	7.71¢
Diluted earnings per company share/trust unit (cents)	4(c)	**1.12¢**	(0.15¢)	**5.89¢**	7.67¢
Basic earnings per stapled security (cents)	4(d)	**6.96¢**	7.53¢		
Diluted earnings per stapled security (cents)	4(d)	**6.94¢**	7.50¢		

The above consolidated statements of profit or loss should be read in conjunction with the accompanying notes.

Consolidated Statements of Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2020

	Cromwell		Trust	
	2020 $M	2019 $M	**2020 $M**	2019 $M
Profit for the year	**181.1**	159.9	**153.8**	163.4
Other comprehensive income				
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations	**(3.5)**	34.3	**0.6**	31.8
Income tax relating to this item	**–**	–	**–**	–
Other comprehensive income, net of tax	**(3.5)**	34.3	**0.6**	31.8
Total comprehensive income	**177.6**	194.2	**154.4**	195.2
Total comprehensive income is attributable to:				
Company shareholders	**25.0**	(0.4)	**–**	–
Trust unitholders	**152.6**	194.6	**152.6**	194.6
Non-controlling interests	**–**	–	**1.8**	0.6
Total comprehensive income	**177.6**	194.2	**154.4**	195.2

The above consolidated statements of other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheets

AS AT 30 JUNE 2020

		Cromwell		Trust	
	Notes	2020 $M	2019 $M	2020 $M	2019 $M
Current assets					
Cash and cash equivalents		**194.1**	101.6	**117.8**	47.7
Receivables	18(c)	**50.3**	72.9	**30.9**	182.7
Inventories		**15.4**	15.6	**–**	–
Current tax assets		**1.6**	0.9	**0.7**	–
Other current assets		**8.7**	8.0	**3.0**	1.9
		270.1	199.0	**152.4**	232.3
Investment properties classified as held for sale	7(b)	**44.0**	–	**44.0**	–
Equity accounted investments classified as held for sale	8(a)	**49.8**	150.4	**47.3**	148.4
Total current assets		**363.9**	349.4	**243.7**	380.7
Non-current assets					
Investment properties	7(b)	**3,708.3**	2,520.9	**3,708.3**	2,520.9
Equity accounted investments	8(a)	**668.2**	664.1	**633.7**	626.3
Investments at fair value through profit or loss	9(a)	**12.9**	22.6	**–**	0.8
Receivables	18(c)	**201.0**	121.3	**246.7**	125.4
Intangible assets	19(a)	**7.6**	4.5	**–**	–
Property, plant and equipment		**20.3**	5.9	**–**	–
Deferred tax assets	6(e)	**8.3**	7.0	**1.6**	–
Total non-current assets		**4,626.6**	3,346.3	**4,590.3**	3,273.4
Total assets		**4,990.5**	3,695.7	**4,834.0**	3,654.1
Current liabilities					
Trade and other payables	18(d)	**111.1**	60.3	**85.6**	31.8
Dividends/distributions payable		**49.0**	40.5	**49.0**	40.5
Interest bearing liabilities	10(a)	**3.7**	88.0	**0.4**	88.0
Derivative financial instruments	11(a)	**13.1**	32.4	**13.1**	32.4
Provisions		**6.8**	5.6	**–**	–
Current tax liability		**4.9**	0.7	**–**	0.4
Unearned income		**13.9**	6.9	**13.6**	6.9
Total current liabilities		**202.5**	234.4	**161.7**	200.0
Non-current liabilities					
Interest bearing liabilities	10(a)	**2,187.5**	1,268.4	**2,168.2**	1,261.0
Derivative financial instruments	11(a)	**6.2**	4.7	**6.2**	4.7
Provisions		**0.8**	0.5	**–**	–
Deferred tax liabilities	6(e)	**4.5**	4.7	**3.2**	4.6
Total non-current liabilities		**2,199.0**	1,278.3	**2,177.6**	1,270.3
Total liabilities		**2,401.5**	1,512.7	**2,339.3**	1,470.3
Net assets		**2,589.0**	2,183.0	**2,494.7**	2,183.8
Equity					
Contributed equity	12(a)	**207.1**	138.4	**2,071.4**	1,719.0
Reserves	13(a)	**28.1**	29.4	**30.0**	29.4
Retained earnings/(accumulated losses)		**(170.6)**	(199.7)	**385.0**	428.5
Equity attributable to shareholders/unitholders		**64.6**	(31.9)	**2,486.4**	2,176.9
Non-controlling interests					
Trust unitholders		**2,524.4**	2,214.9	**–**	–
Non-controlling interests		–	–	**8.3**	6.9
Total equity		**2,589.0**	2,183.0	**2,494.7**	2,183.8

The above consolidated balance sheets should be read in conjunction with the accompanying notes.

Consolidated Statements of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2020

Cromwell

2020	Notes	Attributable to Equity Holders of the Company: Contributed equity $M	Other reserves $M	Accumulated losses $M	Total $M	Non-controlling interests (Trust) $M	Total equity $M
Balance at 1 July 2019		138.4	29.4	(199.7)	(31.9)	2,214.9	2,183.0
Profit for the year		–	–	29.1	29.1	152.0	181.1
Other comprehensive income		–	(4.1)	–	(4.1)	0.6	(3.5)
Total comprehensive income		–	(4.1)	29.1	25.0	152.6	177.6
Transactions with equity holders in their capacity as equity holders:							
Contributions of equity, net of equity issue costs	12(c)	68.7	–	–	68.7	352.4	421.1
Dividends / distributions paid / payable	3(b)	–	–	–	–	(195.5)	(195.5)
Employee performance rights		–	2.8	–	2.8	–	2.8
Total transactions with equity holders		68.7	2.8	–	71.5	156.9	228.4
Balance as at 30 June 2020		207.1	28.1	(170.6)	64.6	2,524.4	2,589.0

2019	Notes	Attributable to Equity Holders of the Company: Contributed equity $M	Other reserves $M	Accumulated losses $M	Total $M	Non-controlling interests (Trust) $M	Total equity $M
Balance at 1 July 2018		118.9	24.3	(196.8)	(53.6)	1,955.1	1,901.5
Profit / (loss) for the year		–	–	(2.9)	(2.9)	162.8	159.9
Other comprehensive income		–	2.5	–	2.5	31.8	34.3
Total comprehensive income		–	2.5	(2.9)	(0.4)	194.6	194.2
Transactions with equity holders in their capacity as equity holders:							
Contributions of equity, net of equity issue costs	12(c)	19.5	–	–	19.5	222.7	242.2
Dividends / distributions paid / payable	3(b)	–	–	–	–	(157.5)	(157.5)
Employee performance rights		–	2.6	–	2.6	–	2.6
Total transactions with equity holders		19.5	2.6	–	22.1	65.2	87.3
Balance as at 30 June 2019		138.4	29.4	(199.7)	(31.9)	2,214.9	2,183.0

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

Consolidated Statements of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2020

Trust		Attributable to Equity Holders of the CDPT					
2020	**Notes**	**Contributed equity $M**	**Other reserves $M**	**Retained earnings $M**	**Total $M**	**Non-controlling interests $M**	**Total equity $M**
Balance at 1 July 2019		1,719.0	29.4	428.5	2,176.9	6.9	2,183.8
Profit for the year		–	–	152.0	152.0	1.8	153.8
Other comprehensive income		–	0.6	–	0.6	–	0.6
Total comprehensive income		–	0.6	152.0	152.6	1.8	154.4
Transactions with equity holders in their capacity as equity holders:							
Contributions of equity, net of equity issue costs	12(c)	352.4	–	–	352.4	–	352.4
Distributions paid / payable	3(b)	–	–	(195.5)	(195.5)	(0.4)	(195.9)
Total transactions with equity holders		352.4	–	(195.5)	156.9	(0.4)	156.5
Balance as at 30 June 2020		2,071.4	30.0	385.0	2,486.4	8.3	2,494.7

		Attributable to Equity Holders of the CDPT					
2019	**Notes**	**Contributed equity $M**	**Other reserves $M**	**Accumulated losses $M**	**Total $M**	**Non-controlling interests $M**	**Total equity $M**
Balance at 1 July 2018		1,496.3	(2.4)	423.2	1,917.1	6.3	1,923.4
Profit for the year		–	–	162.8	162.8	0.6	163.4
Other comprehensive income		–	31.8	–	31.8	–	31.8
Total comprehensive income		–	31.8	162.8	194.6	0.6	195.2
Transactions with equity holders in their capacity as equity holders:							
Contributions of equity, net of equity issue costs	12(c)	222.7	–	–	222.7	–	222.7
Distributions paid / payable	3(b)	–	–	(157.5)	(157.5)	–	(157.5)
Total transactions with equity holders		222.7	–	(157.5)	65.2	–	65.2
Balance as at 30 June 2019		1,719.0	29.4	428.5	2,176.9	6.9	2,183.8

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

Consolidated Statements of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2020

	Note	Cromwell 2020 $M	Cromwell 2019 $M	Trust 2020 $M	Trust 2019 $M
Cash flows from operating activities					
Receipts in the course of operations		**375.4**	331.3	**275.8**	227.6
Payments in the course of operations		**(170.0)**	(200.8)	**(87.3)**	(72.2)
Interest received		**5.2**	4.3	**14.9**	8.1
Distributions received		**57.6**	47.7	**55.6**	42.7
Finance costs paid		**(59.9)**	(47.3)	**(59.7)**	(47.2)
Income tax paid		**(7.1)**	(0.2)	**(4.1)**	(0.2)
Net cash provided by operating activities	20(c)	**201.2**	135.0	**195.2**	158.8
Cash flows from investing activities					
Proceeds from sale of investment properties		**155.0**	0.9	**155.0**	0.9
Payments for investment properties		**(1,306.0)**	(40.2)	**(1,306.0)**	(40.2)
Proceeds from sale of equity accounted investments		**169.8**	–	**149.0**	–
Payments for equity accounted investments		**(50.2)**	(129.3)	**(50.1)**	(137.2)
Proceeds from sale of investments at fair value through profit or loss		**3.5**	2.5	**–**	0.5
Payments for investments at fair value through profit or loss		**–**	(0.9)	**–**	–
Receipt of capital return distributions from investments at fair value through profit or loss		**1.0**	–	**–**	–
Payments for intangible assets		**(5.5)**	(3.3)	**–**	–
Proceeds from the sale of property, plant and equipment		**–**	0.1	**–**	–
Payments for property, plant and equipment		**(1.1)**	(4.2)	**–**	–
Repayment of loans to related entities and directors		**57.1**	5.0	**100.7**	11.8
Loans to related entities and directors		**(134.1)**	(65.3)	**(113.4)**	(48.3)
Payments for other transaction costs		**(23.4)**	(2.9)	**(19.0)**	(1.8)
Net cash used in investing activities		**(1,133.9)**	(237.6)	**(1,083.8)**	(214.3)
Cash flows from financing activities					
Proceeds from interest bearing liabilities		**2,050.4**	178.5	**2,050.4**	171.0
Repayment of interest bearing liabilities		**(1,243.8)**	(250.7)	**(1,243.8)**	(250.7)
Payment of loan transaction costs		**(4.5)**	(4.4)	**(4.5)**	(4.4)
Payments for settlement of derivative financial instruments		**–**	(12.3)	**–**	(12.3)
Proceeds from issue of stapled securities		**408.1**	229.2	**343.3**	209.7
Payment of equity issue transaction costs		**(9.4)**	(4.0)	**(8.3)**	(4.0)
Payment of dividends/distributions		**(166.0)**	(141.3)	**(169.6)**	(141.3)
Net cash provided by/(used in) financing activities		**1,034.8**	(5.0)	**967.5**	(32.0)
Net increase/(decrease) in cash and cash equivalents		**102.1**	(107.6)	**78.9**	(87.5)
Cash and cash equivalents at 1 July		**101.6**	204.6	**47.7**	137.6
Effects of exchange rate changes on cash and cash equivalents		**(9.6)**	4.6	**(8.8)**	(2.4)
Cash and cash equivalents at 30 June		**194.1**	101.6	**117.8**	47.7

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2020

Table of Contents

Cromwell's annual financial report has been prepared in a format designed to provide users of the financial report with a clearer understanding of relevant balances and transactions that drive Cromwell's financial performance and financial position free of immaterial and superfluous information. Plain English is used in commentary or explanatory sections of the notes to the financial statements to also improve readability of the financial report. Additionally, amounts in the consolidated financial statements have now been rounded off to the nearest one hundred thousand dollars, unless otherwise indicated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

The notes have been organised into the following six sections for reduced complexity and ease of navigation:

About This Report

This section provides an overview of Cromwell's accounting policies that relate to the preparation of the financial report as a whole and do not relate to specific items. Accounting policies for specific items in the Consolidated balance sheets or Consolidated statements of profit or loss have been included in the relevant note.

1. Basis of preparation

Cromwell Property Group ("Cromwell") was formed by the stapling of Cromwell Corporation Limited ("the Company") and its controlled entities, and Cromwell Diversified Property Trust ("CDPT") and its controlled entities ("the Trust"). The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* (Cth). The Financial Reports of Cromwell and the Trust have been presented jointly in accordance with ASIC Corporations (Stapled Group Reports) Instrument 2015/838 relating to combining accounts under stapling and for the purpose of fulfilling the requirements of the Australian Securities Exchange. Cromwell and the Trust are for-profit entities for the purpose of preparing the financial statements.

This financial report has been prepared on a going concern basis. The Group's and Trust's current assets exceed current liabilities by $161.4 million and $82.0 million respectively at 30 June 2020 (30 June 2019: $115.0 million and $180.7 million). In addition, at 30 June 2020, the Group and Trust had available a total of $472.9 million of undrawn but committed bank debt facilities (2019: $780.7 million) and $194.1 million and $117.8 million of cash (2019: $101.6 million and $47.7 million).

COMPLIANCE WITH IFRS

The financial report complies with the International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board.

HISTORICAL COST CONVENTION

The financial report is prepared on the historical cost basis except for the following:

- investment properties are measured at fair value;
- derivative financial instruments are measured at fair value;
- investments at fair value through profit or loss are measured at fair value; and,
- receivables at fair value through profit or loss are measured at fair value.

ROUNDING OF AMOUNTS

Cromwell is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument amounts in the Directors' report and financial report have been rounded off to the nearest one hundred thousand dollars, or in certain cases to the nearest dollar, unless otherwise indicated.

COMPARATIVES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

a) Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical or professional experience and other factors such as expectations about future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas that involved a higher degree of judgement or complexity and may need material adjustment if estimates and assumptions made in preparation of these financial statements are incorrect are:

Area of estimation	Note
Revenue	5
Fair value of investment property	7
Equity accounted investments	8
Fair value of financial instruments	14

b) Impacts of COVID-19 upon financial statement preparation

COVID-19, a respiratory illness, was declared a world-wide pandemic by the World Health Organisation in March 2020. Immediately following the global outbreak of COVID-19, Cromwell enacted its Business Continuity Plan ("BCP") and transitioned its global workforce to remote work arrangements with many of Cromwell's tenants, clients, suppliers and banking counterparties also enacting similar arrangements. These actions, coupled with Cromwell's prior investment in systems, processes and people has ensured there has been no material interruption to the operation of any of Cromwell's business segments due to COVID-19.

However, COVID-19 itself, as well as measures to slow the spread of the virus, have had a significant impact on global economies and equity, debt and other financial markets. Cromwell has considered the impact of COVID-19 and other market volatility in preparing these financial statements. Whilst the specific areas of judgement noted previously did not change, the impact of COVID-19 has resulted in the wider application of judgement within those identified areas. Given the dynamic and evolving nature of the COVID-19 pandemic, limited recent experience of the economic and financial impacts of such a pandemic, and the short duration between the declaration of the pandemic and the preparation of the annual report, changes to the estimates and outcomes that have been applied in the measurement of Cromwell's assets and liabilities may arise in the future. It should be noted that against a background of relative uncertainty surrounding how COVID-19 and its social and economic consequences will unfold, these estimates represent the Directors' views as they existed at 30 June 2020.

Key items and related disclosures that have been impacted by COVID-19 were as follows:

- Rental income and recoverable outgoings – notwithstanding Cromwell's and Trust's tenant population being heavily skewed towards government, ASX-listed entities and other robust tenants (see note 2(g)), given recent rental market volatility, management engaged with all tenants in Australia and Poland in order to achieve the best possible commercial outcomes for all parties. This process resulted in tenants (168) being provided with appropriate rent relief in the form of rental waivers ($6.2 million) and deferred payment plans (resulting in the deferred collection of $7.7 million for periods ranging from 3 months to 24 months), coupled with lease extensions (amortisation cost $0.8 million to 30 June 2020). For further information refer to note 5.
- Investment properties - management reviewed the appropriateness of inputs into investment property valuations. This process included a comprehensive review and update of relevant cash flow information taking into account the impacts of COVID-19. Other than those properties classified as being held for sale and 475 Victoria Avenue, NSW, all investment properties were externally valued at 30 June 2020. Disclosures with respect to Cromwell's investment properties are provided in note 7.
- Interest in associates and joint ventures and investments in subsidiaries - Cromwell's investments in associates and joint ventures were assessed for indicators of impairment. Where indicators of impairment were identified Cromwell tested the carrying amount by comparing the investment's recoverable amount with its carrying value. No investments were found to be impaired. Disclosures with respect to Cromwell's equity accounted interests is provided in note 8.
- Receivable, loan assets, and amounts due from subsidiaries - in response to COVID-19 management has undertaken a review of its relevant tenant receivable and loan asset portfolios, loans to subsidiaries and other financial asset exposures. This process involved a thorough examination of all receivable balances to assess the extent of expected credit losses that should be recognised. Relevant risk management disclosures are included in note 14.

c) Basis of consolidation

Stapling

The stapling of the Company and CDPT was approved at separate meetings of the respective shareholders and unitholders on 6 December 2006. Following approval of the stapling, shares in the Company and units in the Trust were stapled to one another and are quoted as a single security on the Australian Securities Exchange.

Australian Accounting Standards require an acquirer to be identified and an in-substance acquisition to be recognised. In relation to the stapling of the Company and CDPT, the Company is identified as having acquired control over the assets of CDPT.

The Trust's contributed equity and retained earnings/accumulated losses are shown as a non-controlling interest in this Financial Report in accordance with AASB 3 *Business Combinations*. Even though the interests of the equity holders of the identified acquiree (the Trust) are treated as non-controlling interests the equity holders of the acquiree are also equity holders in the acquirer (the Company) by virtue of the stapling arrangement.

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries as at 30 June 2020 and the results of all subsidiaries for the year then ended. Subsidiaries are entities controlled by Cromwell. Control exists when Cromwell is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for the business combinations by Cromwell Inter-entity transactions, balances and unrealised gains on transactions between Cromwell entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by Cromwell.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Statement of comprehensive income and the Balance sheet respectively.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the Company. A list of subsidiaries is included in note 16 to the consolidated financial statements.

d) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of Cromwell's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Australian dollars, which is the Company's and the Trust's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income, except when they are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the Statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit or loss on a net basis. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Foreign operations

Subsidiaries, joint arrangements and associates that have functional currencies different from the presentation currency translate their Statement of profit or loss items using the average exchange rate for the year. Assets and liabilities are translated using exchange rates prevailing at balance date. Exchange variations resulting from the retranslation at closing rate of the net investment in foreign operations, together with their differences between their Statement of profit or loss items translated at average rates and closing rates, are recognised in the foreign currency translation reserve. For the purpose of foreign currency translation, the net investment in a foreign operation is determined inclusive of foreign currency intercompany balances. The balance of the foreign currency translation reserve relating to a foreign operation that is disposed of, or partially disposed of, is recognised in the Statement of comprehensive income at the time of disposal.

The following spot and average rates were used:

	Spot rate		Average rate	
	2020	2019	**2020**	2019
Euro	**0.61**	0.62	**0.61**	0.63
Singaporean Dollar	**0.96**	0.95	**0.93**	0.98
Polish Złoty	**0.37**	–	**0.37**	–
New Zealand Dollar	**1.07**	1.05	**1.05**	1.07

e) Impairment of assets

At each reporting date, and whenever events or changes in circumstances occur, Cromwell assesses whether there is any indication that any relevant asset may be impaired. Where an indicator of impairment exists, Cromwell makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Assets other than goodwill that have been previously impaired are reviewed for possible reversal of the impairment at each reporting date.

f) Inventories

Inventories relate to land and property developments that are held for sale in the normal course of business. Inventories are carried at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

g) New accounting standards and interpretations adopted by Cromwell and the Trust

Cromwell and the Trust have adopted all applicable new Australian accounting standards and interpretations. Hence, the accounting standards detailed below are now applicable for the first time for the year ended 30 June 2020:

	Application date of the Standard	Application date to Cromwell – period commencing
AASB 16 *Leases*[1]	1 Jan 2019	1 Jul 2019
AASB *Interpretation 23 Uncertainty over Income Tax Treatments*[2]	1 Jan 2019	1 Jul 2019

(1) For further information see note 17.
(2) For further information see note 6.

There are currently no relevant accounting standards and interpretations that have been issued or amended but are not yet effective and have not been adopted by Cromwell or the Trust.

Results

This section of the annual financial report provides further information on Cromwell's and the Trust's financial performance, including the performance of each of Cromwell's three segments, details of quarterly distributions, the earnings per security calculation as well as details about Cromwell's income tax items.

2. Operating segment information

(A) OVERVIEW

Operating segments are distinct business activities from which an entity earns revenues and incurs expenses and the results of which are regularly reviewed by the chief operating decision maker (CODM). Cromwell has three operating segments which are regularly reviewed by the Chief Executive Officer (CEO), Cromwell's CODM, in order to make decisions about resource allocation and to assess the performance of Cromwell. Segment profit / (loss), also referred to as operating profit, is considered to reflect the underlying earnings of Cromwell and is a key metric taken into account in determining distributions for Cromwell.

Operating segments below are reported in a manner consistent with the internal reporting provided to the CEO.

Cromwell's operating segments:	Business activity
Direct property investment	The ownership of investment properties located throughout Australia. This includes investment properties held by the Trust.
Indirect property investment	Cromwell's investment in the Polish investment property portfolio and equity accounted investments in CEREIT and other European collective investment vehicles.
Funds and asset management	Funds management represents activities in relation to the establishment and management of external funds for retail investors and wholesale funds. Asset management includes property and facility management, leasing and project management. At 30 June 2020, Cromwell managed a number of external retail funds with combined assets under management of $2.2 billion (30 June 2019: $2.3 billion) and external wholesale funds in Cromwell's European business, with combined assets under management of $6.0 billion (30 June 2019: $6.1 billion).

(B) ACCOUNTING POLICY

Segment allocation

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage.

Segment revenues, expenses and results include transactions between segments. Such transactions are priced on an "arms-length" basis and are eliminated on consolidation.

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

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is a measure of financial performance and is used as an alternative to operating profit or statutory profit.

Segment profit / (loss)

Segment profit / (loss), internally referred to as operating profit, is based on income and expenses excluding adjustments for unrealised fair value adjustments and write downs, gains or losses on all sale of investment properties and certain other non-cash income and expense items.

(C) SEGMENT RESULTS

The table below shows segment results as presented to the CEO in his capacity as CODM. For further commentary on individual segment results refer to the Directors' Report:

2020	Direct property investment $M	Indirect property investment $M	Funds and asset management $M	Cromwell $M
Segment revenue				
Rental income and recoverable outgoings	228.9	40.9	–	269.8
Operating profit of equity accounted investments	–	51.4	2.9	54.3
Development sales and fees	32.0	–	–	32.0
Funds and asset management fees	–	–	132.9	132.9
Distributions	–	2.0	–	2.0
Total segment revenue	260.9	94.3	135.8	491.0
Segment expenses				
Property expenses	45.2	17.4	–	62.6
Funds and asset management direct costs	–	3.4	80.8	84.2
Other expenses	1.2	5.1	10.6	16.9
Total segment expenses	46.4	25.9	91.4	163.7
EBITDA	214.5	68.4	44.4	327.3
Finance costs	42.3	12.5	3.6	58.4
Segment profit after finance costs	172.2	55.9	40.8	268.9
Unallocated items				
Finance income				5.8
Corporate costs[1]				(39.2)
Income tax expense				(14.3)
Segment profit				221.2

(1) Includes non-segment specific corporate costs pertaining to Group level functions such as finance and tax, legal, risk and compliance, corporate secretarial and marketing and other corporate services.

2019	Direct property investment $M	Indirect property investment $M	Funds and asset management $M	Cromwell $M
Segment revenue				
Rental income and recoverable outgoings	208.0	–	–	208.0
Operating profit of equity accounted investments	–	51.8	2.2	54.0
Development sales and fees	9.5	–	–	9.5
Funds and asset management fees	–	–	105.4	105.4
Distributions	–	2.5	–	2.5
Total segment revenue	217.5	54.3	107.6	379.4
Segment expenses				
Property expenses	38.1	–	–	38.1
Development costs	5.9	–	–	5.9
Funds and asset management direct costs	–	–	60.7	60.7
Other expenses	1.2	3.4	12.5	17.1
Total segment expenses	45.2	3.4	73.2	121.8
EBITDA	172.3	50.9	34.4	257.6
Finance costs	36.2	5.5	5.9	47.6
Segment profit after finance costs	136.1	45.4	28.5	210.0
Unallocated items				
Finance income				4.8
Corporate costs[1]				(39.6)
Income tax expense				(1.0)
Segment profit				174.2

(1) Includes non-segment specific corporate costs pertaining to Group level functions such as finance and tax, legal, risk and compliance, corporate secretarial and marketing and other corporate services.

A reconciliation of total segment profit to statutory profit as per Consolidated Statement of Profit or Loss is provided in section (d) below:

(D) RECONCILIATION OF SEGMENT PROFIT TO STATUTORY PROFIT

	Cromwell	
	2020 $M	2019 $M
Segment profit	**221.2**	174.2
Reconciliation to profit for the year		
Gain on sale of investment properties	**3.3**	0.7
Loss on disposal of other assets	**(3.6)**	(0.3)
Other transaction costs	**(23.4)**	(2.9)
Operating lease costs	**3.1**	–
Fair value net gain/(losses):		
Investment properties	**17.5**	86.4
Derivative financial instruments	**18.4**	(10.5)
Investments at fair value through profit or loss	**(4.3)**	(9.2)
Non-cash property investment income/(expense):		
Straight-line lease income	**9.7**	9.3
Lease incentive amortisation	**(25.7)**	(18.8)
Lease cost amortisation	**(3.5)**	(2.0)
Other non-cash expenses or non-recurring items		
Amortisation of loan transaction costs	**(10.0)**	(7.8)
Finance costs attributable to discounted lease incentives	**(0.8)**	–
Net exchange loss on foreign currency borrowings	**(1.8)**	(12.7)
Costs in relation to asset classified as held for sale	**–**	(35.3)
Decrease in recoverable amounts	**(4.3)**	(0.4)
Amortisation and depreciation[1]	**(7.4)**	(2.4)
Relating to equity accounted investments[2]	**(14.8)**	1.6
Net foreign exchange losses	**(3.0)**	(3.0)
Restructure costs	**–**	0.3
Net tax losses utilised[3]	**10.5**	(7.3)
Profit for the year	**181.1**	159.9

(1) Comprises depreciation of plant and equipment and right of use assets and amortisation of intangible assets.
(2) Comprises fair value adjustments included in share of profit of equity accounted entities.
(3) Comprises tax expense attributable to changes in deferred tax assets recognised as a result of carried forward tax losses.

(E) RECONCILIATION OF TOTAL SEGMENT REVENUE TO TOTAL REVENUE AND OTHER INCOME

Total segment revenue reconciles to total revenue and other income as shown in the consolidated Statement of profit or loss as follows:

	2020 $M	2019 $M
Total segment revenue	**491.0**	379.4
Reconciliation to total revenue and other income:		
Inter-segmental management fee revenue	**7.9**	(6.1)
Straight-line lease income	**9.7**	9.3
Lease incentive amortisation	**(25.7)**	(18.8)
Gain on sale of investment properties	**3.3**	0.7
Fair value net gain from investment properties	**17.5**	86.4
Operating profit from equity accounted investments	**(14.8)**	1.6
Interest revenue	**5.8**	4.8
Total revenue and other income	**494.7**	457.3

(F) SEGMENT ASSETS AND LIABILITIES

2020	Direct property investment $M	Indirect property investment $M	Funds and asset management $M	Cromwell $M
Segment assets	3,277.9	1,523.4	189.2	4,990.5
Segment liabilities	1,604.0	731.4	66.1	2,401.5
Segment net assets	1,673.9	792.0	123.1	2,589.0
Other segment information				
Equity accounted investments	6.7	692.7	18.6	718.0
Acquisition / (disposal) of non-current segment asset [1]:				
Investments in associates	–	65.4	3.0	68.4
Investments at fair value through profit or loss	–	–	(3.8)	(3.8)
Intangible assets	–	0.3	2.8	3.1

(1) For additions to investment property, forming part of the Direct property investment segment, refer to Note 7.

2019	Direct property investment $M	Indirect property investment $M	Funds and asset management $M	Cromwell $M
Segment assets	2,709.5	800.1	186.1	3,695.7
Segment liabilities	980.7	436.6	95.4	1,512.7
Segment net assets	1,728.8	363.5	90.7	2,183.0
Other segment information				
Equity accounted investments	150.4	641.4	22.7	814.5
Acquisition of non-current segment assets[1]:				
Investments in associates	3.0	148.7	–	151.7
Investments at fair value through profit or loss	–	–	(7.9)	(7.9)
Intangible assets	–	0.3	1.9	2.2

(1) For additions to investment property, forming part of the Direct property investment segment, refer to Note 7.

(G) OTHER SEGMENT INFORMATION

Geographic information

Cromwell has operations in four distinct geographical markets. These are Australia through the Cromwell Property Group and the Australian funds it manages, United Kingdom and Europe through its European business (including the property portfolio in Poland), Asia through its investment in the Singapore-listed CEREIT and New Zealand through its Oyster Property Funds Limited joint venture.

Non-current assets for the purpose of the disclosure below include investment property, equity accounted investments and investments at fair value through profit or loss.

	Revenue from external customers		Non-current operating assets	
	2020	2019	**2020**	2019
	$M	$M	**$M**	$M
Geographic location				
Australia	**335.5**	357.3	**3,181.3**	2,667.7
United Kingdom and Europe	**142.1**	9.4	**783.8**	24.0
Asia	**11.0**	11.2	**646.3**	641.4
New Zealand	**2.4**	1.5	**15.2**	13.2
Total	**491.0**	379.4	**4,626.6**	3,346.3

Major customers

Major customers of Cromwell that account for more than 10% of Cromwell's segmental revenue are listed below. All of these customers form part of the Direct property investment segment.

	2020 $M	2019 $M
Major customer		
Commonwealth of Australia	**44.9**	36.3
Qantas Airways Limited	**31.8**	31.7
New South Wales State Government	**29.3**	30.0
Total income from major customers	**106.0**	98.0

3. Distributions

(A) OVERVIEW

Cromwell's objective is to generate sustainable returns for our securityholders, including stable annual distributions. When determining distribution rates Cromwell's board considers a number of factors, including forecast earnings, anticipated capital and lease incentive expenditure requirements over the next three to five years and expected economic conditions. Cromwell aims to return 85 – 95% of profit of Cromwell's three segments (operating profit) which excludes unrealised fair value adjustments and other non-cash income and expenses (refer to note 2).

(B) DISTRIBUTIONS FOR THE YEAR

Distributions paid / payable by Cromwell and the Trust during the year were as follows:

2020	2019	2020 cents	2019 cents	2020 $M	2019 $M
22 November 2019	23 November 2018	**1.8750¢**	1.8125¢	**48.7**	36.1
21 February 2020	22 February 2019[1]	**1.8750¢**	1.8125¢	**48.8**	40.4
22 May 2020	24 May 2019	**1.8750¢**	1.8125¢	**49.0**	40.5
21 August 2020	23 August 2019	**1.8750¢**	1.8125¢	**49.0**	40.5
Total		**7.5000¢**	7.2500¢	**195.5**	157.5

(1) Includes an amount of $2,667,000 for both Cromwell and the Trust in excess of the pro-rata entitlement for the quarterly distribution paid to those securityholders who acquired securities in December 2018 as part of the non-renounceable entitlement offer.

There were no dividends paid or payable by the Company in respect of the 2020 and 2019 financial years. All of Cromwell's and the Trust's distributions are unfranked.

(C) FRANKING CREDITS

Currently, Cromwell's distributions are paid from the Trust. Franking credits are only available for future dividends paid by the Company. The Company's franking account balance as at 30 June 2020 is $13,851,000 (2019: $8,616,000).

4. Earnings per security

(A) OVERVIEW

This note provides information about Cromwell's earnings on a per security basis. Earnings per security (EPS) is a measure that makes it easier for users of Cromwell's financial report to compare Cromwell's performance between different reporting periods. Accounting standards require the disclosure of two EPS measures, basic EPS and diluted EPS. Basic EPS information provides a measure of interests of each ordinary issued security of the parent entity in the performance of the entity over the reporting period while diluted EPS information provides the same information but takes into account the effect of all dilutive potential ordinary securities outstanding during the period, such as Cromwell's performance rights.

Below in (c) earnings per share of the Company, the parent entity of Cromwell, and its controlled entities ("CCL") and earnings per unit of the Trust are presented as required by accounting standards. As both measures do not provide an EPS measure for the Cromwell group as a whole, (d) provides earnings per stapled security information.

(B) ACCOUNTING POLICY

Basic earnings per security

Basic earnings per security is calculated by dividing profit / (loss) attributable to securityholders of the Company / Trust / Cromwell, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary securities outstanding during the financial year, adjusted for bonus elements in ordinary securities issued during the year.

Diluted earnings per security

Diluted earnings per security adjusts the figures used in the determination of basic earnings per security to take into account the after income tax effect of interest and other financing costs associated with potentially ordinary securities and the weighted average number of securities assumed to have been issued for no consideration in relation to dilutive potential ordinary securities.

(C) EARNINGS PER SHARE / UNIT

	Company		Trust	
	2020	2019	**2020**	2019
Basic earnings per company share / trust unit (cents)	**1.12**	(0.15)	**5.91**	7.71
Diluted earnings per company share / trust unit (cents)	**1.12**	(0.15)	**5.89**	7.67
Earnings used to calculate basic and diluted earnings per company share / trust unit:				
Profit for the year ($M)	**181.1**	159.9	**152.0**	162.8
Less: Profit attributable to non-controlling interests ($M)	**(152.0)**	(162.8)	**1.8**	0.6
Profit / (loss) attributable to ordinary equity holders of Company / Trust ($M)	**29.1**	(2.9)	**153.8**	163.4

(D) EARNINGS PER STAPLED SECURITY

	Cromwell	
	2020	2019
Basic earnings per stapled security (cents)	**6.96**	7.53
Diluted earnings per stapled security (cents)	**6.94**	7.50
Earnings used to calculate basic and diluted earnings per stapled security:		
Profit for the year attributable to ordinary stapled securityholders of Cromwell ($M)	**181.1**	159.9
Weighted average number of stapled securities used in calculating earnings per company share / trust unit / stapled security:		
Weighted average number of securities used in calculating basic earnings per company share / trust unit / stapled security (number)	**2,600,448,765**	2,121,577,087
Adjustment for calculation of diluted earnings per company share / trust unit:		
Performance rights (number)	**9,467,485**	8,880,788
Weighted average number of ordinary securities and potential ordinary securities used in calculating earnings per company share / trust unit / stapled security (number)	**2,609,916,250**	2,130,457,875

(E) INFORMATION IN RELATION TO THE CLASSIFICATION OF SECURITIES

Performance rights

Performance rights granted under Cromwell's Performance Rights Plan are considered to be potential ordinary stapled securities and have been included in the determination of diluted earnings per stapled security to the extent to which they are dilutive. The performance rights have not been included in the determination of basic earnings per stapled security. Details relating to Cromwell's performance rights are set out in note 21.

Convertible bond

The remaining convertible bond on issue is considered to be potential ordinary stapled securities, however has not been included in the determination of diluted earnings. The ASX market price of Cromwell stapled securities at year end is below the convertible bond conversion price of $1.1656. Therefore, the convertible bonds are currently considered to be antidilutive.

5. Revenue

(A) OVERVIEW

Cromwell recognises revenue to which AASB 15 *Revenue* from contracts with customers pertains from the transfer of goods and services over time and at a point in time in respect of relevant non-lease elements of rental income and recoverable outgoings, funds management fees and development sales.

The table below presents information about revenue recognised from contracts with customers accounted for in accordance with AASB 15, revenue from investment properties accounted for in accordance with AASB 16 *Leases* (which supersedes AASB 117 *Leases* from 1 July 2019), revenue accounted for in accordance with AASB 9 *Financial Instruments* and revenue accounted for in accordance with AASB 128 *Investments in Associates and Joint Ventures*:

	Cromwell		Trust	
	2020	2019	**2020**	2019
	$M	$M	**$M**	$M
Rental income and recoverable outgoings – non-lease components (AASB 15)	**43.0**	32.7	**42.0**	31.6
Rental income – lease component (AASB 16 and AASB 117 [1])	**210.8**	165.8	**211.2**	166.2
Rental income and recoverable outgoings	**253.8**	198.5	**253.2**	197.8
Other revenue recognised under AASB 15:				
Funds management fees	**122.1**	99.2	**–**	–
Development sales and fees	**32.0**	9.5	**–**	–
Total revenue from contracts with customers	**407.9**	307.2	**253.2**	197.8
Revenue recognised under AASB 9 and AASB 140:				
Interest	**5.8**	4.8	**9.0**	8.5
Distributions	**2.0**	2.5	**–**	–
Other revenue	**0.3**	0.1	**0.2**	0.1
Total other revenue	**8.1**	7.4	**9.2**	8.6
Total revenue	**416.0**	314.6	**262.4**	206.4

(1) Comparative period revenue was recognised under AASB 117 *Leases*.

(B) ACCOUNTING POLICY

Revenue - General

Rental revenue – non-lease components

Cromwell has many contracts with tenants that contain a lease coupled with an agreement to sell other goods or services (non-lease components). For these contracts the non-lease components are identified and accounted for separately from the lease components in accordance with AASB 15.

AASB 15 requires Cromwell to allocate consideration in a contract between the lease and non-lease components on a stand-alone selling price basis. Cromwell generally enters into "gross" leases where the stand-alone selling prices for the lease and non-lease components are separately stipulated and therefore no allocation estimate is required to be performed.

Depending on the nature of the non-lease component, the performance obligation is either satisfied at a point in time or over time. Where Cromwell becomes entitled to the present right to payment for the service, revenue is recognised at a point in time. Where the tenant simultaneously receives and consumes the benefits of the service, revenue is recognised over time. Relevant non-lease components include payments for maintenance activities, common area cleaning and air conditioning and other goods and services transferred to tenants.

Payment for the non-lease components is generally due in advance, immediately prior to the time the service is provided.

Funds management fees

Funds management fee revenue is recognised in respect of the following types of service contracts with customers:

- **Property (asset) management and fund administration services** - these services are provided to customers as a series of distinct goods or services that are substantially the same and transferred over time, either separately or in combination as an integrated offering, and are treated as a single performance obligation. Variable consideration is allocated to each distinct increment of service and recognised as revenue as the service is performed over time.
- **Equity raising, loan establishment, acquisition, project management and leasing services** - due to the specialised nature of these services, the customer does not benefit from the process undertaken, but rather the outcome. Cromwell is only entitled to payment for services upon the successful completion of the contract. Hence, revenue is recognised at a point in time, upon completion of the service.
- **Performance fees** - contracts with customers identify performance obligations with regard to the outcome Cromwell achieves in respect of its management of assets or transactions on behalf of customers. The performance obligation is satisfied at a point in time, at the completion of the service or fulfilment of the transaction on behalf of customers. Revenue is constrained and not recognised until the successful completion of the service or transaction when it becomes highly probably that there will be no significant reversal of revenue in future and Cromwell has a present right to payment (also see (c) below).

Payment for these services is generally due within 30 days from the time the service is successfully completed.

Development revenue

Development sales comprises income from the disposal of property inventories and from the provision of development management services. Revenue is recognised at the point in time that control of the asset has been transferred to the customer, generally upon legal settlement date.

Payment for these services is generally due on settlement date of the sale.

Revenue – Other income

Rental income

Rental income from investment property is recognised on a straight-line basis over the lease term. Lease incentives granted are considered an integral part of the total rental revenue and are recognised as a reduction in rental income over the term of the lease, on a straight-line basis.

Share of profit of equity accounted investments

Information with respect to Cromwell's equity accounted interests is provided in note 8.

Interest revenue

Interest revenue is recognised as it accrues using the effective interest method. Interest revenue is predominately earned from financial assets including cash and trade and other receivables and is recognised under AASB 9.

Distributions

Revenue from distributions is earned from investments and is recognised under AASB 9 when Cromwell's right to receipt is established.

Contract liabilities (unearned income)

Cromwell sometimes receives payments from customers in relation to future periods whereby the underlying receipt is not actually due and payable to Cromwell. This results in a contract liability being recognised upon receipt of the cash which is recognised in Cromwell's Balance sheet as unearned income.

(C) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Performance fees

Certain contracts with customers identify performance obligations with regard to the outcome Cromwell achieves in respect of its management of assets or transactions on behalf of customers (performance fees), as well as the relevant stand-alone selling price in relation to the satisfaction of the same. The consideration in relation to these contracts is in the form of performance fees linked to the variable returns generated by Cromwell on the customer's behalf. Applying the expected value method, Cromwell estimates the amount of variable consideration that it will be entitled to under the relevant contract and constrains the amount of revenue recognised to the amount that is considered highly probable will not result in a significant reversal. Variable consideration is assessed at each reporting period to account for any changes in circumstances.

Impact of COVID-19

Australia - collections were relatively unimpacted by the government relief measures imposed to combat COVID-19 due to most of the tenant population being heavily skewed towards government and other tenants in markets not heavily impacted by the pandemic. However, tenant relief measures introduced (and granted) differed slightly between jurisdictions and included rent waivers and deferred payment plans (sometimes coupled with lease term extensions). Not all of these lease renegotiations have been completed and certain estimates have been made to reflect the most likely outcome of these using all available pertinent information available.

Poland – tenant collections were relatively unimpacted by the government "Anti-crisis shield" measures imposed to combat COVID-19 due to most collections being generated by tenants exempted from these measures (these being hypermarkets, pharmacies and other essential services). However, other than the lockdown and related closures (which have now discontinued), government measures included the mandated renegotiation of all commercial leases in Poland. Not all of these lease renegotiations have been completed and certain estimates have been made to reflect the most likely outcome of these using all available pertinent information available.

For further information in relation to the treatment of expected credit losses in relation to receivables see note 14(b).

(D) DISAGGREGATION OF REVENUE FROM CONTRACTS

The tables below present information about the disaggregation of revenue items from Cromwell's contracts with relevant customers:

	2020				2019			
Cromwell	**Point in time $M**	**Over time $M**	**Other[1] $M**	**Total $M**	Point in time $M	Over time $M	Other[1] $M	Total $M
Direct property investment								
Rental income	11.0	32.0	210.8	253.8	12.2	20.5	165.8	198.4
Development sales and fees	32.0	–	–	32.0	9.5	–	–	9.5
Funds and asset management								
Funds management fees	58.2	63.9	–	122.1	37.2	62.0	–	99.2
Total revenue from contracts with customers	101.2	95.9	210.8	407.9	58.9	82.5	165.8	307.1

(1) Includes rental income derived from sources other than those recognised and measured in accordance with AASB 15 *Revenue from Contracts with Customers*.

	2020				2019			
Trust	**Point in time $M**	**Over time $M**	**Other[1] $M**	**Total $M**	Point in time $M	Over time $M	Other[1] $M	Total $M
Rental income	10.0	32.0	211.2	253.2	11.0	20.6	166.2	197.8
Total revenue from contracts with customers	10.0	32.0	211.2	253.2	11.0	20.6	166.2	197.8

(1) Includes rental income derived from sources other than those recognised and measured in accordance with AASB 15 *Revenue from Contracts with Customers*.

6. Income tax

(A) OVERVIEW

This note provides detailed information about Cromwell's income tax items and accounting policies. This includes a reconciliation of income tax expense if Australia's company income tax rate of 30% was applied to Cromwell's profit before income tax as shown in the Statement of profit or loss to the actual income tax expense / benefit as well as an analysis of Cromwell deferred tax balances.

Accounting standards require the application of the "balance sheet method" to account for Cromwell's income tax. Accounting profit does not always equal taxable income. There are a number of timing differences between the recognition of accounting expenses and the availability of tax deductions or when revenue is recognised for accounting purpose and tax purposes. These timing differences reverse over time but they are recognised as deferred tax assets and deferred tax liabilities in the balance sheet until they are fully reversed. This is referred to as the "balance sheet method".

Taxation of the Trust

Under current Australian income tax legislation, the Trust and its sub-Trusts are not liable for income tax on their taxable income (including assessable realised capital gains) provided that the unitholders are presently entitled to the income of the Trust. During the prior year the Trust acquired controlling interests in a number of corporate entities that are subject to income tax. The income tax applicable to these corporate entities is represented below.

(B) ACCOUNTING POLICY

Income tax

Cromwell's income tax expense for the period is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Deferred tax is not recognised for the recognition of goodwill on business combination and for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity.

Tax consolidation

The Company and its wholly-owned entities (this excludes the Trust and its controlled entities and foreign entities controlled by the Company) have formed a tax-consolidated group and are taxed as a single entity. The head entity within the tax-consolidated group is Cromwell Corporation Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group, using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities or assets and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts referred to in the following section. Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised. Any subsequent period adjustment to deferred tax assets arising from unused tax losses, as a result of revised assessments of the probability of recoverability, is recognised by the head entity only.

Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement, which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability (asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable (payable) equal in amount to the tax liability (asset) assumed. The inter-entity receivable (payable) is at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity, in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement, as payment of any amounts under the tax sharing agreement is considered remote.

AASB *Interpretation 23 Uncertainty over Income Tax Treatments*

The AASB has issued a new interpretation in order to reduce diversity in practice regarding the recognition and measurement of current tax liabilities, deferred tax liabilities and deferred tax assets as defined by paragraph 5 of AASB 112 *Income Taxes*. The interpretation is applied to the determination of taxable profit (or losses), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments. The interpretation requires an entity to use judgement to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together. Cromwell has applied IFRIC 23 from 1 July 2019.

Cromwell maintains and executes robust and comprehensive income tax management procedures and no material contentious or uncertain tax positions have currently been identified. Hence, the impact of the application of this interpretation has been considered immaterial.

(C) INCOME TAX EXPENSE

	Cromwell		Trust	
	2020	2019	**2020**	2019
	$M	$M	**$M**	$M
Current tax expense	**10.6**	1.4	**2.9**	0.3
Deferred tax expense	**(4.2)**	7.1	**(5.3)**	12.1
Adjustment in relation to prior periods	**(2.6)**	(0.2)	**(2.7)**	0.1
Income tax expense	**3.8**	8.3	**(5.1)**	12.5
Deferred tax expense				
(Increase) in deferred tax assets	**(1.7)**	(5.0)	**(1.7)**	–
Decrease / (increase) in deferred tax liabilities	**(5.0)**	12.1	**(6.2)**	12.1
Total deferred tax expense	**(6.7)**	7.1	**(7.9)**	12.1

(D) NUMERICAL RECONCILIATION BETWEEN INCOME TAX EXPENSE/(BENEFIT) AND PRE-TAX PROFIT

	Cromwell		Trust	
	2020	2019	**2020**	2019
	$M	$M	**$M**	$M
Profit before income tax	**184.9**	168.2	**148.7**	175.9
Tax at Australian tax rate of 30% (2019: 30%)	**55.5**	50.5	**44.6**	52.8
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:				
Trust income – refer above for Taxation of the Trust	**(52.5)**	(35.1)	**(52.5)**	(35.1)
Fair value movements not deductible	**(2.9)**	(0.3)	**(2.6)**	–
Non-deductible income	**(2.4)**	(9.1)	**(4.0)**	(5.2)
Movement in tax losses recognised	**(1.7)**	2.2	**0.6**	–
Movement in initial recognition exemption	**6.4**	–	**6.4**	–
Tax credits foregone on foreign earnings	**2.4**	–	**2.4**	–
Adjustment in relation to prior periods	**(2.7)**	(0.1)	**(2.6)**	–
Difference in overseas tax rates	**1.7**	0.2	**2.6**	–
Income tax expense/(benefit)	**3.8**	8.3	**(5.1)**	12.5

(E) DEFERRED TAX

	Cromwell		Trust	
	2020	2019	**2020**	2019
(i) Deferred tax assets	**$M**	$M	**$M**	$M
Deferred tax assets are attributable to:				
Interests in managed investment schemes	**(4.1)**	(1.7)	**–**	–
Investment properties	**(0.7)**	–	**(0.7)**	–
Employee benefits	**2.6**	2.0	**–**	–
Transaction costs and sundry items	**2.9**	2.6	**1.0**	–
Unrealised foreign currency gains	**1.8**	1.5	**–**	–
Tax losses recognised	**5.8**	2.6	**1.3**	–
Total deferred tax assets	**8.3**	7.0	**1.6**	–
Movements:				
Balance at 1 July	**7.0**	1.7	**–**	–
Credited/(charged) to profit or loss	**(0.7)**	5.0	**(0.9)**	–
Credited/(charged) to other comprehensive income	**(0.3)**	0.3	**–**	–
Adjustment in relation to prior periods	**2.4**	–	**2.6**	–
Other movements	**(0.1)**	–	**(0.1)**	–
Balance at 30 June	**8.3**	7.0	**1.6**	–

The amount of temporary differences and carried forward tax losses recognised as a deferred tax asset is based on projected earnings over a limited period that the Directors considered to be probable. Projected earnings are re-assessed at each reporting date. Unrecognised tax losses at balance date were $26,646,300 (2019: $28,957,000).

(ii) Deferred tax liabilities	Cromwell 2020 $M	Cromwell 2019 $M	Trust 2020 $M	Trust 2019 $M
Deferred tax liabilities are attributable to:				
Interests in managed investment schemes	**3.2**	4.7	**3.2**	4.6
Interests in other investments	**1.4**	–	**–**	–
Receivables	**(0.1)**	–	**–**	–
Total deferred tax liabilities	**4.5**	4.7	**3.2**	4.6
Movements:				
Balance at 1 July	**4.7**	9.7	**4.6**	9.7
Credited/(charged) to profit or loss	**(4.9)**	12.1	**(6.2)**	12.1
Credited/(charged) to other comprehensive income	**4.8**	(17.1)	**4.8**	(17.2)
Adjustment in relation to prior periods	**(0.1)**	–	**–**	–
Balance at 30 June	**4.5**	4.7	**3.2**	4.6

The deferred tax liability relates to an overseas tax jurisdiction. In accordance with AASB 112 *Income Taxes* the deferred tax liability was not offset against the deferred tax assets of the Group, which relate to the Australian tax jurisdiction.

Operating Assets

This section of the annual financial report provides further information on Cromwell's and the Trust's operating assets. These are assets that individually contribute to Cromwell's revenue and include investment properties, equity accounted investments, investments in unlisted securities and leased assets and related leases.

7. Investment properties

(A) OVERVIEW

Investment properties are properties (land, building or both) held solely for the purpose of earning rental income and / or for capital appreciation. Cromwell's investment property portfolio comprises 26 (2019: 19) commercial properties of which 18 (2019: 17) properties are predominantly office use with the remaining 8 (2019: 2) being retail properties and vacant land.

This note provides further details on Cromwell's investment property portfolio, including details of individual properties, details of sales and acquisitions as well as details on the fair value measurement of the properties.

(B) DETAILS OF CROMWELL'S AND THE TRUST'S INVESTMENT PROPERTIES

			Independent valuation		Carrying amount as at		Fair value adjustment for the year ended	
	Portfolio	Title	Date	Amount $M	2020 $M	2019 $M	2020 $M	2019 $M
Australia								
200 Mary Street, QLD	Core+	(1)	Jun 2020	96.0	**96.0**	80.0	**16.5**	5.7
400 George Street, QLD	Core	(1)	Jun 2020	525.0	**525.0**	–	**(13.8)**	–
HQ North, QLD	Core	(1)	Jun 2020	242.0	**242.0**	232.0	**9.1**	3.6
203 Coward Street, NSW	Core	(1)	Jun 2020	520.0	**520.0**	502.0	**14.1**	7.2
207 Kent Street, NSW	Core+	(2)	Jun 2020	297.0	**297.0**	298.0	**(1.4)**	17.8
2-24 Rawson Place, NSW	Core	(1)	Jun 2020	300.0	**300.0**	260.0	**40.0**	15.0
475 Victoria Avenue, NSW (4)	Core+	(1)	PART SOLD	120.0	**120.2**	232.0	**6.3**	20.5
2-6 Station Street, NSW	Core	(1)	Jun 2020	51.0	**51.0**	48.5	**2.5**	5.5
84 Crown Street, NSW	Core	(1)	Jun 2020	37.5	**37.5**	36.5	**0.8**	2.5
11 Farrer Place, NSW	Core	(1)	SOLD	–	**–**	32.0	**–**	2.5
117 Bull Street, NSW	Core	(1)	Jun 2020	29.3	**29.3**	28.5	**0.7**	2.7
Regent Cinema Centre, NSW	Core+	(1)	Jun 2020	12.5	**12.5**	7.2	**3.0**	(7.9)
Soward Way, ACT	Core	(2)	Jun 2020	290.0	**290.0**	280.4	**8.0**	16.9
TGA Complex, ACT	Core+	(2)	Jun 2020	40.5	**40.5**	50.0	**(9.8)**	(7.2)
243 Northbourne Avenue, ACT	Core+	(2)	Jun 2020	29.8	**29.8**	30.5	**0.1**	3.7
13 Keltie Street, ACT	H.F.S.	(2)	N/A	–	**–**	14.0	**(0.3)**	(10.0)
19 National Circuit, ACT	Active	(2)	Jun 2020	10.0	**10.0**	8.8	**(0.3)**	(27.2)
Tuggeranong Office Park, ACT	Active	(2)	May 2019	8.3	**8.3**	7.5	**-**	–
700 Collins Street, VIC	Core	(1)	Jun 2020	337.0	**337.0**	306.0	**31.7**	30.0
Village Cinemas, VIC	Core	(1)	Jun 2020	15.6	**15.6**	16.5	**(0.9)**	0.9
Wakefield Street, SA	H.F.S.	(1)	N/A	–	**–**	50.5	**(22.9)**	4.2
Total - Australia				2,961.5	**2,961.7**	2,520.9	**83.4**	86.4
Poland								
Janki, Warszawa	Pol	(1)	Jun 2020	372.3	**372.3**	–	**(34.9)**	–
Korona, Wrocław	Pol	(3)	Jun 2020	138.9	**141.2**	–	**(14.7)**	–
Ster, Szczecin	Pol	(3)	Jun 2020	91.9	**94.9**	–	**(10.9)**	–
Rondo, Bydgoszcz	Pol	(1)	Jun 2020	89.8	**89.8**	–	**(3.5)**	–
Tulipan Łódź	Pol	(1)	Jun 2020	25.4	**25.4**	–	**(1.1)**	–
Kometa, Toruń	Pol	(3)	Jun 2020	21.6	**23.0**	–	**(0.8)**	–
Total - Poland				739.9	**746.6**	–	**(65.9)**	–
Total investment properties				3,701.4	**3,708.3**	2,520.9	**17.5**	86.4
Held for sale								
13 Keltie Street, ACT	H.F.S.	(2)	N/A	–	**14.0**	–	**–**	–
Wakefield Street, SA	H.F.S.	(1)	N/A	–	**30.0**	–	**–**	–
Total - Held for sale				–	**44.0**	–	**–**	–
Total – all investment properties				3,701.4	**3,752.3**	2,520.9	**17.5**	86.4

Title: (1) Freehold, (2) Leasehold, (3) Carrying value includes right of use assets recognised under relevant accounting standards.(4) 50% ownership interest
H.F.S. – property classified as held for sale.

(C) ACCOUNTING POLICY

Investment properties

Investment properties are initially measured at cost including transaction costs and subsequently measured at fair value, with any change therein recognised in profit or loss.

Fair value is based upon active market prices, given the assets' highest and best use, adjusted if necessary, for any difference in the nature, location or condition of the relevant asset. If this information is not available, Cromwell uses alternative valuation methods such as discounted cash flow projections or the capitalised earnings approach. The highest and best use of an investment property refers to the use of the investment property by market participants that would maximise the value of that investment property.

The carrying value of the investment property includes components relating to lease incentives and other items relating to the maintenance of, or increases in, lease rentals in future periods.

Investment properties under construction are classified as investment property and carried at fair value. Finance costs incurred on investment properties under construction are included in the construction costs.

Lease incentives

Lessees may be offered incentives as an inducement to enter into non-cancellable operating leases. These incentives may take various forms including up front cash payments, rent free periods, rental abatements over the period or a contribution to certain lessee costs such as fit out costs or relocation costs. They are recognised as an asset in the Balance sheet as a component of the carrying amount of investment property and amortised over the lease period as a reduction of rental income.

Initial direct leasing costs

Initial direct leasing costs incurred by Cromwell in negotiating and arranging operating leases are recognised as an asset in the Balance sheet as a component of the carrying amount of investment property and are amortised as an expense on a straight-line basis over the lease term.

(D) CRITICAL ACCOUNTING ESTIMATES (FAIR VALUE MEASUREMENT)

Cromwell's investment properties, with an aggregate carrying amount of $3,752.3 million (2019: $2,520.9 million), are measured using the fair value model as described in AASB 140 *Investment Property*. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Property valuations

At balance date the adopted valuations for 22 of Cromwell's investment properties are based on independent external valuations representing 95% of the value of the portfolio. The balance of the portfolio is subject to internal valuations having regard to previous external valuations and comparable sales evidence, or, in the case of investment properties held for sale, with reference to the relevant sale price. Cromwell's valuation policy requires all properties to be valued by an independent professionally qualified valuer with a recognised relevant professional qualification at least once every two years.

All property valuations utilise a combination of valuation models based on discounted cash flow ("DCF") models and income capitalisation models supported by recent market sales evidence.

Impact of COVID-19 on property valuations

For the year ended 30 June 2020 Cromwell's approach to property valuations was substantially consistent with prior years, being in accordance with the established Valuations policy, but with an added emphasis in relation to the impact of COVID-19 upon inputs relevant to the valuation model for each property. Whilst recent sales data is currently scarce due to a material contraction of transactional activity, information in relation to the various inputs to the valuation models, most particularly capitalisation and discount rates, each of which can be adjusted to reflect COVID-19 has become more readily available. Further, underlying net property income data, including forecast data in relation to tenant occupancies and recoveries has become more reliable as the COVID-19 crisis has progressed and the underlying market dynamic has become less opaque.

It should be noted that external valuers have specified in their reports that their valuations at 30 June 2020 were performed in an unusual market context, notably the absence of transactions initiated after the outbreak of the pandemic and difficulties associated with estimating the outlook for changes in the investment property market given the nature of the recent health crisis, and they were working within the context of material valuation uncertainty.

Movements in relevant significant unobservable inputs are represented in the table below. Key points to note:

- Annual net property income (reflective of weighted average lease expiry ("WALE") and occupancy) is an extremely influential input. DCF models are used to value the investment properties by assessing the impact of future cash flows associated with ownership of the investment property. Notwithstanding the application of government Code of Conduct legislation, due to the resilient nature of the tenant population projected cash flow collections from tenants have not been materially negatively impacted by COVID-19 during the year. This has led to investment property valuations remaining robust.
- Adopted capitalisation rates – these are based upon existing market evidence at the time the valuation is prepared and reflect the quality of the underlying investment property itself as well as the quality of the tenant population therein. These have not moved significantly during the year which is reflected in the fair values of the investment property portfolio remaining robust at year end despite some market headwinds.

For further information in respect of valuation methodologies adopted and input data utilised see the table below.

Methodologies and key inputs used to measure fair value

DCF method	Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit terminal value. The DCF method involves the projection of a series of cash flows on a real property asset. To this projected cash flow series, an appropriate, market derived discount rate is applied to establish the present value of the income stream associated with the real property.
Income capitalisation method	This method involves assessing the total net market income receivable from the property and capitalising this perpetually, using an appropriate, market derived capitalisation rate, to derive a capital value, with allowances for capital expenditure reversions such as lease incentives and required capital works payable in the near future and overs / unders when comparing market rent with passing rent.
Annual net property income	Annual net property income is the contracted amount for which the property space is leased. In the net property income, the property owner recovers outgoings from the tenant.
Market rent	Market rent is the estimated amount for which a property or space within a property could be leased 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.
Adopted capitalisation rate	The rate at which net market income is capitalised to determine the value of the property. The rate is determined with regards to market evidence (and the prior external valuation for internal valuations).
Adopted discount rate	The rate of return used to convert a monetary sum, payable or receivable in the future, into present value. It reflects 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 for internal valuations).
Weighted average lease expiry ("WALE")	WALE of a property is measured across all tenants' remaining lease terms (in years) and is weighted with the tenants' income against total combined income.
Occupancy	Property occupancy is used to measure the proportion of the lettable space of a property that is occupied by tenants under current lease contracts.

All the significant inputs noted above are not observable market data, hence investment property valuations are considered level 3 fair value measurements (refer fair value hierarchy described in note 14).

Sensitivity information

The sensitivity to changes in the significant unobservable inputs and the fair value of investment properties are as follows:

Inputs	Impact of increase in input on fair value	Impact of decrease in input on fair value
Capitalisation rate	Decrease	Increase
Discount rate	Decrease	Increase
Annual net property income	Increase	Decrease
WALE	Increase	Decrease
Occupancy	Increase	Decrease

Significant unobservable inputs associated with the valuations of Cromwell's investment properties are as follows:

	Capitalisation rate (%)		Discount rate (%)		Annual net property income ($M)		WALE (years)		Occupancy (%)		Terminal yield (%)	
	Range	Weighted average	Range	Weighted average	Range	Weighted average	Range	Weighted average	Range	Weighted average	Range	Weighted average
2020												
Core	5.0 – 7.0	5.4	6.3 – 8.0	6.4	1.3 – 30.0	20.2	4.4 -12.2	7.5	96.6 – 100.0	99.2	5.3 – 7.3	5.7
Core +	5.8 – 8.8	6.5	6.0 – 8.0	6.7	1.1 – 16.3	12.3	2.0 – 8.2	3.0	86.3 – 100.0	96.4	6.3 – 9.0	7.0
Active / H.F.S.[1]	0.0 – 7.3	7.3	0.0 – 7.8	7.8	0.0 – 11.4	5.4	0.2 – 2.1	0.3	0.0 – 100.0	38.0	0.0 – 7.5	7.5
Poland	5.8 – 7.3	6.4	[2] N/A	[2] N/A	1.1 – 8.8	6.3	3.3 – 6.7	4.7	88.8 – 100.0	94.8	[2] N/A	[2] N/A
Portfolio	0.0 – 8.8	5.7	[3] 0.0 – 8.0	[3] 5.2	0.0 – 30.0	15.9	0.0 – 12.2	5.9	0.0 – 100.0	92.3	[3] 0.0 – 9.0	[3] 6.0
2019												
Core	5.0 – 8.5	5.5	6.5 – 9.0	6.8	1.4 – 25.3	17.2	5.7 – 13.5	9.4	94.4 – 100.0	99.2	5.3 – 9.0	5.9
Core +	4.9 – 11.0	6.0	6.3 – 12.0	6.9	1.4 – 20.0	15.0	0.7 – 5.2	3.5	91.5 – 100.0	91.9	5.3 – 11.3	6.4
Active / H.F.S.[1]	6.3 – 8.5	6.0	0.0 – 6.3	0.7	0.5 – 5.9	4.0	0.5 – 0.7	0.6	0.0 – 100.0	73.4	0.0 – 7.5	7.5
Portfolio	5.0 – 11.0	5.8	6.3 – 12.0	6.7	0.0 – 25.3	15.2	0.1 – 13.5	7.6	0.0 – 100.0	98.0	0.0 – 11.3	6.1

(1) The unobservable inputs are not applied to Active / H.F.S. assets where this is not considered an appropriate method of valuation for the particular asset.
(2) No equivalent metric in Polish valuation methodology.
(3) Australian portfolio only.

(E) MOVEMENTS IN INVESTMENT PROPERTIES

A reconciliation of the carrying amounts of investment properties at the beginning and the end of the financial year is set out below.

	Cromwell		Trust	
	2020 $M	2019 $M	**2020 $M**	2019 $M
Balance at 1 July	**2,520.9**	2,451.1	**2,520.9**	2,451.1
Acquisitions[1]	**1,286.0**	–	**1,286.0**	–
Capital works:				
Construction costs	**0.2**	–	**0.2**	–
Finance costs capitalised	**0.1**	–	**0.1**	–
Property improvements	**13.4**	21.9	**13.4**	21.9
Lifecycle	**0.7**	1.9	**0.7**	1.9
Disposals	**(150.8)**	(54.5)	**(150.8)**	(54.5)
Straight-line lease income	**9.7**	9.3	**9.7**	9.3
Lease costs and incentive costs	**68.6**	25.6	**68.6**	25.6
Amortisation[2]	**(29.2)**	(20.8)	**(29.2)**	(20.8)
Net gain from fair value adjustments	**17.5**	86.4	**17.5**	86.4
Foreign exchange differences	**15.2**	–	**15.2**	–
Balance at 30 June	**3,752.3**	2,520.9	**3,752.3**	2,520.9

(1) Includes right-of-use assets acquired as a component of the Polish portfolio.
(2) Pertains to the amortisation of lease costs, lease incentive costs and right-of-use assets.

(F) INVESTMENT PROPERTY ACQUIRED – 400 GEORGE STREET, QLD

On 19 September 2019 Cromwell and the Trust completed the acquisition of 400 George Street, Brisbane, for $524.5 million. The building is approximately ten years old, has a net lettable area of 43,978 sqm, a current WALE of 4.8 years and is currently 99.6% occupied. Acquisition costs were approximately $16.2 million. These costs account for the majority of the fair value adjustment recorded in respect of the property.

(G) INVESTMENT PROPERTIES ACQUIRED – CROMWELL POLISH RETAIL FUND (CPRF)

On 6 November 2019, Cromwell completed the acquisition of all third-party investor interests in the CPRF. The CPRF portfolio consists of six retail centres in Poland. The combined value of the properties acquired at exchange was $770.6 million (€482.0 million).

(H) INVESTMENT PROPERTIES SOLD

Details of the investment properties sold during the period are as follows:

	Gross sale price $M	**Carrying amount at 30 June 2019 $M**	**Last independent valuation $M**	**Gain on sale recognised $M**
475 Victoria Avenue, NSW [1]	120.0	232.0	238.0	0.4
11 Farrer Place, NSW	35.0	32.0	30.2	2.9
Total investment properties sold	**155.0**	**264.0**	**268.2**	**3.3**

(1) Pertains to the sale of 50% interest in the building only.

Details of investment properties sold during the prior year are as follows:

	Gross sale price $M	Carrying amount at 30 June 2018 $M	Last independent valuation $M	Gain on sale recognised $M
Tuggeranong Office Park, ACT[1]	54.5	45.0	45.0	0.7
Sturton Rd, SA (Lot 203)	0.9	0.9	0.9	-
Total investment properties sold	**55.4**	**45.9**	**45.9**	**0.7**

(1) A significant portion of the Tuggeranong property was transferred from the Trust to an associate, LDK Healthcare Unit Trust ("LDK"), during the prior year as part of the planned transformation into Seniors Living units and associated facilities. The remaining portion of the site has been retained by the Trust in order to take advantage of future asset enhancement initiatives. See note 8 for further information in relation to Cromwell's investment in LDK.

(I) AMOUNTS RECOGNISED IN PROFIT OR LOSS FOR INVESTMENT PROPERTIES

	Cromwell		Trust	
	2020 **$M**	2019 $M	**2020** **$M**	2019 $M
Rental income and recoverable outgoings	**253.8**	198.5	**253.2**	197.8
Property expenses and outgoings	**(57.2)**	(34.0)	**(64.9)**	(39.1)
Total amounts recognised in profit or loss for investment properties	**196.6**	164.5	**188.3**	158.7

(J) NON-CANCELLABLE OPERATING LEASE RECEIVABLE FROM INVESTMENT PROPERTY TENANTS

The investment properties are generally leased to tenants on long-term operating leases with rentals payable monthly. Minimum lease payments under the non-cancellable operating leases of Cromwell's investment properties not recognised in the financial statements are receivable as follows:

	Cromwell		Trust	
	2020 **$M**	2019 $M	**2020** **$M**	2019 $M
Within one year	**191.7**	149.8	**191.7**	149.8
Later than one year but not later than five years	**625.7**	485.0	**625.7**	485.0
Later than five years	**584.7**	641.6	**584.7**	641.6
Total non-cancellable operating lease receivable from investment property tenants	**1,402.1**	1,276.4	**1,402.1**	1,276.4

8. Equity accounted investments

(A) OVERVIEW

This note provides an overview and detailed financial information of Cromwell's and the Trust's investments that are accounted for using the equity method of accounting. These include joint arrangements where Cromwell or the Trust have joint control over an investee together with one or more joint venture partners (these can take the form of either joint arrangements or joint ventures depending upon the contractual rights and obligations of each party) and investments in associates, which are entities over which Cromwell is presumed to have significant influence but not control or joint control by virtue of holding 20% or more of the associates' issued capital and voting rights, but less than 50%.

Cromwell's and the Trust's equity accounted investments are as follows:

	Cromwell				Trust			
	2020		2019		**2020**		2019	
	%	**$M**	%	$M	**%**	**$M**	%	$M
Equity accounted investments								
CEREIT	**30.7**	**645.4**	35.8	641.4	**30.1**	**633.2**	35.0	626.3
LDK	**50.0**	**6.7**	50.0	–	**–**	**–**	–	–
Others		**16.1**		22.7		**0.5**	–	–
Equity accounted investments		**668.2**		664.1		**633.7**		626.3
Held for sale								
Ursynów	**94.1**	**47.3**	–	–	**94.1**	**47.3**	–	–
Other - Portgate	**28.3**	**2.5**	–	–	**–**	**–**	–	–
CPA	**–**	**–**	50.0	150.4	**–**	**–**	50.0	148.4
Total – Held for sale		**49.8**		150.4		**47.3**		148.4
Total – all equity accounted investments		**718.0**		814.5		**681.0**		774.7

(B) ACCOUNTING POLICY

Interests in associates and joint venture entities are accounted for in Cromwell's financial statements using the equity method. Cromwell's share of its associates and joint ventures' post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends or distributions receivable from associates and joint ventures are recognised in Cromwell's financial statements as a reduction of the carrying amount of the investment.

When Cromwell's share of losses in an associate or joint venture equals or exceeds its investment in the joint venture, including any other relevant unsecured receivables, Cromwell does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture. Unrealised gains on transactions between Cromwell its associates and joint ventures are eliminated to the extent of Cromwell's investment in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(C) DETAILS OF ASSOCIATE

Cromwell European Real Estate Investment Trust

Cromwell European Real Estate Investment Trust ("CEREIT") is a Singapore-based real estate investment trust established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate assets in Europe. Cromwell and the Trust owned 30.7% and 30.1% (2019: 35.8% and 35.0%) of CEREIT respectively at the end of the year. CEREIT is managed by a subsidiary of Cromwell, Cromwell EREIT Management Pte. Ltd., which operates strictly within the listing rules imposed by the Singapore Stock Exchange and which has its own independent Board. As such, Cromwell and the Trust are considered able to exert significant influence, but not control, over the entity and therefore the investment has been classified as an equity-accounted investment.

(D) DETAILS OF JOINT VENTURES

LDK Healthcare Unit Trust

During the 2018 financial year, Cromwell acquired 50% of the units in the LDK Healthcare Unit Trust (LDK), an aged care operation. The remaining 50% of the units in LDK are held by a single investor, Aspire LDK Unit Trust (Aspire). A unit holder agreement between Cromwell and Aspire limits the power of the trustee to management of ongoing operations of LDK. All decisions about relevant activities of LDK require unanimous consent of the two unitholders. It has therefore been determined that joint control of the arrangement exists between Cromwell and Aspire. Both parties have rights to the net assets of the arrangement through the establishment of the separate LDK vehicle. The arrangement is therefore classified as a joint venture.

Oyster

Oyster is a New Zealand based retail property fund syndicator that provides fund and property management services throughout New Zealand. Oyster is jointly owned by Cromwell and six original Oyster shareholders. Oyster is classified as a joint venture as the board of Oyster comprises three representatives appointed by the six investors and three representatives from Cromwell with no deciding or "chair's" vote. A shareholder agreement between Cromwell and the six investors outlines how Oyster will be managed.

(E) DETAILS OF EQUITY ACCOUNTED INVESTMENTS CLASSIFIED AS HELD FOR SALE

Ursynów

On 6 November 2019, Cromwell completed the acquisition of all third-party investor interests in the Cromwell Polish Retail Fund (CPRF). A material asset acquired as an outcome of this transaction was CPRF's 94.1% interest in CH Ursynów sp. z o.o. (Ursynów), an entity that owns a retail asset in Poland. The remaining 5.9% equity is owned by Unibail-Rodamco Westfield B.V. (URW).

A shareholder agreement between Cromwell and URW limits the power of the manager (a subsidiary of URW) to management of the ongoing operations of Ursynów. All decisions about relevant activities of Ursynów require the unanimous consent of the two shareholders. It has therefore been determined that joint control of the arrangement exists between Cromwell and URW. Both parties have rights to the net assets of the arrangement through the establishment of a separate Ursynów vehicle. The arrangement is therefore classified as a joint venture.

During the year URW exercised an option to acquire all the equity it did not already own in the joint venture from Cromwell and the Trust. The investment has been classified as held for sale at 30 June 2020 to reflect this.

Portgate

During 2016 Cromwell acquired 28% of the issued units by Portgate Estate Unit Trust for a consideration of $13,620,000, including acquisition costs. During the year the final $2.5 million of acquisition consideration was paid. Portgate was established for the ownership of land, comprising an existing site and a development site at the Port of Brisbane. The existing site contains tenanted warehouses. All the relevant activities of Portgate are managed and approved by a management committee requiring unanimous consent on all decisions. Cromwell and the trustee each provide two representatives to the management committee. The entity is therefore classified as an equity-accounted investment.

On 1 July 2020 Cromwell exchanged contracts to sell its 28% interest in Portgate to a third party acquirer for $2.5 million. The Portgate investment was classified as held for sale at 30 June 2020 to reflect this.

Cromwell Partners Trust and CPT Operations Pty Limited (CPA)

On 1 July 2019 Cromwell and the Trust exchanged contracts to sell its 50% interest in Northpoint ("CPA") for $300.0 million to Early Light International (ELI). The CPA investment was classified as held for sale at 30 June 2019 to reflect this. The sale completed in September 2019.

Prior to the sale, Cromwell and the Trust held a 50% interest in the units of Cromwell Partners Trust and 50% of the shares in CPT Operations Pty Limited, together known as "CPA". Cromwell Partners Trust owned the $600.0 million Northpoint Building in the North Sydney CBD, whilst CPT Operations Pty Limited manages the associated carpark and hotel businesses. Subsequent to the sale 100% of the interests in CPA are held by ELI. Until the change of control a unit holder agreement between the Trust and ELI limited the power of the trustee to management of the ongoing operations of CPA and all decisions about relevant activities of CPA required unanimous consent of the two unitholders. The entity was therefore classified as a joint venture.

(F) SUMMARISED FINANCIAL INFORMATION FOR JOINT VENTURES AND EQUITY ACCOUNTED INVESTMENTS OWNED BY CROMWELL

	As at 30 June 2020 $M						As at 30 June 2019 $M				
	CEREIT	**Ursynów**	**CPA**	**LDK**	**Other**	**Total**	CEREIT	CPA	LDK	Other	Total
Summarised balance sheets:											
Cash and cash equivalents	258.5	5.8	-	9.7	12.4	286.4	91.6	13.5	1.6	14.5	121.2
Other current assets	63.0	2.5	-	3.2	6.0	74.7	57.4	3.0	5.8	9.8	76.0
Total current assets	321.5	8.3	-	12.9	18.4	361.1	149.0	16.5	7.4	24.3	197.2
Investment properties	3,384.0	174.7	-	504.6	55.0	4,118.3	2,969.8	598.5	351.2	55.0	3,974.5
Other non-current assets	10.5	0.1	-	3.8	21.2	35.6	28.3	1.8	0.5	13.4	44.0
Total non-current assets	3,394.5	174.8	-	508.4	76.2	4,153.9	2,998.1	600.3	351.7	68.4	4,018.5
Total assets	3,716.0	183.1	-	521.3	94.6	4,515.0	3,147.1	616.8	359.1	92.7	4,215.7
Financial liabilities	0.7	90.8	-	253.2	9.3	354.0	207.6	6.8	221.6	7.6	443.6
Other current liabilities	122.1	1.8	-	47.3	2.0	173.2	73.1	0.2	5.0	1.3	79.6
Total current liabilities	122.8	92.6	-	300.5	11.3	527.2	280.7	7.0	226.6	8.9	523.2
Financial liabilities	1,436.9	30.9	-	207.0	62.8	1,737.6	1,075.4	233.9	25.9	31.4	1,366.6
Other non-current liabilities	52.3	9.2	-	0.5	-	62.0	-	4.5	117.3	30.8	152.6
Total non-current liabilities	1,489.2	40.1	-	207.5	62.8	1,799.6	1,075.4	238.4	143.2	62.2	1,519.2
Total liabilities	1,612.0	132.7	-	508.0	74.1	2,326.8	1,356.1	245.4	369.8	71.1	2,042.4
Net assets	2,104.0	50.4	-	13.3	20.5	2,188.2	1,791.0	371.4	(10.7)	21.6	2,173.3
Carrying amount of investment:											
Cromwell's share of equity (%)	30.7	94.1	-	50.0	-	-	35.8	50.0	50.0	-	-
Cromwell's share of net assets	645.4	47.3	-	6.7	12.0	711.4	641.4	185.7	-	18.6	845.7
Costs in relation to asset classified as held for sale	-	-	-	-	-	-	-	(35.3)	-	-	(35.3)
Unpaid investment consideration	-	-	-	-	-	-	-	-	-	(2.5)	(2.5)
Goodwill	-	-	-	-	6.6	6.6	-	-	-	6.6	6.6
Carrying amount	645.4	47.3	-	6.7	18.6	718.0	641.4	150.4	-	22.7	814.5
Movement in carrying amounts:											
Opening balance at 1 July	641.4	-	150.4	-	22.7	814.5	495.6	186.3	-	20.5	702.4
Investment – net of loans from investees	16.0	49.4	-	-	0.9	66.3	148.7	3.0	-	-	151.7
Disposals	(18.6)	-	(151.2)	-	-	(169.8)	-	-	-	-	-
Share of profit / (loss)	35.6	(3.4)	0.8	(1) 6.7	(0.2)	39.5	53.0	0.4	-	2.2	55.6
Less: dividends / distributions received	(28.1)	-	-	-	-	(28.1)	(67.6)	(4.0)	-	(0.2)	(71.6)
Costs in relation to asset classified as held for sale	-	-	-	-	-	-	-	(35.3)	-	-	(35.3)
Increase / (decrease) to recoverable amount	-	-	-	-	(4.1)	(4.1)	-	-	-	-	-
Foreign exchange difference	(0.9)	1.3	-	-	(0.7)	(0.3)	11.7	-	-	0.2	11.9
Carrying amount at 30 June	645.4	47.3	-	6.7	18.6	718.0	641.4	150.4	-	22.7	814.5
Summarised statements of comprehensive income:											
Revenue	222.1	8.4	3.8	42.6	26.7	303.6	232.1	35.2	2.0	38.7	308.0
Expenses	(105.6)	(12.0)	(2.2)	(18.6)	(28.4)	(166.8)	(84.1)	(34.4)	(10.9)	(31.8)	(161.2)
Total comprehensive income / (loss)	116.5	(3.6)	1.6	24.0	(1.7)	136.8	148.0	0.8	(8.9)	6.9	146.8
Cromwell's share in %	30.7	94.1	50.0	50.0	-	-	35.8	50.0	50.0	-	-
Share of profit / (loss)	35.6	(3.4)	0.8	(1) 6.7	(0.2)	39.5	53.0	0.4	-	2.2	55.6

(1) Includes prior year losses recouped during the current year.

(G) SUMMARISED FINANCIAL INFORMATION FOR JOINT VENTURES AND EQUITY ACCOUNTED INVESTMENTS OWNED BY THE TRUST

	As at 30 June 2020 $M					As at 30 June 2019 $M		
	CEREIT	**Ursynów**	**CPA**	**Other**	**Total**	CEREIT	CPA	Total
Summarised balance sheets:								
Cash and cash equivalents	258.5	5.8	-	-	264.3	91.6	11.4	103.0
Other current assets	63.0	2.5	-	0.5	66.0	57.4	1.4	58.8
Total current assets	321.5	8.3	-	0.5	330.3	149.0	12.8	161.8
Investment properties	3,384.0	174.7	-	-	3,558.7	2,969.8	598.5	3,568.3
Other non-current assets	10.5	0.1	-	-	10.6	28.3	0.3	28.6
Total non-current assets	3,394.5	174.8	-	-	3,569.3	2,998.1	598.8	3,596.9
Total assets	3,716.0	183.1	-	0.5	3,899.6	3,147.1	611.6	3,758.7
Financial liabilities	0.7	90.8	-	-	91.5	207.6	6.1	213.7
Other current liabilities	122.1	1.8	-	-	123.9	73.1	-	73.1
Total current liabilities	122.8	92.6	-	-	215.4	280.7	6.1	286.8
Financial liabilities	1,436.9	30.9	-	-	1,467.8	1,075.4	233.9	1,309.3
Other non-current liabilities	52.3	9.2	-	-	61.5	-	4.5	4.5
Total non-current liabilities	1,489.2	40.1	-	-	1,529.3	1,075.4	238.4	1,313.8
Total liabilities	1,612.0	132.7	-	-	1,744.7	1,356.1	244.5	1,600.6
Net assets	2,104.0	50.4	-	0.5	2,154.9	1,791.0	367.1	2,158.1
Carrying amount of investment:								
Trust's share of equity (%)	30.1	94.1	-	-	-	35.0	50.0	-
Trust's share of net assets	633.2	47.3	-	0.5	681.0	626.3	183.7	810.0
Costs in relation to asset classified as held for sale	-	-	-	-	-	-	(35.3)	(35.3)
Carrying amount	633.2	47.3	-	0.5	681.0	626.3	148.4	774.7
Movement in carrying amounts:								
Opening balance at 1 July	626.3	-	148.4	-	774.7	484.8	184.5	669.3
Investment – net of loans to investees	-	49.4	-	0.5	49.9	141.8	3.0	144.8
Disposals	-	-	(149.2)	-	(149.2)	-	-	-
Share of profit / (loss)	35.0	(3.4)	0.8	-	32.4	51.8	(0.4)	51.4
Less: dividends / distributions received	(27.8)	-	-	-	(27.8)	(66.7)	(3.4)	(70.1)
Costs in relation to asset classified as held for sale	-	-	-	-	-	-	(35.3)	(35.3)
Increase / (decrease) to recoverable amount	-	-	-	-	-	-	-	-
Foreign exchange difference	(0.3)	1.3	-	-	1.0	14.6	-	14.6
Carrying amount at 30 June	633.2	47.3	-	0.5	681.0	626.3	148.4	774.7
Summarised statements of comprehensive income:								
Revenue	222.1	8.4	3.8	-	234.3	232.1	29.7	308.0
Expenses	(105.6)	(12.0)	(2.2)	-	(119.8)	(84.1)	(30.5)	(161.2)
Total comprehensive income / (loss)	116.5	(3.6)	1.6	-	114.5	148.0	(0.8)	146.8
Trust's share in %	30.1	94.1	50.0	50.0	-	35.0	50.0	-
Share of profit / (loss)	35.0	(3.4)	0.8	-	32.4	51.8	(0.4)	51.4

(H) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The judgements and assumptions regarding the investments in Cromwell European Real Estate Investment Trust (CEREIT) and LDK Healthcare Pty Ltd (LDK) are detailed below.

Cromwell European Real Estate Investment Trust

The CEREIT has been classified as being an associate and accounted for as an equity-accounted investment. The determination of this was based on an assessment that Cromwell and the Trust are considered to be able to exert significant influence, but not control, over the entity. This determination is pursuant to the assessment of control under Accounting Standards and the consideration of key factors regarding the management of CEREIT as governed by Cromwell's Capital Markets Service Licence as issued by the Monetary Authority of Singapore (MAS) and the composition of the Board.

Cromwell's investment in CEREIT was assessed for indicators of impairment. This process included investigations by management in relation to salient components of the CEREIT operations and financial metrics and an analysis of movements in the CEREIT's price on the Singapore Stock Market (SGX). Whilst the CEREIT share price on the SGX was below that of the weighted average price at which Cromwell and the Trust acquired their investments due to market sentiment in respect of the current pandemic, the diminution in price was not considered to be either significant or prolonged. Hence, no indicators of impairment were identified and no impairment was recognised as a result.

LDK Healthcare Unit Trust

LDK has been classified as a joint venture and accounted for as an equity-accounted investment. The determination of this was based on an assessment that Cromwell can only exercise joint control over the relevant decisions but not control, over the entity. This determination is pursuant to the assessment of control under Accounting Standards and the consideration of key factors regarding the management of LDK, the composition of the Board and other relevant agreements and joint control over relevant decisions.

9. Investments at fair value through profit or loss

A) OVERVIEW

This note provides an overview and detailed financial information of Cromwell's and the Trust's investments that are classified as financial assets at fair value through profit or loss. Below is information about Cromwell's and the Trust's investments in unlisted property related entities whereby Cromwell and the Trust hold less than 20% of the issued capital in the investee and also any other relevant financial assets of the same classification. Such investments are classified as investments at fair value through profit or loss which are carried at fair value in the Balance sheet with adjustments to the fair value recorded in profit or loss and include investments in Cromwell managed unlisted funds, co-investments in European wholesale funds managed by Cromwell and any other relevant financial assets.

	Cromwell		Trust	
	2020 $M	2019 $M	**2020 $M**	2019 $M
Investment in Cromwell unlisted funds	**-**	0.8	**-**	0.8
Investment in wholesale funds	**12.9**	18.0	**-**	-
Investment in other financial asset	**-**	3.8	**-**	-
Total investments at fair value through profit or loss	**12.9**	22.6	**-**	0.8

For methods used to measure the fair value measurement of Cromwell's and the Trust's investments at fair value through profit or loss, including information in relation to the impact of COVID-19 refer to note 14.

B) ACCOUNTING POLICY

Investments at fair value through profit or loss are financial assets held for trading which are acquired principally for the purpose of selling in the short term with the intention of making a profit. Financial assets at fair value through profit or loss also include financial assets which upon initial recognition are designated as such. These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded equity instruments and unlisted trusts.

At initial recognition, Cromwell measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of profit or loss.

Subsequent to initial recognition, Cromwell continues to measure all equity investments at fair value. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (e.g. for unlisted securities), Cromwell establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis and pricing models to reflect the issuer's specific circumstances.

Changes in the fair value of equity investments at fair value through profit or loss are recognised in the Statement of profit or loss as applicable.

Finance and Capital Structure

This section of the annual financial report provides further information on Cromwell's debt finance and associated costs, Cromwell's contributed equity as well as fair value disclosures in relation to financial instruments.

Capital is defined as the combination of securityholders' equity, reserves and net debt (borrowings less cash). The Board of Directors is responsible for Cromwell's capital management strategy. Capital management is an integral part of Cromwell's risk management framework and seeks to safeguard Cromwell's ability to continue as a going concern while maximising securityholder value through optimising the level and use of capital resources and the mix of debt and equity funding. Cromwell's preferred portfolio gearing range is 30% - 40%.

10. Interest bearing liabilities

A) OVERVIEW

Cromwell and the Trust borrow funds from financial institutions and investors (the latter in the form of convertible bonds) to partly fund the acquisition of income producing assets, such as investment properties, securities or businesses. A significant proportion of these borrowings are generally fixed either directly or through the use of interest rate swaps/ options and have a fixed term. This note provides information about Cromwell's debt facilities, including maturity dates, security provided and facility limits.

	Cromwell		Trust	
	2020 $M	2019 $M	**2020 $M**	2019 $M
Current				
Unsecured				
Convertible bonds	**-**	88.0	**-**	88.0
Lease liabilities	**3.7**	-	**0.4**	-
Total current	**3.7**	88.0	**0.4**	88.0
Non-current				
Secured				
Loans – financial institutions	**1,458.8**	931.5	**1,451.2**	924.1
Unsecured				
Loans – financial institutions	**368.2**	-	**368.2**	-
Convertible bonds	**360.2**	353.3	**360.2**	353.3
Lease liabilities	**17.6**	-	**5.9**	-
Unamortised transaction costs	**(17.3)**	(16.4)	**(17.3)**	(16.4)
Total non-current	**2,187.5**	1,268.4	**2,168.2**	1,261.0
Total				
Secured loans – financial institutions	**1,458.8**	931.5	**1,451.2**	924.1
Unsecured loans – financial institutions	**368.2**	-	**368.2**	-
Unsecured convertible bonds	**360.2**	441.3	**360.2**	441.3
Lease liabilities	**21.3**	-	**6.3**	-
Unamortised transaction costs	**(17.3)**	(16.4)	**(17.3)**	(16.4)
Total interest bearing liabilities	**2,191.2**	1,356.4	**2,168.6**	1,349.0

B) ACCOUNTING POLICY

Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method. Under this method fees, costs, discounts and premiums directly related to the financial liability are spread over its expected life.

The fair value of the borrowing portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a borrowing liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the derivative conversion feature. This is recognised as a financial liability if the convertible bond does not meet the "fixed-for-fixed" rule contained in AASB 132 *Financial Instruments: Presentation*, otherwise it is included in shareholders' equity.

Borrowing costs incurred on funds borrowed for the construction of a property are capitalised, forming part of the construction cost of the asset. Capitalisation ceases upon practical completion of the property. Other borrowing costs are expensed.

For information in respect of accounting policies in relation to lease liabilities see note 17.

(C) DETAILS OF INTEREST BEARING LIABILITIES

				2020		2019	
	Note	Secured	Maturity Date	Facility $M	Utilised $M	Facility $M	Utilised $M
Polish Euro facility 1	(i)	Yes	Mar-22	168.4	168.4	-	-
Polish Euro facility 2	(ii)	Yes	Feb-23	182.6	182.6	-	-
Secured bilateral loan facilities	(iii)	Yes	Jun-23	1,100.0	768.0	1,100.0	663.9
Secured bilateral loan facilities	(iii)	Yes	Jun-24	200.0	200.0	200.0	200.0
Secured bilateral loan facilities	(iii)	Yes	Jun-26	60.0	60.0	60.0	60.0
Secured bilateral loan facilities	(iii)	Yes	Mar-24	50.0	-	-	-
Secured bilateral loan facilities	(iii)	Yes	Mar-25	50.0	-	-	-
Secured loan facilities	(iv)	Yes	May-25	113.1	72.2	-	-
Convertible bond – 2020	(v)	No	Feb-20	-	-	88.0	88.0
Convertible bond – 2025	(vi)	No	Mar-25	360.2	360.2	353.3	353.3
Euro facility	(viii)	Yes	May-22	7.6	7.6	7.6	7.6
Euro / GBP facility	(ix)	No	Sep-22	368.2	368.2	364.6	-
Lease liabilities	(x)	No	(x)	21.3	21.3	-	-
Total facilities				**2,681.4**	**2,208.5**	2,173.5	1,372.8

i) Polish Euro facility 1

On 6 November 2019, Cromwell completed the acquisition of all third-party investor interests in the Cromwell Polish Retail Fund (CPRF). As an outcome of the acquisition transaction Cromwell and the Trust assumed this Euro facility. The facility is secured by first registered mortgage over an investment property held by CPRF. Interest is payable quarterly in arrears calculated as the 3-month EURIBOR rate plus a margin. The loan balance at acquisition was $164.0 million (€101.0 million). During the year the facility was extended for one year to March 2022, a further $19.3 million (€12.0 million) was drawn down and repayments of $16.4 million (€10.0 million) were made. All principal amounts outstanding are due at the expiry of the facility in March 2022.

ii) Polish Euro facility 2

On 6 November 2019, Cromwell completed the acquisition of all third-party investor interests in the Cromwell Polish Retail Fund (CPRF). As an outcome of the acquisition transaction Cromwell and the Trust assumed this Euro facility. The facility is secured by first registered mortgage over investment properties held by CPRF. Interest is payable quarterly in arrears calculated as 3-month EURIBOR rate plus a margin. The loan balance at acquisition was $188.2 million (€115.8 million). During the year repayments of $6.9 million (€4.2 million) were made. All principal amounts outstanding are due at the expiry of the facility in February 2023.

iii) Secured Bilateral Loan Facilities

Secured Bilateral Loan Facilities (SBLF) can be held with multiple providers. All SBLFs are contracted under a Common Terms Deed Poll and are secured pari passu by first registered mortgages over a select pool of investment properties held by the Cromwell Security Trust. All principal amounts outstanding are due at the expiry of the facilities. Each provider individually contracts its commitment amount and expiry date (see table above for more detail) and fee structure. Cromwell is able to repay and refinance individual providers. Interest is payable quarterly in arrears calculated as BBSY rate plus a loan margin. During the year repayments of $1,040.9 million were made (2019: $336.1 million) and $1,145.0 million was drawn down from the facility (2019: $260.0 million).

iv) Secured loan facility

During the prior year, Cromwell and the Trust entered into a new secured facility in relation to the asset enhancement initiative at the property at 475 Victoria Avenue, NSW. The facility is $113.1 million and expires in May 2025. The facility was drawn to $72.2 million at 30 June 2020. The principal amount outstanding will be due at the expiry of the facility.

v) Convertible bond - 2020

As a result of the convertible bond repurchase in 2018 (see (vi) below for details), at 30 June 2019, 548 convertible bonds with a face value of €100,000 each were on issue with a gross face value of €54.8 million or $88.0 million. The bonds bore an interest rate of 2% and were convertible into stapled securities of Cromwell at the option of the holder from 41 days after issue date up to seven business days prior to the final maturity date on 4 February 2020 at which point all remaining bonds were mandatorily redeemed by Cromwell. The conversion price was $1.1431 per stapled security. The fixed conversion translation rate was $1.4230 per Euro. The conversion was fully settled in cash on the maturity date of 4 February 2020.

vi) Convertible bond - 2025

In 2018, Cromwell issued 2,300 convertible bonds with a face value of €100,000 each, amounting to a total gross face value of €230.0 million ($370.0 million on date of issue). The bonds bear an interest rate of 2.5%. The bonds are convertible into stapled securities of Cromwell at the option of the holder from 40 days after issue date up to seven business days prior to the final maturity date on 29 March 2025, at which point all remaining bonds are mandatorily redeemed by Cromwell. The conversion price is $1.153 at year end (30 June 2019: $1.1656) per stapled security, subject to adjustments such as consolidation or subdivision of stapled securities, bonus issues or any issues at less than the prevailing market price of Cromwell's stapled securities, other than issues upon exercise of performance rights issued to Cromwell's employees. The fixed conversion translation rate is $1.5936 per Euro. Any conversion may be settled in cash, stapled securities of Cromwell or a combination thereof at the discretion of Cromwell.

Proceeds of the bonds issued in 2018 were used to repurchase 952 convertible bonds with a face value of €100,000 issued in February 2015. In total, €95.2 million ($153.1 million) of the convertible bonds issued in February 2015 were repurchased during the year ended 30 June 2018. The remaining proceeds were used to repay debt and for other liquidity purposes.

vii) Convertible bonds – conversion features

The conversion feature of the convertible bonds represents an embedded derivative financial instrument in the host debt contract. The embedded derivative is measured at fair value and deducted from the carrying amount of the convertible bonds (which are carried at amortised cost) and separately disclosed as a derivative financial liability on the face of the balance sheet. The conversion feature represents the parent entity's obligation under the convertible bond terms and conditions to issue Cromwell stapled securities should bond holders exercise their conversion option. The Trust's borrowing obligation in respect of the convertible bond is considered to be the gross amount payable of the convertible bonds.

The convertible bonds are presented in the statements of financial position as noted below:

	Cromwell		Trust	
Convertible bond – issued February 2015, expired February 2020.	**2020 $M**	2019 $M	**2020 $M**	2019 $M
Face value of bond issued – February 2015	**220.1**	220.1	**220.1**	220.1
Derivative financial instruments – conversion feature	**(17.9)**	(17.9)	**(17.9)**	-
Convertible bond carrying amount at inception	**202.2**	202.2	**202.2**	220.1
Movements in exchange rate and amortisation of conversion feature – previous periods	**38.9**	37.3	**38.9**	19.4
Repurchase of bonds – previous periods	**(153.1)**	(153.1)	**(153.1)**	(153.1)
Carrying amount at 1 July	**88.0**	86.4	**88.0**	86.4
Restatement of conversion feature – prior period	**-**	(2.2)	**-**	(2.2)
Amortisation and derecognition of conversion features to account for effective interest rate and repurchase – current period	**0.9**	1.4	**0.9**	1.4
Movements in exchange rate – current period	**0.9**	2.4	**0.9**	2.4
Repurchase of bonds	**(89.8)**	-	**(89.8)**	-
Carrying amount at year end	**-**	88.0	**-**	88.0

Convertible bond – issued March 2018, expires March 2025.	Cromwell 2020 $M	Cromwell 2019 $M	Trust 2020 $M	Trust 2019 $M
Face value of bonds issued – March 2018	**370.0**	370.0	**370.0**	370.0
Derivative financial instruments – conversion feature	**(23.5)**	(23.5)	**(23.5)**	(23.5)
Convertible bond carrying amount at inception	**346.5**	346.5	**346.5**	346.5
Movements in exchange rate and amortisation of conversion feature – previous periods	**6.8**	(6.2)	**6.8**	(6.2)
Carrying amount at 1 July	**353.3**	340.3	**353.3**	340.3
Amortisation to account for effective interest rate	**3.2**	3.3	**3.2**	3.3
Movements in exchange rate – current period	**3.7**	9.7	**3.7**	9.7
Carrying amount at year end	**360.2**	353.3	**360.2**	353.3
Total carrying amount at year end	**360.2**	441.3	**360.2**	441.3

The conversion feature of the convertible bonds represents an embedded derivative financial instrument in the host debt contract. The embedded derivative is measured at fair value and deducted from the carrying amount of the convertible bonds (which are carried at amortised cost) and separately disclosed as a derivative financial liability on the face of the balance sheet. The conversion feature represents the parent entity's obligation under the convertible bond terms and conditions to issue Cromwell stapled securities should bond holders exercise their conversion option. The Trust's borrowing obligation in respect of the convertible bonds is considered to be the gross amount payable of the convertible bonds.

viii) Euro facility

In 2018, Cromwell and the Trust entered into a €4.7million ($7.6 million) facility with a four-year term, at which time all principal amounts outstanding are due. The facility was fully drawn at year end (30 June 2019: fully drawn). The facility is secured with a registered mortgage over a single asset, with interest payable monthly in arrears calculated as EURIBOR plus a margin.

ix) Euro / GBP facility

In June 2019 Cromwell and the Trust entered into a multi-currency €225.0 million Euro / GBP revolver facility. The revolver is a syndicated facility allowing drawdowns in both Euro and GBP. The term of the facility is 3 years at which time all principal amounts outstanding are due. Interest is payable in arrears, calculated as EURIBOR / LIBOR plus a margin. The facility was fully drawn to €225.0 million ($368.2 million) at year end due to €280.5 million ($461.7 million) being drawn down on the facility whilst repayments of €55.5 million ($90.0 million) were made.

x) Operating lease liabilities

Cromwell recognised lease liabilities and related right-of-use assets in respect of various premises, property, plant and equipment and motor vehicle leases from 1 July 2019 as a result of the adoption of AASB 16 *Leases*. The leases for assets in Australia, Europe and Singapore, have varying terms and are subject to varying rates of interest.

Below is a maturity table of minimum lease payments in relation to operating leases in existence at the reporting date.

	Cromwell 2020 $M	Cromwell 2019 $M	Trust 2020 $M	Trust 2019 $M
Within one year	**4.1**	3.7	**-**	-
Later than one year but not later than five years	**10.3**	8.5	**-**	-
Greater than five years	**6.9**	2.9	**-**	-
Total operating lease commitments	**21.3**	15.1	**-**	-

D) FINANCE COSTS

	Cromwell 2020 $M	Cromwell 2019 $M	Trust 2020 $M	Trust 2019 $M
Interest on borrowings	**58.3**	47.6	**58.1**	47.5
Interest on lease liabilities	**1.3**	-	**0.9**	-
Amortisation of loan transaction costs	**10.0**	7.8	**9.8**	7.5
Net exchange losses on foreign currency borrowings	**1.8**	12.7	**0.7**	12.8
Total finance costs	**71.4**	68.1	**69.5**	67.8

Information about Cromwell's exposure to interest rate changes is provided in note 14.

11. Derivative financial instruments

A) OVERVIEW

Cromwell's and the Trust's derivative financial instruments consist of interest rate swap and interest rate cap contracts and the conversion option on the convertible bond issued in March 2018. Interest rate swap contracts are used to fix interest on floating rate borrowings and interest rate cap contracts are used to cap interest on floating rate borrowings. The conversion option amount represents the additional value provided to convertible bond holders compared to the same corporate bond that would have no feature to convert the bonds into Cromwell stapled securities at the end or during the term of the bond. For accounting purposes such a conversion feature is accounted for separately from the bond as a derivative financial instrument and is carried at fair value.

	Cromwell		Trust	
	2020 $M	2019 $M	2020 $M	2019 $M
Current liabilities				
Interest rate swap contracts	**7.8**	3.9	**7.8**	3.9
Conversion feature – convertible bond	**5.3**	28.5	**5.3**	28.5
	13.1	32.4	**13.1**	32.4
Non-current liabilities				
Interest rate swap contracts	**6.2**	4.7	**6.2**	4.7
Total derivative financial instruments	**19.3**	37.1	**19.3**	37.1

B) ACCOUNTING POLICY

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at balance date. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Cromwell enters into interest rate swap and cap agreements that are used to convert certain variable interest rate borrowings to fixed interest rates. An interest rate swap is a type of interest rate derivative in which Cromwell and the Trust enter into a number of agreements to fix interest rates on floating rate borrowings. An interest rate cap is a type of interest rate derivative in which Cromwell and the Trust receive payments at the end of each period if the interest rate exceeds the agreed fixed rate. These derivatives are entered into with the objective of hedging the risk of adverse interest rate fluctuations. Further details of derivative financial instruments are disclosed in note 14(f).

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at balance date. The resultant gain or loss is recognised immediately in the Statement of profit or loss.

C) INTEREST RATE SWAP AND CAP CONTRACTS

Relevant information pertaining to the cap and swap portfolio entered into during the year is below:

- Interest rate caps - fix interest on floating rate on notional borrowings of $363.7 million at rates between 0.04% - 2.25%.
- Interest rate swaps - fix interest on floating rate on notional borrowings of $669.8 million at rates between 0.04% - 2.27%.

D) SWAP AND CAP MATURITIES

The table below shows the movements in the notional amounts of cap and swap coverage for Cromwell and the Trust going forward:

		Cromwell and Trust	
Date	Description	Movement $M	Notional amount $M
July 2018	Opening balance	-	690.0
June 2019	Additional interest rate swaps	180.0	870.0
July 2019	Expiring interest rate swaps /caps	(90.0)	780.0
November 2019	New interest rate swaps	252.4	1,032.4
July 2020	Expiring interest rate swaps /caps	(90.0)	942.4
April 2021	Expiring interest rate swaps /caps	(96.3)	846.1
July 2021	Expiring interest rate swaps /caps	(510.0)	336.1
February 2023	Expiring interest rate swaps /caps	(156.1)	180.0
July 2024	Expiring interest rate swaps	(180.0)	-

At balance date, the notional principal amounts and period of expiry of all of Cromwell's and the Trust's interest rate swap and cap contracts is as follows:

	Cromwell and Trust	
	2020 $M	2019 $M
Less than 1 year	**186.3**	90.0
1 – 2 years	**510.0**	90.0
2 – 3 years	**156.1**	510.0
3 – 5 years	**180.0**	180.0

E) BOND CONVERSION FEATURE MOVEMENTS

The movement of the conversion features since recognition since issue of the convertible bonds is as follows:

	Cromwell and Trust	
	2020 $M	2019 $M
Derivative financial liability at 1 July	**28.5**	28.5
Restatement of conversion feature	**-**	(2.2)
Fair value loss / (gain)	**(23.6)**	3.0
Foreign exchange difference	**0.4**	(0.8)
Balance at 30 June	**5.3**	28.5

For details about the fair value measurement of Cromwell's and the Trust's financial instruments refer to note 14(f).

12. Contributed equity

A) OVERVIEW

The shares of Cromwell Corporation Limited (the "Company") and the units of Cromwell Diversified Property Trust (the "CDPT") are combined and issued as stapled securities. The shares of the Company and units of the CDPT cannot be traded separately and can only be traded as stapled securities.

Below is a summary of contributed equity of the Company and the CDPT separately and for Cromwell's combined stapled securities. The basis of allocation of the issue price of stapled securities to Company shares and CDPT units post stapling is determined by agreement between the Company and the CDPT as set out in the Stapling Deed.

	Cromwell stapled securities		Company shares		CDPT units	
	2020 $M	2019 $M	**2020 $M**	2019 $M	**2020 $M**	2019 $M
Contributed equity	**2,278.5**	1,857.4	**207.1**	138.4	**2,071.4**	1,719.0

B) ACCOUNTING POLICY

The ordinary shares of the Company are stapled with the units of the Trust and are together referred to as stapled securities. Stapled securities are classified as equity. Incremental costs directly attributable to the issue of new shares, units or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases Cromwell's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the securityholders as treasury shares until the securities are cancelled or reissued. Where such ordinary securities are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to securityholders.

C) MOVEMENTS IN CONTRIBUTED EQUITY

The following reconciliation summarises the movements in contributed equity. Issues of a similar nature have been grouped and the issue price shown is the weighted average. Detailed information on each issue of stapled securities is publicly available via the ASX.

		Cromwell stapled securities		Company shares		CDPT units	
	Number of securities	Issue price	$M	Issue price	$M	Issue price	$M
Opening balance 1 July 2018	1,985,324,674		1,615.2		118.9		1,496.3
Exercise of performance rights	2,375,686	36.3¢	0.9	1.3¢	0.1	35.0¢	0.8
Distribution reinvestment plan[1]	16,640,700	108.1¢	18.0	5.9¢	1.0	102.2¢	17.0
Security placement and SPP	232,301,631	98.0¢	227.7	8.1¢	18.8	89.9¢	208.9
Equity issue costs	-	-	(4.4)	-	(0.4)	-	(4.0)
Balance at 30 June 2019	2,236,642,691		1,857.4		138.4		1,719.0
Exercise of performance rights	**4,920,055**	**39.7¢**	**1.9**	**6.3¢**	**0.3**	**33.4¢**	**1.6**
Distribution reinvestment plan[1]	**16,927,663**	**124.3¢**	**21.0**	**21.2¢**	**3.6**	**103.1¢**	**17.4**
Security placement and SPP	**354,381,191**	**115.0¢**	**407.6**	**18.6¢**	**65.9**	**96.4¢**	**341.7**
Equity issue costs	**-**	**-**	**(9.4)**	**-**	**(1.1)**	**-**	**(8.3)**
Balance at 30 June 2020	**2,612,871,600**		**2,278.5**		**207.1**		**2,071.4**

(1) The Company / CDPT has established a dividend/distribution reinvestment plan under which holders of stapled securities may elect to have all of their dividend/distribution entitlement satisfied by the issue of new stapled ordinary securities rather than being paid in cash. Stapled securities are issued under the plan at a discount to the market price as determined by the Directors before each dividend / distribution. The plan has been suspended since the payment of the December 2019 Distribution in February 2020.

During the year, Cromwell executed a Security Placement and Share Purchase Plan to eligible securityholders, which resulted in 354,381,191 securities being issued, raising approximately $407.6 million. The proceeds were used to fund Cromwell's property at 400 George Street and the investment property portfolio in Poland.

D) STAPLED SECURITIES

Stapled securities entitle the holder to participate in dividends and distributions as declared from time to time and the proceeds on winding up. On a show of hands every holder of stapled securities present at a meeting in person, or by proxy, is entitled to one vote, and upon a poll each stapled security is entitled to one vote.

13. Reserves

A) OVERVIEW

Reserves are balances that form part of equity that record other comprehensive income amounts that are retained in the business and not distributed until such time the underlying balance sheet item is realised. This note provides information about movements in the other reserves line item of the Balance sheet and a description of the nature and purpose of each reserve.

	Security based payments reserve		Fair value through other comprehensive income reserve		Foreign currency translation reserve		Total other reserves	
	Cromwell $M	Trust $M	Cromwell $M	Trust $M	Cromwell $M	Trust $M	Cromwell $M	Trust $M
Balance at 1 July 2018	7.8	-	2.3	-	14.2	(2.4)	24.3	(2.4)
Security based payments	2.6	-	-	-	-	-	2.6	-
Foreign exchange differences recognised in other comprehensive income	-	-	-	-	2.5	31.8	2.5	31.8
Attributable to non-controlling interests	-	-	-	-	-	-	-	-
Balance at 30 June 2019	10.4	-	2.3	-	16.7	29.4	29.4	29.4
Security based payments	**2.8**	**-**	**-**	**-**	**-**	**-**	**2.8**	**-**
Foreign exchange differences recognised in other comprehensive income	**-**	**-**	**-**	**-**	**(4.1)**	**0.6**	**(4.1)**	**0.6**
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2020	**13.2**	**-**	**2.3**	**-**	**12.6**	**30.0**	**28.1**	**30.0**

Security based payments reserve

The security based payments reserve is used to recognise the fair value of equity settled security based payments for employee services. Refer to note 21 for details of Cromwell's security based payments.

Fair value through other comprehensive income reserve

Changes in the fair value of investments classified as being at fair value through other comprehensive income are taken to the relevant revaluation reserve.

For Cromwell the balance at year end comprises a reserve of a subsidiary attributable to its pre-stapling interest in a trust which continues to be held. For Cromwell there was no movement in the relevant revaluation reserve over the last two financial years.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. Where applicable, any foreign currency differences arising from inter-group loans are transferred to the foreign currency translation reserve upon consolidation as such loans form part of the net investment in the respective controlled entity. The cumulative amount recognised in the foreign currency translation reserve is reclassified to profit or loss when the net investment is disposed of.

14. Financial risk management

A) OVERVIEW

Cromwell's activities expose it to a variety of financial risks which include credit risk, liquidity risk and market risk. This note provides information about Cromwell's risk management strategy in relation to each of the above financial risks to which Cromwell is exposed.

Cromwell's overall risk management program focuses on managing these risks and seeks to minimise potential adverse effects on the financial performance of Cromwell. Cromwell uses derivative financial instruments such as interest rate derivatives to hedge certain risk exposures. Cromwell seeks to deal only with creditworthy counterparties. Liquidity risk is monitored through the use of future rolling cash flow forecasts.

Cromwell's management of treasury activities is centralised and governed by policies approved by the Directors who monitor the operating compliance and performance as required. Cromwell has policies for overall risk management as well as policies covering specific areas such as identifying risk exposure, analysing and deciding upon strategies, performance measurement, the segregation of duties and other controls around the treasury and cash management functions.

Cromwell and the Trust hold the following financial instruments:

		Cromwell		Trust	
	Type of financial instrument	2020 $M	2019 $M	2020 $M	2019 $M
Financial assets					
Cash and cash equivalents	(1)	**194.1**	101.6	**117.8**	47.7
Receivables	(1)	**91.6**	81.6	**117.9**	260.3
Receivables	(2)	**159.7**	112.6	**159.7**	47.8
Investments at fair value through profit or loss	(2)	**12.9**	22.6	**-**	0.8
Total financial assets		**458.3**	318.4	**395.4**	356.6
Financial liabilities					
Trade and other payables	(1)	**111.1**	60.1	**85.6**	31.8
Dividends / distributions payable	(1)	**49.0**	40.5	**49.0**	40.5
Interest bearing liabilities	(1)	**2,191.2**	1,356.4	**2,168.6**	1,349.0
Derivative financial instruments	(2)	**19.3**	37.1	**19.3**	37.1
Total financial liabilities		**2,370.6**	1,494.1	**2,322.5**	1,458.4

Type of financial instrument per AASB 9 *Financial Instruments*:
(1) At amortised cost; and
(2) At fair value through profit or loss.

B) ACCOUNTING POLICY

The accounting policies with respect to the initial recognition, measurement, classification and subsequent measurement of Cromwell's financial assets and financial liabilities are detailed below.

Initial recognition and measurement

Financial assets and financial liabilities are recognised in Cromwell's Balance sheet when it becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. On initial recognition, financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are recognised net of transaction costs directly attributable to the acquisition of these financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

Financial assets

Classification and subsequent recognition and measurement

Subsequent to initial recognition Cromwell classifies its financial assets in the following measurement categories:

- Those to be measured at fair value (either through other comprehensive income, or through profit or loss); and
- Those to be measured at amortised cost.

The classification depends upon the whether the objective of Cromwell's relevant business model is to hold financial assets in order to collect contractual cash flows (business model test) and whether the contractual terms of the cash flows give rise on specified dates to cash flows that are solely payments of principal and interest (cash flow test).

Financial assets recognised at amortised cost

Trade and other receivables are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest and are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit or loss.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

Financial assets recognised at fair value through profit or loss

Assets that do not meet the criteria for amortised cost or recognition at fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the Statement of profit or loss and presented net within other gains / (losses) in the period in which it arises.

Impairment

Cromwell recognises a loss allowance for expected credit losses on trade receivables that are measured at amortised cost and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For trade receivables, Cromwell applies the simplified approach permitted by AASB 9, which requires expected lifetime credit losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on Cromwell's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Cromwell impairs a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Response to COVID-19

As a result of COVID-19 Cromwell has undertaken a comprehensive review of the tenant receivables schedule. Any and all tenant receivables not considered to be recoverable have been fully provided for and are not included in the tenant receivables balance at year end.

Cromwell has also undertaken a review of its loan asset portfolio (including loans carried at fair value and loans carried at amortised cost). This process involved a thorough examination of all loan receivable balances with counterparties to assess the extent of expected credit losses that should be recognised. However, no indicators of impairment were identified and no impairment was recognised as a result.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by Cromwell are recognised at the value of the proceeds received, net of direct issue costs. Repurchase of the Cromwell's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of profit or loss on the purchase, sale, issue or cancellation of Cromwell's own equity instruments.

Compound instruments

The component parts of convertible loan notes issued by Cromwell are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will not be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Cromwell's own equity instruments is an embedded derivative and not an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as an embedded derivative is determined by deducting the amount of the liability component from the fair value of the compound instrument in its entirety. This component is recognised and classified as a financial liability and categorised as being at fair value through profit or loss. This amount is subsequently remeasured (see "Embedded derivatives" section below).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held-for-trading, or designated as at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

Cromwell derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of profit or loss.

When Cromwell exchanges one debt instrument for another with substantially different terms with an existing lender, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, Cromwell accounts for the substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new financial liability.

Derivative financial instruments

For information in relation to the accounting policies for derivative financial instruments, refer note 11(b).

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. Derivatives embedded in hybrid contracts with hosts that are financial liabilities are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely aligned to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

C) CREDIT RISK

Credit risk is the risk that a counterparty will default on its contractual obligations under a financial instrument and result in a financial loss to Cromwell. Cromwell has exposure to credit risk on all financial assets included in the Balance sheet except investments at fair value through profit or loss.

Cromwell manages this risk by:

- establishing credit limits for customers and managing exposure to individual entities;
- monitoring the credit quality of all financial assets in order to identify any potential adverse changes in credit quality;
- derivative counterparties and cash transactions, when utilised, are transacted with high credit quality financial institutions;
- providing loans to associates and joint ventures where Cromwell is comfortable with the underlying exposure;
- regularly monitoring loans and receivables on an ongoing basis; and
- regularly monitoring the performance of associates on an ongoing basis.

The maximum exposure to credit risk at balance date is the carrying amount of financial assets recognised in the Balance sheet of Cromwell. Cromwell holds no significant collateral as security.

Cash is held with Australian, New Zealand, United Kingdom, Singapore and European financial institutions. Interest rate derivative counterparties are all Australian and European financial institutions.

Note: as a result of COVID-19 Cromwell has undertaken a comprehensive review of tenant receivables. All tenant receivables not considered to be recoverable have been fully provided for.

D) LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash reserves and undrawn finance facilities to meet the ongoing operational requirements of the business. It is Cromwell's policy to maintain sufficient funds in cash and cash equivalents to meet expected near term operational requirements. Cromwell prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow. Cromwell monitors the maturity profile of borrowings and puts in place strategies designed to ensure that all maturing borrowings are refinanced in the required timeframes.

The contractual maturity of Cromwell's and the Trust's financial liabilities at balance date are shown in the table below. It shows undiscounted contractual cash flows required to discharge Cromwell's financial liabilities, including interest at current market rates.

	Cromwell					Trust				
	1 year or less $M	2-3 years $M	4-5 years $M	Over 5 years $M	Total $M	1 year or less $M	2-3 years $M	4-5 years $M	Over 5 years $M	Total $M
2020										
Trade and other payables	**111.1**	**-**	**-**	**-**	**111.1**	**85.6**	**-**	**-**	**-**	**85.6**
Dividends / distribution payable	**49.0**	**-**	**-**	**-**	**49.0**	**49.0**	**-**	**-**	**-**	**49.0**
Interest bearing liabilities	**35.5**	**211.8**	**1,987.3**	**61.2**	**2,295.8**	**35.4**	**204.1**	**1,987.3**	**61.2**	**2,288.0**
Derivative financial instruments	**9.6**	**3.7**	**6.0**	**-**	**19.3**	**9.6**	**3.7**	**6.0**	**-**	**19.3**
Total financial liabilities	**205.2**	**215.5**	**1,993.3**	**61.2**	**2,475.2**	**179.6**	**207.8**	**1,993.3**	**61.2**	**2,441.9**
2019										
Trade and other payables	60.1	-	-	-	60.1	31.8	-	-	-	31.8
Dividends / distribution payable	40.5	-	-	-	40.5	40.5	-	-	-	40.5
Interest bearing liabilities	45.4	43.5	970.9	74.0	1,133.8	45.2	43.3	970.7	74.0	1,133.2
Derivative financial instruments	15.1	13.5	14.7	-	43.3	15.1	13.5	14.7	-	43.3
Total financial liabilities	161.1	57.0	985.6	74.0	1,277.7	132.6	56.8	985.4	74.0	1,248.8

E) MARKET RISK

Market risk is the risk that the fair value or future cash flows of Cromwell's financial instruments fluctuate due to market price changes. Cromwell is exposed to the following market risks:

- Price risk – unlisted equity securities;
- Interest rate risk; and
- Foreign exchange risk.

Price risk – Unlisted equity securities

Cromwell and the Trust are exposed to price risk in relation to its unlisted equity securities (refer note 9), although this exposure is currently immaterial.

Cromwell and the Trust use the ASX closing price to determine the fair value of their listed securities. For unlisted securities Cromwell and the Trust use the fair value of the net assets of the unlisted entity to determine the fair value of their investments. The fair value of the net assets of unlisted entities is predominantly dependent on the market value of the investment properties they hold. Any movement in the market value of the investment properties will impact on the fair value of Cromwell and the Trust's investment. These valuations have been impacted by COVID-19 in a similar fashion as for the investment properties held by Cromwell and the Trust.

Interest rate risk

Cromwell's interest rate risk primarily arises from borrowings. Borrowings issued at variable rates expose Cromwell to cash flow interest rate risk. Borrowings issued at fixed rates expose Cromwell to fair value interest rate risk. Cromwell's policy is to effectively maintain hedging arrangements on not less than 50% of its borrowings. At balance date interest on a total of 66% (2019: 97%) of Cromwell's total borrowings is effectively fixed by being at fixed rates or through interest rate swap and cap contracts.

For details about notional amounts and expiries of Cromwell's and the Trust's interest rate swap and interest rate cap contracts refer to note 11.

Sensitivity analysis – interest rate risk

The table below details Cromwell's sensitivity to movements in the year end interest rates, based on the borrowings and interest rate derivatives held at balance date with all other variables held constant and assuming all Cromwell's borrowings and interest rate derivatives moved in correlation with the movement in year end interest rates.

	+1%		-1%	
Interest rate increase / (decrease) of:	**Profit $M**	**Equity $M**	**Profit $M**	**Equity $M**
2020				
Cromwell	**(9.4)**	**(9.4)**	**9.4**	**9.4**
Trust	**(10.1)**	**(10.1)**	**10.1**	**10.1**
2019				
Cromwell	(3.8)	(3.8)	3.8	3.8
Trust	(4.3)	(4.3)	4.3	4.3

Foreign exchange risk

Cromwell's foreign exchange risk primarily arises from its investments in foreign subsidiaries and the investment in CEREIT. The functional currency of these entities is Euro. The acquisition of the foreign subsidiaries was financed through a convertible bond also denominated in Euro effectively providing a natural hedge against foreign exchange movements between the Australian Dollar and the Euro. No hedge accounting was applied in relation to the net investment in the foreign subsidiaries.

Cromwell's and the Trust's exposure to Euro foreign currency risk at the end of the year, expressed in Australian dollars, was as follows:

	Cromwell		Trust	
	2020 $M	2019 $M	**2020 $M**	2019 $M
Cash and cash equivalents	**10.1**	19.3	**8.7**	19.3
Equity accounted investments	**692.7**	648.4	**680.5**	620.4
Borrowings – financial institutions	**(726.8)**	-	**(719.2)**	-
Borrowings – convertible bond	**(360.2)**	(441.3)	**(360.2)**	(441.3)
Derivative financial instruments – conversion feature	**(5.3)**	(28.5)	**(5.3)**	(28.5)
Other	**(0.7)**	(2.7)	**(1.1)**	3.3
Net exposure	**(390.2)**	195.2	**(396.6)**	173.2

Cromwell's and the Trust's also have exposure to Polish Złoty foreign currency risk due to the operation of the investment property portfolio in Poland. Expressed in Australian dollars, this was as follows:

	Cromwell		Trust	
	2020 $M	2019 $M	**2020 $M**	2019 $M
Cash and cash equivalents	**21.3**	-	**21.3**	-
Receivables	**30.9**	-	**30.9**	-
Other	**0.5**	-	**0.5**	-
Net exposure	**52.7**	-	**52.7**	-

Amounts recognised in profit or loss and other comprehensive income

	Cromwell		Trust	
	2020 $M	2019 $M	**2020 $M**	2019 $M
Amounts recognised in profit or loss				
Net foreign exchange (losses) / gains	**(2.8)**	(3.0)	**(4.2)**	2.0
Exchange losses on foreign currency borrowings included in finance costs	**(1.8)**	(12.7)	**(0.7)**	(12.8)
Total expense recognised in profit or loss	**(4.6)**	(15.7)	**(4.9)**	(10.8)
Amounts recognised in other comprehensive income				
Translation of foreign operations	**(3.9)**	2.5	**0.6**	8.8
Translation differences on inter-group loans that form part of the net investment in the foreign operation	**0.6**	8.8	**-**	-
Total amount recognised in other comprehensive income	**(3.3)**	11.3	**0.6**	8.8

Sensitivity analysis – foreign exchange risk

	2020		2019	
	Profit $M	**Equity $M**	Profit $M	Equity $M
Euro – Australian Dollar gains 1 cent in exchange	**5.9**	**3.2**	8.6	8.6
Euro – Australian Dollar loses 1 cent in exchange	**(6.1)**	**(3.3)**	(8.8)	(8.8)

F) FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Cromwell uses a number of methods to determine the fair value of its financial instruments as described in AASB 13 *Fair Value Measurement*. The methods comprise the following:

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 (as prices) or indirectly (derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below presents Cromwell's and the Trust's financial assets and liabilities measured and carried at fair value at 30 June 2020 and 30 June 2019:

		2020			2019		
Cromwell	**Notes**	**Level 2 $M**	**Level 3 $M**	**Total $M**	Level 2 $M	Level 3 $M	Total $M
Financial assets at fair value							
Receivables							
Loans at fair value through profit or loss – associate	18(c)	-	159.9	159.9	-	112.6	112.6
Investments at fair value through profit or loss							
Unlisted equity securities	9(a)	-	12.9	12.9	0.8	18.0	18.8
Other financial asset	9(a)	-	-	-	-	3.8	3.8
Total financial assets at fair value		-	172.8	172.8	0.8	134.4	135.2
Financial liabilities at fair value							
Derivative financial instruments							
Interest rate swaps	11(a)	14.0	-	14.0	8.6	-	8.6
Conversion features	11(a)	5.3	-	5.3	28.5	-	28.5
Total financial liabilities at fair value		19.3	-	19.3	37.1	-	37.1

		2020			2019		
Trust	**Notes**	**Level 2 $M**	**Level 3 $M**	**Total $M**	Level 2 $M	Level 3 $M	Total $M
Financial assets at fair value							
Investments at fair value through profit or loss							
Unlisted equity securities	9(a)	-	-	-	0.8	-	0.8
Total financial assets at fair value		-	-	-	0.8	-	0.8
Financial liabilities at fair value							
Derivative financial instruments							
Interest rate swaps	11(a)	14.0	-	14.0	8.6	-	8.6
Conversion features	11(a)	5.3	-	5.3	28.5	-	28.5
Total financial liabilities at fair value		19.3	-	19.3	37.1	-	37.1

There were no transfers between the levels of the fair value hierarchy during the reporting period.

G) DISCLOSED FAIR VALUES

The fair values of investments at fair value through profit or loss (Levels 2 and 3) and derivative financial instruments (Level 2) are disclosed in the Balance sheet.

The carrying amounts of receivables, other current assets and payables are assumed to approximate their fair values due to their short-term nature. The fair value of non-current borrowings (other than the convertible bond) is estimated by discounting the future contractual cash flows at the current market interest rates that are available to Cromwell for similar financial instruments. The fair value of these borrowings is not materially different from the carrying value due to their relatively short-term nature.

The convertible bonds are traded on the Singapore Exchange (SGX). At balance date the fair value of issued convertible bonds was €222.5 million ($364.1 million) (2019: €287.3 million ($465.6 million)) compared to a carrying amount of €220.1 million ($360.2 million) (2019: €272.3 million ($441.3 million)).

i) Valuation techniques used to derive Level 1 fair values

At balance date, Cromwell held no Level 1 assets. However, in prior years Cromwell has held Level 1 assets including listed equity securities. The fair value of financial assets traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

ii) Valuation techniques used to derive Level 2 fair values

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data, assessed for the impact of COVID-19 where it is applicable and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Fair value of investments at fair value through profit or loss

Level 2 assets held by Cromwell include unlisted equity securities in Cromwell managed investment schemes. The fair value of these financial instruments is based upon the net tangible assets as publicly reported by the underlying unlisted entity, adjusted for inherent risk where appropriate.

Fair value of interest rate swaps and caps

Level 2 financial assets and financial liabilities held by Cromwell include "Vanilla" fixed to floating interest rate swap, interest rate cap and cross currency swap derivatives (over-the-counter derivatives). The fair value of these derivatives has been determined using a pricing model based on discounted cash flow analysis which incorporates assumptions supported by observable market data at balance date including market expectations of future interest rates and discount rates adjusted for any specific features of the derivatives and counterparty or own credit risk. All counterparties to interest rate derivatives are Australian financial institutions.

Fair value of conversion feature – convertible bond

The fair value of the convertible bond conversion feature has been determined by comparing the market value of the convertible bond to the value of a bond with the same terms and conditions but without an equity conversion feature (bond floor). The difference between the two types of bonds is considered to represent the fair value of the conversion feature of the convertible bond.

iii) Valuation techniques used to derive Level 3 fair values

If the fair value of financial instruments is determined using valuation techniques and if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

	Cromwell	
Investments at fair value through profit or loss	**2020 $M**	2019 $M
Opening balance as at 1 July	**21.8**	31.7
Additions	**-**	0.9
Disposals	**(4.6)**	(9.9)
Fair value loss	**(4.3)**	(1.3)
Foreign exchange difference	**-**	0.4
Balance at 30 June	**12.9**	21.8

Fair value of investments at fair value through profit or loss

Level 3 assets held by Cromwell include co-investments in Cromwell Europe managed wholesale property funds. The fair value of these investments is determined based on the value of the underlying assets held by the fund. The assets of the fund are subject to regular external valuations which are based on discounted net cash inflows from expected future income and/or comparable sales of similar assets. Appropriate discount rates determined by the independent valuer are used to determine the present value of the net cash inflows based on a market interest rate adjusted for the risk premium specific to each asset.

Receivable held at fair value through profit or loss

Level 3 assets held by Cromwell and the Trust include loans to the LDK joint venture. The fair value of these loans is based on the relevant discounted net cash inflows from expected future inflows of principal and interest. The present value of the net cash inflows is based on relevant interest rates adjusted for credit and liquidity risks specific to each loan, whilst compensating Cromwell and the Trust with an appropriate profit margin.

The fair value is determined using valuation techniques that are not supported by prices from an observable market. The fair value of these assets recognised in the Balance sheet could change significantly if the underlying assumptions made in estimating the fair values were significantly changed.

Group Structure

This section provides information about the Cromwell Property Group structure including parent entity information and information about controlled entities (subsidiaries).

15. Parent entity disclosures

A) OVERVIEW

The financial information below on Cromwell's parent entity Cromwell Corporation Limited (the "Company") and the Trust's parent entity Cromwell Diversified Property Trust (the "CDPT") as stand-alone entities has been provided in accordance with the requirements of the *Corporations Act 2001* (Cth).

B) ACCOUNTING POLICY

The financial information of the parent entities of Cromwell and the Trust has been prepared on the same basis as the consolidated financial statements except for investments in subsidiaries and equity accounted investments.

Investments in subsidiaries and equity accounted investments are accounted for at cost less accumulated impairment charges in the financial report of the parent entity. Distributions and dividends received from subsidiaries and equity accounted investments are not eliminated and recognised in profit or loss.

C) SUMMARISED FINANCIAL INFORMATION

	Cromwell		CDPT	
	2020 $M	2019 $M	2020 $M	2019 $M
Results				
Profit / (loss) for the year	**17.7**	(8.7)	**157.9**	37.9
Total comprehensive income for the year	**17.7**	(8.7)	**157.9**	37.9
Financial position				
Current assets	**52.9**	90.0	**78.2**	13.2
Total assets	**161.1**	196.8	**3,170.7**	2,388.0
Current liabilities	**-**	10.1	**72.7**	64.8
Total liabilities	**97.3**	223.3	**1,422.5**	954.6
Net assets / (liabilities)	**63.8**	(26.5)	**1,748.2**	1,433.4
Equity				
Contributed equity	**206.6**	138.4	**2,071.4**	1,719.0
Security based payments reserve	**13.2**	10.4	**-**	-
Reserves	**1.5**	(0.1)	**-**	-
Retained earnings / (accumulated losses)	**(157.5)**	(175.2)	**(323.2)**	(285.6)
Total equity	**63.8**	(26.5)	**1,748.2**	1,433.4

D) COMMITMENTS

At balance date the Company and CDPT had no commitments (2019: none) in relation to capital expenditure contracted for but not recognised as liabilities.

E) GUARANTEES PROVIDED

The Company and CDPT have both provided guarantees in relation to the convertible bonds disclosed at Note 10(c). Both entities unconditionally and irrevocably guarantee the due and punctual payment of all amounts at any time becoming due and payable in respect of the convertible bond. These guarantees were provided in a prior year.

F) CONTINGENT LIABILITIES

At balance date the Company and CDPT had no contingent liabilities (2019: none).

16. Controlled entities

A) COMPANY AND ITS CONTROLLED ENTITIES

Name	Country of registration	Equity Holding 2020 %	Equity Holding 2019 %
Cromwell Aged Care Holdings Pty Ltd	Australia	100	100
Cromwell Altona Fund	Australia	-	100
Cromwell BT Pty Ltd	Australia	100	100
Cromwell Capital Pty Ltd	Australia	100	100
Cromwell Finance Pty Ltd	Australia	100	100
Cromwell Funds Management Limited	Australia	100	100
Cromwell Holdings No 1 Pty Ltd	Australia	100	100
Cromwell Holdings No 2 Pty Ltd	Australia	100	100
Cromwell Infrastructure Pty Ltd	Australia	100	100
Cromwell Operations Pty Ltd	Australia	100	100
Cromwell Project & Technical Solutions Pty Ltd	Australia	100	100
Cromwell Property Securities Limited	Australia	100	100
Cromwell Property Services Pty Ltd	Australia	100	100
Cromwell Real Estate Partners Pty Ltd	Australia	100	100
Cromwell Seven Hills Pty Limited	Australia	100	100
Lovett Developments Pty Limited	Australia	100	100
Marcoola Developments Pty Ltd	Australia	100	100
Valad Australia Pty Ltd	Australia	100	100
Votraint No. 662 Pty Limited	Australia	100	100
Gateshead Investments Limited	Cyprus	100	100
Upperastoria Trading & Investments Limited	Cyprus	100	100
Cromwell Property Group Czech Republic s.r.o.	Czech Republic	100	100
LiNK Hradec Králové s.r.o.	Czech Republic	90	90
Cromwell Denmark A/S	Denmark	100	100
Cromwell Finland O/Y	Finland	100	100
Cromwell France SAS	France	100	100
Cromwell Germany GmbH	Germany	100	100
Equity Partnerships Fund Management (Guernsey) Limited	Guernsey	100	100
Nordic Aktiv General Partner Limited	Guernsey	100	100
Nordic Aktiv General Partner 2 Limited	Guernsey	100	100
German Aktiv Co-op Limited	Guernsey	-	100
German Aktiv General Partner Limited	Guernsey	-	100
Cromwell Property Group Hungary Kft	Hungary	-	100
Cromwell Property Group Italy SRL	Italy	100	100
CPRF GP S.à r.l.	Luxembourg	100	-
Cromwell CPR Promote S.à r.l.	Luxembourg	100	100
Cromwell EREIT Management Luxembourg S.à r.l.	Luxembourg	100	-
Cromwell Investment Luxembourg S.à r.l.	Luxembourg	100	100
Cromwell Italy Urban Logistics S.à r.l.	Luxembourg	100	-
Cromwell Luxembourg SA	Luxembourg	100	100
Cromwell REIM Luxembourg S.à r.l.	Luxembourg	100	100
Cromwell Central Europe B.V.	Netherlands	100	100
Cromwell Netherlands B.V.	Netherlands	100	100
Cromwell Norway A/S	Norway	-	100
Cromwell Property Group Poland Sp Zoo	Poland	100	100
Cromwell Poland Sp Zoo	Poland	-	100
Cromwell Property Group Romania SRL	Romania	100	100
Cromwell EREIT Management Pte. Ltd	Singapore	100	100

Name	Country of Registration	Equity Holding 2020 %	Equity Holding 2019 %
Cromwell Sweden A/B	Sweden	100	100
Cromwell Asset Management UK Limited	United Kingdom	100	100
Cromwell Capital Ventures UK Limited	United Kingdom	100	100
Cromwell CEE Coinvest LP	United Kingdom	100	100
Cromwell CEE Development Holdings Limited	United Kingdom	100	100
Cromwell CEE Promote LP	United Kingdom	83	100
Cromwell CEREIT Holdings Limited	United Kingdom	100	100
Cromwell Coinvest CEIF LP	United Kingdom	90	90
Cromwell Coinvest CEVAF l LP	United Kingdom	100	100
Cromwell Coinvest ECV LP	United Kingdom	90	90
Cromwell Corporate Secretarial Limited	United Kingdom	100	100
Cromwell Corporate Secretarial No. 2 Limited	United Kingdom	-	100
Cromwell Development Holdings UK Limited	United Kingdom	100	100
Cromwell Development Management UK Limited	United Kingdom	100	100
Cromwell Director Limited	United Kingdom	100	100
Cromwell Europe Limited	United Kingdom	100	100
Cromwell European Holdings Limited	United Kingdom	100	100
Cromwell European Management Services Limited	United Kingdom	100	100
Cromwell GP	United Kingdom	100	100
Cromwell Holdings Europe Limited	United Kingdom	100	100
Cromwell Investment Holdings UK Limited	United Kingdom	100	100
Cromwell Investment Management Services Limited	United Kingdom	100	100
Cromwell Investment Services Limited	United Kingdom	100	100
Cromwell Management Holdings Limited	United Kingdom	100	100
Cromwell Poland Retail LLP	United Kingdom	100	100
Cromwell Poland Retail UK Limited	United Kingdom	100	100
Cromwell Promote CEIF LP	United Kingdom	100	100
Cromwell Promote CEVAF l LP	United Kingdom	100	100
Cromwell Promote CPRF LP	United Kingdom	100	100
Cromwell Promote ECV LP	United Kingdom	100	100
Cromwell Promote HIG LP	United Kingdom	100	100
Cromwell WBP Poland LP	United Kingdom	100	100
Cromwell YCM Coinvest LP	United Kingdom	100	100
Cromwell YCM Promote LP	United Kingdom	100	100
D.U.K.E. (Cheetham Hill) Limited	United Kingdom	-	100
D.U.K.E. Combined GP Limited	United Kingdom	100	100
Equity Partnerships (Osprey) Limited	United Kingdom	100	100
IO Management Services Limited	United Kingdom	100	100
Parc D'Activities 1 GP Limited	United Kingdom	100	100
PFM Coinvestment Partner Limited	United Kingdom	-	100
The IO Group Limited	United Kingdom	100	100
Valad Salfords Custodian Limited	United Kingdom	100	100

B) TRUST AND ITS CONTROLLED ENTITIES

Name	Country of registration	Equity Holding 2020 %	Equity Holding 2019 %
CDPT Finance Pty Ltd	Australia	**100**	100
CDPT Finance No. 2 Pty Ltd	Australia	**100**	100
Cromwell Accumulation Fund	Australia	**-**	100
Cromwell Bundall Corporate Centre Head Trust	Australia	**-**	100
Cromwell Bundall Corporate Centre Trust	Australia	**-**	100
Cromwell CPF Fund No. 1	Australia	**-**	100
Cromwell Diversified Property Trust No. 2	Australia	**100**	100
Cromwell Diversified Property Trust No. 3	Australia	**100**	100
Cromwell George Street Trust	Australia	**100**	-
Cromwell Holdings Trust No 1	Australia	**100**	100
Cromwell Holding Trust No 2	Australia	**100**	100
Cromwell Holdings Trust No 4	Australia	**100**	100
Cromwell HQ North Head Trust	Australia	**100**	100
Cromwell HQ North Trust	Australia	**100**	100
Cromwell Mary Street Property Trust	Australia	**100**	100
Cromwell Mary Street Planned Investment	Australia	**92**	92
Cromwell McKell Building Trust	Australia	**100**	100
Cromwell Newcastle Trust	Australia	**100**	100
Cromwell Poland Holdings Trust	Australia	**100**	100
Cromwell Northbourne Planned Investment	Australia	**100**	100
Cromwell NSW Portfolio Trust	Australia	**100**	100
Cromwell Penrith Trust	Australia	**100**	100
Cromwell Poland Holdings Trust	Australia	**100**	-
Cromwell Property Fund	Australia	**100**	100
Cromwell Property Fund Trust No 2	Australia	**100**	100
Cromwell Property Fund Trust No 3	Australia	**100**	100

Name	Country of registration	Equity Holding 2020 %	Equity Holding 2019 %
Cromwell Queanbeyan Trust	Australia	**100**	100
Cromwell SPV Finance Pty Ltd	Australia	**100**	100
Cromwell Symantec House Trust	Australia	**100**	100
Cromwell TGA Planned Investment	Australia	**100**	100
Cromwell VAC Finance Pty Ltd	Australia	**100**	-
Cromwell Wakefield Property Trust	Australia	**100**	100
Cromwell Wollongong Trust	Australia	**100**	100
EXM Head Trust	Australia	**100**	100
EXM Trust	Australia	**100**	100
Mascot Head Trust	Australia	**100**	100
Mascot Trust	Australia	**100**	100
Tuggeranong Head Trust	Australia	**100**	100
Tuggeranong Trust	Australia	**100**	100
CPRF S.C.A.	Luxembourg	**100**	-
Next Real Estate Polish Retail S.à r.l.	Luxembourg	**100**	-
Next Real Estate Polish Retail Holdco S.à r.l.	Luxembourg	**100**	-
CH Bydgoszcz Sp Zoo	Poland	**100**	-
CH Toruń Sp Zoo	Poland	**100**	-
CH Janki Sp Zoo	Poland	**100**	-
CH Łódź Sp Zoo	Poland	**100**	-
CH Szczecin Sp Zoo	Poland	**100**	-
CH Wrocław Sp Zoo	Poland	**100**	-
CPRF Co Sp Zoo	Poland	**100**	-
HEL Poland Sp Zoo	Poland	**100**	-
Cromwell Singapore Holdings Pte. Ltd.	Singapore	**100**	100
Cromwell European Finance Limited	United Kingdom	**-**	100

All new entities have been incorporated during the year. There were no business combinations during the year. Entities, which Cromwell or the Trust controlled in the prior year with no equity holding in the current year have either been deregistered or disposed in the current year.

Other Items

This section of the annual financial report provides information about individually significant items to the Balance sheets, Profit and loss statements and Cash flow statements and items that are required to be disclosed by Australian Accounting Standards.

17. Leased assets and related leases

The AASB has issued a new standard for leases, AASB 16 *Leases*, which has replaced AASB 117 *Leases*. Cromwell has applied AASB 16 from 1 July 2019 using the 'cumulative catch-up approach' permitted by the standard. A summary of material changes to the accounting policies is provided below:

A) ACCOUNTING POLICY

Accounting as lessor

Cromwell and the Trust enter into lease agreements as a lessor with respect to its investment properties. All these leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. When a contract includes both lease and non-lease components Cromwell and the Trust apply AASB 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component and account for the lease component as a lease in accordance with AASB 16 and the non-lease component as a service contract in accordance with AASB 15.

Initial direct costs incurred in negotiating and arranging such operating leases are added to the carrying value of the leased asset (investment property) and amortised on a straight-line basis over the lease term.

Accounting as lessee

Previously Cromwell determined at contract inception whether an arrangement is or contains a lease in accordance with IFRIC 4 *Determining Whether an Arrangement Contains a Lease*. Under AASB 16 Cromwell assesses whether a contract is or contains a lease based upon the definition of 'lease' within the standard.

On transition to AASB 16 Cromwell applied the new definition of lease to all existing leases to determine whether the underlying contract is or contains a lease. This has resulted in some contracts not previously identified as leases under AASB 117 and IFRIC 4 being classified and recognised as leases under AASB 16.

The accounting standard introduces a single accounting model for leases by lessees and effectively does away with the operating lease concept. It requires all relevant operating leases, which were not previously recorded on the balance sheet, to be recognised on the balance sheet as a financial liability with a corresponding right-of-use asset, except for short-term leases and leases of low value assets (for these leases Cromwell recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the pattern in which economic benefits from the leased assets are consumed).

The lease liability is initially measured as the present value of the lease payments that are unpaid at the commencement date, discounted using the rate implicit in the lease or relevant incremental borrowing rate. Subsequently the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications. The lease liability is presented as a component of Interest bearing liabilities in the balance sheet (see note 10).

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement, less any lease incentives received and any initial direct costs. The right-of-use asset is subsequently measured as cost less accumulated depreciation and impairments. Make-good or restoration obligations are provided for in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Right-of-use assets are presented as a component of Investment property and Property, plant and equipment in the Balance sheet.

Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. Impairments are measured in accordance with AASB 136 *Impairment of Assets*.

Transition

The new standard applies to a number of lease contracts Cromwell has entered into in respect of office premises, property, plant and equipment and motor vehicles. For the year ended 30 June 2020, Cromwell has adopted AASB 16 by applying the 'cumulative catch-up approach' allowed by the standard from 1 July 2019.

At transition lease liabilities were measured at the present value of the remaining lease payments, discounted at Cromwell's incremental borrowing rate at 1 July 2019. Right-of-use assets are measured at either:

- their carrying amount as if AASB 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Cromwell applied this approach to all the leases.
- Cromwell used the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 17:
- applied a discount rate to portfolios of leases with similar characteristics;
- applied the exemption not to recognise right-of-use assets and liabilities in respect of leases with terms of less than 12 months;
- excluded initial direct costs from measuring right-of-use assets at the date of initial recognition.

B) FINANCIAL IMPACT OF ADOPTION OF AASB 16

On transition Cromwell recognised an additional $15.6 million of right-of-use assets and $15.6 million of lease liabilities. When measuring lease liabilities, Cromwell discounted lease payments using relevant incremental borrowing rates at 1 July 2019. The weighted-average rate applied is 2.5%.

The below table shows the information in relation to Cromwell and Trust's leased assets and relevant lease liabilities for the year ending and as at 30 June 2020:

	Investment property(1)(2) $M	Office premises(3) $M	Property, plant and equipment(3) $M	Total $M
Operating lease commitment at 30 June 2019 as disclosed in Cromwell's consolidated financial statements	-	13.8	1.2	15.0
Discounted using the incremental borrowing rate at 1 July 2019	-	(1.1)	(0.1)	(1.2)
Extensions and termination options reasonably certain to be exercised	-	2.0	-	2.0
Lease commitments derecognised under AASB 16 definition	-	(0.2)	-	(0.2)
Lease liabilities and corresponding right-of-use assets recognised on 1 July 2019	-	14.5	1.1	15.6
Reconciliation of movements in lease liabilities:				
Lease liabilities recognised on 1 July 2019	-	14.3	1.1	15.4
Additions	6.9	3.1	1.1	11.1
Payments	(0.4)	(2.9)	(0.7)	(4.0)
Finance costs(4)	0.2	0.4	-	0.6
Disposals, terminations and modifications	(0.4)	(1.9)	(0.1)	(2.4)
Lease liabilities at 30 June 2020	6.3	13.0	1.4	20.7
Classified as a component of interest bearing liabilities:				
Current	0.4	2.6	0.6	3.6
Non-current	5.9	10.4	0.8	17.1
Lease liabilities at 30 June 2020	6.3	13.0	1.4	20.7
Reconciliation of movements in relation to right-of-use assets:				
Right-of-use assets recognised on 1 July 2019	-	14.3	1.1	15.4
Additions	6.9	3.1	1.1	11.1
Disposals, terminations and modifications	-	(2.0)	(0.2)	(2.2)
Amortisation(5)	(0.1)	(2.6)	(0.6)	(3.3)
Right-of-use assets at 30 June 2020	6.8	12.8	1.4	21.0
Reconciliation of cash flows in relation to leases:				
Payments in relation to lease liabilities recognised above	(0.4)	(2.9)	(0.7)	(4.0)
Total cash flows in respect of lease for the year ended 30 June 2020	(0.4)	(2.9)	(0.7)	(4.0)

(1) Represents relevant information in respect of the Trust.
(2) Right-of-use assets included as a component of Investment property In the Balance sheet. See note 7 for further information.
(3) Right-of-use assets included as a component of Property, plant and equipment in the Balance sheet.
(4) Included as a component of Finance costs in the statement of profit or loss.
(5) Included as a component of Amortisation and depreciation in the Statement of profit or loss.

18. Other financial assets and financial liabilities

A) OVERVIEW

This note provides further information about material financial assets and liabilities that are incidental to Cromwell's and the Trust's trading activities, being receivables and trade and other payables, as well as information about restricted cash.

B) ACCOUNTING POLICY

Trade receivables and loans at amortised cost

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less any expected credit losses. Operating lease receivables of investment properties are due on the first day of each month, payable in advance.

Loans at fair value through profit or loss

Loans at fair value through profit or loss are recognised initially at fair value and subsequently measured at fair value using techniques detailed in note 14(g)(iii).

Note: as a result of COVID-19 Cromwell has undertaken a comprehensive review of tenant receivables. All tenant receivables not considered to be recoverable have been fully provided for.

In addition, the recoverability and measurement of loans to related parties was assessed against the backdrop of COVID-19. Recoverability was assessed based upon financial and non-financial information provided by the borrowers. Recoverability was found to not be negatively impacted. The inputs into the relevant valuation models used to determine the recoverable amount of the loans was also scrutinised and amended where appropriate to reflect any impacts of COVID-19.

Trade payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost. These amounts represent liabilities for goods and services provided to Cromwell prior to the end of the year and which are unpaid. The amounts are usually unsecured and paid within 30-60 days of recognition.

C) RECEIVABLES

	Cromwell		Trust	
	2020 $M	2019 $M	**2020 $M**	2019 $M
Current				
Contract assets at amortised cost	**2.0**	1.1	**1.5**	8.0
Trade and other receivables at amortised cost	**47.8**	66.8	**29.4**	35.0
Loans at amortised cost – associates and related parties	**0.5**	5.0	**-**	139.7
Receivables – current	**50.3**	72.9	**30.9**	182.7
Non-current				
Loans at amortised cost – related parties	**41.3**	8.7	**128.6**	4.3
Loans at fair value through profit or loss – associate	**159.7**	112.6	**118.1**	47.8
Trust loans at amortised cost – related party	**-**	-	**-**	73.3
Receivables – non-current	**201.0**	121.3	**246.7**	125.4

Loans – related parties

Current loans – Oyster joint venture

During the prior year, the Trust provided a NZD $6.0 million short-term loan facility to Cromwell's joint venture Oyster Property Funds Limited ("Oyster") for the initial funding of an Oyster property syndication. This facility was drawn to NZD $1.0 million, which was fully repaid during the prior year. The facility has now ceased.

During the current year, the Trust provided several NZD-denominated short-term loan facilities of $20.5 million in aggregate to Cromwell's joint venture Oyster Property Funds Limited ("Oyster") for the initial funding of Oyster property syndications. This facility were drawn to NZD $7.5 million, all of which was fully repaid during the year.

Non-current loans – LDK joint venture

i) Working capital loan

In 2018, the Trust signed a Facility Agreement ('Working capital loan') with LDK Corporate Unit Trust, a subsidiary of LDK Healthcare Unit Trust, to provide a facility terminating on 31 December 2020, which was extended until 31 December 2023 during the year. The maximum loan facility is $10.0 million with an interest rate of 12%. During the year, the loan was drawn down by a further $5.2 million and repayments of $8.8 million were made.

ii) "Waterfall" loans

During the prior year, Cromwell and the Trust provided a number of loan facilities to LDK Healthcare Unit Trust and a number of its subsidiaries in order to assist in the development of the LDK business. These facilities are $240.8 million in aggregate and do not constitute a component of Cromwell's net investment in the joint venture itself due to the loans being either secured or their settlement being planned and likely.

Interest rates attributable range from nil to BBSY plus various margins. These loans have been classified as being held at fair value through profit or loss.

During the year, $83.1 million (2019: $112.4 million) was drawn down and $37.9 million (2019: $nil) was repaid, whilst interest accrued at relevant rates. The total aggregate loan balance at year-end is $158.8 million (2019: $112.6 million) (including accrued interest).

Non-current loans – Ursynów

During the year Cromwell and the Trust provided a PLN-denominated loan facility to Ursynów of PLN 100.0 million as a component of the refinancing of the Polish investment portfolio. The loan facility expires in November 2027 and has an interest rate applicable of 7.2%. At balance date the loan was drawn to PLN 78.6 million ($30.9 million).

Non-current loans – Trust loans

The Trust loans to CCL consist of four facilities as follows:

Unsecured loan: In a prior year the Trust provided CCL a loan facility of €107.6 million. The Euro denominated loan facility was unsecured and was subject to an interest rate of 2.5%. The loan facility expired in February 2020 when the loan and applicable interest was repaid in full.

Unsecured loan: During the year the Trust provided CCL a loan facility of €100.0 million. CCL drew down €75.2 million in respect of the facility during the year and made repayments of €15.3 million leaving a loan balance of €59.9 million ($98.0 million) at balance date. The Euro denominated loan facility is unsecured and carries an interest rate of 2.5%. The loan facility expires in February 2029.

Investment loan: In a prior year the Trust provided CCL a loan facility of $15.2 million in relation to CCL's acquisition of an investment. The loan was fully drawn at inception. During the year CCL fully repaid the loan and applicable interest (2019: $nil repayments) at which time the facility was extinguished. The facility, originally due to expire in March 2026, was unsecured and subject to an interest rate of BBSY plus a margin.

LDK loans: During the prior year the Trust provided CCL aggregate loan facilities of $60.7 million. During the year CCL made repayments of $58.1 million (2019: $2.6 million) so the aggregate loan balance was repaid and the facility was extinguished (2019: balance $58.1 million). The loan facilities were unsecured and an interest rate of BBSY plus margin is applicable.

D) TRADE AND OTHER PAYABLES

	Cromwell		Trust	
	2020 $M	2019 $M	**2020 $M**	2019 $M
Trade and other payables	**46.0**	46.9	**20.5**	18.4
Lease incentives payables	**62.7**	13.3	**62.7**	13.3
Tenant security deposits	**2.4**	0.1	**2.4**	0.1
Trade and other payables	**111.1**	60.3	**85.6**	31.8

19. Intangible assets

A) OVERVIEW

At the current and prior year-ends, Cromwell's intangible assets consisted solely of software assets. The schedule below provides information about the movements in intangible assets:

	Cromwell	
	2020	2019
Software	$M	$M
Cost	14.8	9.3
Accumulated amortisation	7.2	4.8
Balance at 30 June	7.6	4.5
Opening balance as at 1 July	4.5	2.3
Additions	5.4	3.7
Disposals	-	(1.0)
Amortisation	(2.4)	(0.6)
Foreign exchange difference	0.1	0.1
Balance at 30 June	7.6	4.5

B) ACCOUNTING POLICY

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Cromwell currently carries only software as intangible assets. Software is amortised on a straight-line basis over two to five years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

20. Cash flow information

A) OVERVIEW

This note provides further information on the consolidated cash flow statements of Cromwell and the Trust. It reconciles profit for the year to cash flows from operating activities and information about non-cash transactions.

B) ACCOUNTING POLICY

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense, or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the cash flow statement on a gross basis.

The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

C) RECONCILIATION OF PROFIT FOR THE YEAR TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Cromwell		Trust	
	2020 $M	2019 $M	2020 $M	2019 $M
Net profit	181.1	159.9	153.8	163.4
Amortisation and depreciation	7.4	2.4	-	-
Amortisation of lease costs and incentives	29.2	20.8	29.2	20.8
Operating lease costs	(3.1)	-	-	-
Straight-line rentals	(9.7)	(9.3)	(9.7)	(9.3)
Security based payments	2.8	2.5	-	-
Share of (profits) / losses – equity accounted investments (net of distributions and impairments)	(11.7)	13.5	(4.5)	15.6
Net foreign exchange loss / (gain)	4.6	10.1	4.9	10.7
Amortisation of loan transaction costs	10.0	7.8	9.8	7.5
Gain on sale of investment properties	(3.3)	(0.7)	(3.3)	(0.7)
Loss on sale of other assets	3.6	-	3.6	-
Costs in relation to asset classified as held for sale	-	35.3	-	35.3
Asset, fund and development management fees non-cash settled	(16.0)	(21.9)	-	-
Decrease / (increase) in recoverable amounts	4.3	0.4	-	-
Finance costs attributable to discounted lease incentives	0.8	-	0.8	-
Fair value net (gain) / loss from:				
Investment properties	(17.5)	(86.4)	(17.5)	(86.4)
Derivative financial instruments	(18.4)	10.5	(18.4)	10.5
Investments at fair value through profit or loss	4.3	9.2	-	-
Payment for other transaction costs	23.4	2.9	19.0	1.8
Changes in operating assets and liabilities				
(Increase) / decrease in:				
Receivables	19.0	(18.2)	15.6	(29.1)
Tax assets / liabilities	(3.3)	(9.0)	(9.2)	12.3
Other current assets	(0.2)	(2.6)	(0.6)	(0.2)
Increase / (decrease) in:				
Trade and other payables	(10.9)	5.6	18.7	5.4
Provisions	1.4	1.1	-	-
Unearned income	3.4	1.1	3.0	1.2
Net cash provided by operating activities	201.2	135.0	195.2	158.8

D) NON-CASH TRANSACTIONS

	Cromwell		Trust	
	2020 $M	2019 $M	2020 $M	2019 $M
Stapled securities / units issued on reinvestment of distributions	21.0	18.0	17.4	17.0
CEREIT fees received in units:				
Acquisition fees	12.5	4.9	-	-
Management fees	3.5	16.4	-	-
Restructure costs	-	0.6	-	-
Total non-cash outflow transactions	37.0	39.9	17.4	17.0

E) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Cromwell	Borrowings $M	Dividends / distributions payable $M	Derivative financial instruments $M	Total $M
Opening balance 1 July 2018	1,412.0	41.4	37.7	1,491.1
Changes from financing cash flows:				
Proceeds from borrowings	178.5	-	-	178.5
Repayments of borrowings	(250.7)	-	-	(250.7)
Payment of loan transaction costs	(4.4)	-	-	(4.4)
Payments for settlement of derivative financial instruments	-	(140.4)	-	(140.4)
Payment of dividends / distributions	-	-	(12.3)	(12.3)
Total changes from financing cash flows	(76.6)	(140.4)	(12.3)	(229.3)
Other movements:				
Exchange rate gains / losses	15.4	-	0.8	16.2
Fair value net gains / losses	-	-	8.7	8.7
Amortisation of loan transaction costs	7.8	-	-	7.8
Stapled securities / units issued on reinvestment of distributions	-	(18.0)	-	(18.0)
Distributions for the year	-	157.5	-	157.5
Recognition of bond conversion features	(2.2)	-	2.2	-
Balance at 30 June 2019	1,356.4	40.5	37.1	1,434.0
Changes from financing cash flows:				
Proceeds from borrowings	**2,050.4**	**-**	**-**	**2,050.4**
Repayments of borrowings	**(1,243.8)**	**-**	**-**	**(1,243.8)**
Payment of dividends / distributions	**-**	**(166.0)**	**-**	**(166.0)**
Total changes from financing cash flows	**806.6**	**(166.0)**	**-**	**640.6**
Other movements:				
Exchange rate gains / losses	**(3.1)**	**-**	**0.6**	**2.5**
Fair value net gains / losses	**-**	**-**	**(18.4)**	**(18.4)**
Amortisation of loan transaction costs	**10.0**	**-**	**-**	**10.0**
Stapled securities / units issued on reinvestment of distributions	**-**	**(21.0)**	**-**	**(21.0)**
Distributions for the year	**-**	**195.5**	**-**	**195.5**
Balance at 30 June 2020	**2,169.9**	**49.0**	**19.3**	**2,238.2**

Trust	Borrowings $M	Dividends / distributions payable $M	Derivative financial instruments $M	Total $M
Opening balance 1 July 2018	1,412.4	41.4	37.7	1,332.5
Changes from financing cash flows:				
Proceeds from borrowings	171.0	-	-	171.0
Repayments of borrowings	(250.7)	-	-	(250.7)
Payment of loan transaction costs	(4.7)	-	-	(4.7)
Payments for settlement of derivative financial instruments	-	(141.4)	-	(141.4)
Payment of dividends / distributions	-	-	(12.3)	(12.3)
Total changes from financing cash flows	(84.3)	(141.4)	(12.3)	(238.0)
Other movements:				
Exchange rate gains / losses	15.7	-	0.8	16.5
Fair value net gains / losses	-	-	8.8	8.8
Amortisation of loan transaction costs	7.5	-	-	7.5
Stapled securities / units issued on reinvestment of distributions	-	(17.0)	-	(17.0)
Distributions for the year	-	157.5	-	157.5
Recognition of bond conversion features	(2.2)	-	2.2	-
Balance at 30 June 2019	1,349.0	40.5	37.1	1,426.6
Changes from financing cash flows:				
Proceeds from borrowings	**2,050.4**	**-**	**-**	**2,050.4**
Repayments of borrowings	**(1,243.8)**	**-**	**-**	**(1,243.8)**
Payment of loan transaction costs	**(4.5)**	**-**	**-**	**(4.5)**
Payment of dividends / distributions	**-**	**(169.6)**	**-**	**(169.3)**
Total changes from financing cash flows	**802.1**	**(169.6)**	**-**	**632.5**
Other movements:				
Exchange rate gains / losses	**1.4**	**-**	**0.6**	**2.0**
Fair value net gains / losses	**-**	**-**	**(18.4)**	**(18.4)**
Amortisation of loan transaction costs	**9.8**	**-**	**-**	**9.8**
Stapled securities / units issued on reinvestment of distributions	**-**	**(17.4)**	**-**	**(17.4)**
Distributions for the year	**-**	**195.5**	**-**	**195.5**
Balance at 30 June 2020	**2,162.3**	**49.0**	**19.3**	**2,230.6**

21. Security based payments

A) OVERVIEW

Cromwell operates a security based compensation scheme, the Performance Rights Plan (PRP). Under the PRP, eligible employees, including executive directors, have the right to acquire Cromwell securities at a consideration of between $0.00 and $0.50 subject to certain vesting conditions. Eligibility is by invitation of the Board of Directors and participation in the PRP by executive directors is subject to securityholder approval. The PRP is designed to provide long-term incentives for employees to continue employment and deliver long-term securityholder returns.

This note provides information below on the security based compensation schemes Cromwell currently operates.

B) PRP

Cromwell established a PRP in September 2007. All full-time and part-time employees who meet minimum service, remuneration and performance requirements, including executive directors, are eligible to participate in the PRP at the discretion of the Board. Under the PRP, eligible employees are allocated performance rights. Each performance right enables the participant to acquire a stapled security in Cromwell, at a future date and exercise price, subject to conditions. The number of performance rights allocated to each participant is set by the Board or the Nomination & Remuneration Committee and based on individual circumstances and performance.

The amount of performance rights that will vest under the PRP depends on a combination of factors which may include Cromwell's total securityholder returns (including price growth, dividends and capital returns), internal performance measures and the participant's continued employment. Performance rights allocated under the PRP generally vest in three years. Until performance rights have vested, the participant cannot sell or otherwise deal with the performance rights except in certain limited circumstances. It is a condition of the PRP that a participant must remain employed by Cromwell in order for performance rights to vest. Any performance rights which have not yet vested on a participant leaving employment must be forfeited.

Under AASB 2 *Share-based Payment*, the performance rights are treated as options for accounting purposes. Set out below is a summary of movements in the number of performance rights outstanding at the end of the financial year:

	2020		2019	
	Weighted average exercise price	**Number of performance rights**	Weighted average exercise price	Number of performance rights
As at 1 July	**$0.32**	**15,632,820**	$0.37	11,256,742
Granted during the year	**$0.17**	**3,366,614**	$0.24	6,751,764
Exercised during the year	**$0.40**	**(4,920,055)**	$0.36	(2,375,686)
Forfeited during the year	**$0.00**	**(261,223)**	-	-
As at 30 June	**$0.26**	**13,818,156**	$0.32	15,632,820
Vested and exercisable	**-**	**-**	-	-

The weighted average price per security at the date of exercise of options exercised during the year ended 30 June 2020 was $1.21 (2019: $1.07). No options expired during the years covered in the table above.

The weighted average remaining contractual life of the 13,818,156 performance rights outstanding at the end of the financial year (2019: 15,632,820) was 1.3 years (2019: 1.5 years).

Fair value of performance rights granted

The fair value of performance rights granted during the year was between $0.57 per option for PRP with an exercise price of $0.50 and $1.06 per option for PRP with an exercise price of $nil (2019: fair value between $0.34 and $0.88).

Performance rights do not have any market-based vesting conditions. The fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the security price at grant date and expected price volatility of the underlying security, the expected dividend/distribution yield and the risk-free interest rate for the term of the option. The model inputs for performance rights granted during the year included:

Exercise price:	$0.00 to $0.50 (2019: $0.00 to $0.50)
Grant date(s):	4-Oct-19 and 27-Mar-20 (2019: 7-Nov-18 and 21-Dec-18)
Share price at grant date(s):	$1.27 and $0.80 (2019: $1.023 and $0.995)
Expected price volatility:	16% and 15% (2019: 13%, 14% and 17%)
Expected dividend yield(s):	5.91% and 9.6% (2019: 7.14%, 7.25% and 8.87%)
Risk free interest rate(s):	0.78% and 0.56% (2019: 2.06%, 2.11% and 1.94%)
Expiry date(s):	31-Oct-22 and 30-Sep-22 (2019: 7-Dec-21, 30-Sep-20 and 30-Sep-21)

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

C) EXPENSE ARISING FROM SECURITY BASED PAYMENTS

Expenses arising from share-based payments recognised during the year as part of employee benefits expense were as follows:

	Cromwell		Trust	
	2020 $M	2019 $M	**2020 $M**	2019 $M
Performance rights issued under the PRP	**2.8**	2.6	**-**	-

22. Related parties

A) OVERVIEW

Related parties are persons or entities that are related to Cromwell as defined by AASB 124 *Related Party Disclosures*. These include directors and other key management personnel and their close family members and any entities they control as well as subsidiaries, associates and joint ventures of Cromwell. They also include entities which are considered to have significant influence over Cromwell, that is securityholders that hold more than 20% of Cromwell's issued securities.

This note provides information about transactions with related parties during the year. All of Cromwell's transactions with related parties are on normal commercial terms and conditions and at market rates.

B) KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel compensation

Cromwell	2020 $	2019 $
Short-term employee benefits	**6,006,118**	5,043,108
Post-employment benefits	**126,998**	107,704
Other long-term benefits	**79,103**	80,782
Security-based payments	**2,234,262**	1,733,310
Total key management personnel compensation	**8,446,481**	6,964,904

Loans to key management personnel

Cromwell has provided loans to Mr P Weightman, a Director of the Company, for the exercise of his employee options under Cromwell's Performance Rights Plan. Each loan term is three years, limited recourse and interest free. The outstanding balance at balance date was $2,736,980 (2019: $1,960,001).

Other transactions with key management personnel

Cromwell rented an apartment, located at 185 Macquarie Street, Sydney, which is owned by Mr P Weightman, a Director of Cromwell. Total rent paid during year was $96,200 (2019: $114,396). The payment of rent is on normal commercial terms and conditions and at market rates. The lease expired on 30 June 2020.

C) OTHER RELATED PARTY TRANSACTIONS

i) Parent entity and subsidiaries

Cromwell Corporation Limited is the ultimate parent entity in Cromwell. Cromwell Diversified Property Trust is the ultimate parent entity in the Trust. Details of subsidiaries for both parent entities are set out in note 16.

ii) Transactions with joint ventures and associates

Cromwell European Real Estate Investment Trust

Cromwell and the Trust hold 30.7% and 30.1% interests in CEREIT (2019: 35.8% and 35.0% - refer to note 7(c) for further details).

Cromwell and the Trust received $28.1 million and $27.8 million in distributions from CEREIT during the year (2019: $67.6 million and $66.7 million).

Cromwell EREIT Management Pte. Ltd. ("CEM"), a wholly owned subsidiary of Cromwell, is the Manager for CEREIT. A number of other wholly owned, Europe-domiciled, subsidiaries of Cromwell provide property related services to CEREIT at normal commercial terms.

The following income was earned by Cromwell from CEREIT:

	Cromwell	
	2020 $M	2019 $M
Paid / payable by CEREIT to Cromwell and its subsidiaries:		
Fund management fees	**17.0**	12.5
Property management fees	**24.2**	18.2
Leasing fees	**1.5**	3.0
Project management fees	**0.8**	0.8
Distributions	**28.1**	41.0
Balances outstanding with CEREIT at year end:		
Distribution receivable	**-**	25.6
Aggregate amounts receivable	**9.0**	16.1

During the year Cromwell received 18,347,425 units in CEREIT as consideration for the part-settlement of acquisition fees and management fees (2019: 25,953,109), which equated to $16.0 million (2019: $8.2 million).

Ursynów

As a component of the CPRF transaction Cromwell and the Trust acquired a 94.1% interest in CH Ursynów sp. z o.o. (Ursynów - see note 8(e)), an entity that owns a retail asset in Poland. As part of the acquired fund, CPRF, there is a PLN-denominated loan facility to Ursynów of PLN 100.0 million. The loan facility expires in November 2027 and has an applicable interest rate of 7.2%. At balance date the loan was drawn to PLN 78.6 million ($30.9 million) and interest equating to $1.7 million was derived in relation to the loan.

Cromwell provided property related services at normal commercial terms totalling $0.4 million for the period from acquisition to 30 June 2020.

LDK Healthcare Unit Trust

Cromwell holds a 50% interest in the LDK Healthcare Unit Trust (LDK), a joint venture conducting an aged care operation. During a prior year, Cromwell and LDK commenced a project to repurpose the Cromwell-owned property at Tuggeranong Office Park in the ACT into a Seniors living village under a Development lease. During the prior year, LDK acquired the Tuggeranong Office Park property (now known as "Greenway") for $54.5 million, and the development lease was cancelled (see below).

Cromwell has the following loans and related party transactions with the LDK joint venture:

a) Working capital loans

In 2018, the Trust signed a Facility Agreement ('Working capital loan') with LDK Corporate Unit Trust, a subsidiary of LDK Healthcare Unit Trust, to provide a facility terminating on 31 December 2020, which was extended until 31 December 2023 during the year. The maximum loan facility is $10.0 million with an interest rate of 12%. During the year, the facility was drawn down by a further $5.2 million and repayments of $8.8 million were made.

b) "Waterfall" loans

During the prior year, Cromwell and the Trust provided a number of loan facilities to LDK Healthcare Unit Trust and a number of its subsidiaries in order to assist in the development of the LDK business. Refer to note 18(c)(ii) for further information.

c) Project management fees

During the year, Cromwell provided project management services to a subsidiary of LDK in relation to the development of the LDK 'Greenway' aged care facility. Cromwell derived $1.1million in project management fees at normal commercial terms during the year ended 30 June 2020 (2019: $nil).

Oyster Property Group Limited

During the prior year, the Trust provided a NZD $6.0 million short-term loan facility to Cromwell's joint venture Oyster Property Funds Limited ("Oyster") for the initial funding of an Oyster property syndication. This facility was drawn to NZD $1.0 million, which was fully repaid during the prior year. The facility has now ceased.

During the current year, the Trust provided facilities of NZD $20.5 million short-term loan facility to Cromwell's joint venture Oyster Property Funds Limited ("Oyster") for the initial funding of an Oyster property syndication. This facility was drawn to NZD $7.5 million, which was fully repaid during the year. The Trust derived $0.8 million in finance income in relation to the facility to Oyster during the year.

BlackRock

During the year, the Cromwell and the Trust completed the sale of a 50% stake in the direct property at 475 Victoria Avenue, Chatswood for $120 million to an entity managed by BlackRock Inc (BlackRock). BlackRock established the Odyssey Sub Trust to hold their 50% direct interest in the property as tenants in common along with the Trust.

Under the various agreements with BlackRock, Cromwell provided property related services at normal commercial terms totalling $0.1 million for the year ended 30 June 2020.

Portgate Estate Unit Trust

Cromwell holds a 28% interest in Portgate Estate Unit Trust (Portgate), which holds the Portgate property located at the Port of Brisbane. During the year Cromwell paid an additional $2.5 million in consideration for the investment, leaving no unpaid acquisition consideration outstanding. For further information in relation to Cromwell's investment in Portgate see note 8(c).

During the year Cromwell provided property management services for which Portgate paid $89,000 (2019: $87,000). Portgate paid no distributions during the year (2019: $nil).

Cromwell Partners Trust

Cromwell and the Trust held a 50% interest in the Cromwell Partners Trust joint venture ("CPA") which holds the Northpoint property in North Sydney (refer to note 8 for further details). Cromwell received no distributions from CPA during the year (2019: $3.9 million).

Cromwell Real Estate Partners Pty Ltd ("CRE"), a wholly owned subsidiary of Cromwell, acts as trustee for CPA. Cromwell Property Services Pty Ltd and Cromwell Project and Technical Solutions Pty Ltd, wholly owned subsidiaries of Cromwell provide property related services to CPA at normal commercial terms. The following income was earned by Cromwell from CPA:

	Cromwell	
	2020 $M	2019 $M
Paid / payable by CPA to Cromwell and its subsidiaries:		
Fund management fees	**0.7**	2.8
Property management fees	**0.8**	0.8
Leasing fees	**0.1**	0.2
Project management fees	**0.2**	0.4
Distributions	**-**	3.9
Balances outstanding with CPA at year end:		
Distribution receivable	**-**	1.4
Aggregate amounts receivable	**-**	2.2

iii) Transactions between the Trust and the Company and its subsidiaries (including the responsible entity of the Trust)

Cromwell Property Securities Limited ("CPS"), a wholly owned subsidiary of Cromwell Corporation Limited ("CCL") acts as responsible entity for the Trust. For accounting purposes the Trust is considered to be controlled by CCL. CCL and its subsidiaries provide a range of services to the Trust. A subsidiary of CCL rents commercial property space in a property owned by the Trust. All transactions are performed on normal commercial terms.

The Trust made the following payments to and received income from CCL and its subsidiaries:

	Trust 2020 $M	Trust 2019 $M
Paid / payable by the Trust to the Company and its subsidiaries:		
Development fees	**32.0**	-
Fund management fees	**18.8**	14.1
Property management fees	**6.4**	6.1
Leasing fees	**2.7**	1.3
Project management fees	**0.3**	1.5
Accounting fees	**0.8**	0.7
Received / receivable by the Trust from the Company and its subsidiaries:		
Interest	**4.2**	7.6
Rent and recoverable outgoings	**2.7**	3.0
Balances outstanding at year-end with the Company and its subsidiaries:		
Aggregate amounts payable	**2.9**	4.5
Aggregate amounts receivable	**98.3**	219.0

The amount receivable from the Company and its subsidiaries includes loans of $98.0 million (2019: $213.0 million). For further details regarding these loans refer to note 18(c).

23. Employee benefits expense

A) OVERVIEW

This note provides further details about Cromwell's employee benefits expenses and its components, leave balances outstanding at year end as well as employee benefits expense related accounting policies.

	Cromwell 2020 $M	Cromwell 2019 $M	Trust 2020 $M	Trust 2019 $M
Salaries and wages, including bonuses and on-costs	**77.0**	58.8	**-**	-
Directors fees	**1.2**	1.2	**-**	-
Contributions to defined contribution superannuation plans	**3.5**	3.4	**-**	-
Security-based payments	**2.8**	2.6	**-**	-
Other employee benefits expense	**5.7**	5.7	**-**	-
Restructure costs reversed	**-**	(0.3)	**-**	-
Total employee benefits expense	**90.2**	71.4	**-**	-

B) ACCOUNTING POLICY

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

Superannuation

Contributions are made by Cromwell to defined contribution superannuation funds and expensed as they become payable.

Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using relevant discount rates at the end of the reporting period that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Security-based payments

The fair value of options and performance rights granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options or performance rights. The fair value at grant date is determined using a pricing model that takes into account the exercise price, the term, the security price at grant date and expected price volatility of the underlying security, the expected distribution yield and the risk free interest rate for the term.

The fair value of the options or performance rights granted is adjusted to reflect the probability of market vesting conditions being met, but excludes the impact of any non market vesting conditions (for example, profitability and sales growth targets). Non market vesting conditions are included in assumptions about the number of options or performance rights that are expected to become exercisable. At each balance date, Cromwell revises its estimate of the number of options or performance rights that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in profit or loss with a corresponding adjustment to equity.

Bonus plans

Cromwell recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Leave balances outstanding at year-end

Accrued annual leave at year-end of $5.1 million (2019: $4.0 million) is included in current provisions on the Balance sheet. Based on experience, Cromwell expects substantially all employees to take the full amount of accrued annual leave within the next 12 months.

The portion of accrued long service leave included in current provisions on the Balance sheet was $1.7 million (2019: $1.5 million). This is the amount expected to be settled within 12 months where the employee had reached the required service term to take the long service leave (generally 10 years). The non-current liability for long service leave included within non-current provisions on the Balance sheet was $0.8 million (2019: $0.6 million).

24. Auditors' remuneration

A) OVERVIEW

The independent auditors of Cromwell in Australia (Deloitte Touche Tohmatsu) and component auditors of overseas subsidiaries and their affiliated firms have provided a number of audit and other assurance related services as well as other non-assurance related services to Cromwell and the Trust during the year.

Below is a summary of fees paid for various services to Deloitte and Pitcher Partners and component audit firms during the year:

	Cromwell		Trust	
	2020 $	2019 $	**2020 $**	2019 $
Deloitte Touche Tohmatsu				
Audit and other assurance services				
Auditing or reviewing of financial reports	**465,260**	322,000	**224,800**	172,800
Auditing of controlled entities' AFS licences	**7,000**	7,000	**-**	-
Auditing of component financial reports	**899,246**	499,560	**-**	-
Other assurance services	**20,000**	-	**-**	-
	1,391,506	828,560	**224,800**	172,800
Other services				
Due diligence services	**111,801**	208,050	**-**	-
Australian taxation advice	**34,436**	30,800	**-**	-
International taxation advice	**44,261**	181,300	**-**	-
Total remuneration of Deloitte Touche Tohmatsu	**1,582,004**	1,248,710	**224,800**	172,800
Pitcher Partners				
Audit and other assurance services				
Auditing of the Trust's compliance plan	**36,000**	34,000	**36,000**	34,000
	36,000	34,000	**36,000**	34,000
Other services				
Valuation services	**14,500**	25,000	**-**	-
Total remuneration of Pitcher Partners	**50,500**	59,000	**36,000**	34,000
Other audit firms				
Other services				
Tax compliance services	**241,299**	367,123	**217,294**	-
International tax advice on acquisitions	**175,442**	73,541	**175,442**	-
Total remuneration of other audit firms	**416,741**	440,664	**392,736**	-
Total auditors' remuneration	**2,049,245**	1,748,374	**653,536**	206,800

25. Unrecognised items

A) OVERVIEW

Items that have not been recognised on Cromwell's and the Trust's Balance sheet include contractual commitments for future expenditure and contingent liabilities which are not sufficiently certain to qualify for recognition as a liability on the Balance sheet. This note provides details of any such items.

B) COMMITMENTS

Operating leases

Operating leases primarily comprise the lease of Cromwell's Sydney and European office premises. The Company has entered into a number of leases with the Trust and its subsidiaries and as such the commitment is not recognised on consolidation.

Due to the adoption of AASB 16 *Leases*, $15.6 million of lease liabilities were recognised as a component of interest bearing liabilities on 1 June 2019 (see note 17 for further information).

For further information in relation to commitments for minimum lease payments in relation to non-cancellable operating leases in existence at the reporting date but not recognised as liabilities see note 10(c)(xiii).

Capital expenditure commitments

Commitments in relation to capital expenditure contracted for at reporting date but not recognised as a liability are as follows:

	Cromwell		Trust	
	2020 $M	2019 $M	**2020 $M**	2019 $M
Investment property	**5.3**	8.8	**5.3**	8.8
Capital contributions	**-**	0.4	**-**	-
Total capital expenditure commitments	**5.3**	9.2	**5.3**	8.8

C) CONTINGENT LIABILITIES

The Directors are not aware of any material contingent liabilities of Cromwell or the Trust (2019: nil).

26. Subsequent events

Other than those disclosed below, no matter or circumstance has arisen since 30 June 2020 that has significantly affected or may significantly affect:

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

a) Sale of Wakefield Street, SA

Subsequent to balance date Cromwell and the Trust exchanged contracts to sell the property Wakefield Street, SA for $30.0 million. The transaction is expected to settle on 21 September 2020. The investment property has been classified as held for sale to reflect this state of affairs.

b) Sale of investment in Portgate Estate Unit Trust

Subsequent to balance date Cromwell exchanged contracts to sell its 23.8% investment in Portgate Estate Unit Trust ("Portgate") for $2.5 million. The transaction is expected to settle on 27 August 2020. The Portgate investment has been classified as held for sale to reflect this state of affairs.

c) Acquisition of logistics portfolio

Subsequent to balance date Cromwell, in conjunction with a joint venture partner, signed binding agreements to purchase seven DHL logistics assets in Italy for $85.7 million (€52.5 million) with settlement due in September 2020. Cromwell and the Trust intend to fund its share of the acquisition from existing undrawn debt facilities.

Directors' Declaration

In the opinion of the Directors of Cromwell Corporation Limited and Cromwell Property Securities Limited as Responsible Entity for the Cromwell Diversified Property Trust (collectively referred to as "the Directors"):

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

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

ii) giving a true and fair view of Cromwell's and the Trust's financial position as at 30 June 2020 and of their performance, for the financial year ended on that date; and

the financial report also complies with International Financial Reporting Standards as disclosed in About this report - section (a) Basis of preparation; and

there are reasonable grounds to believe that Cromwell and the Trust 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 for the financial year ended 30 June 2020 required by section 295A of the *Corporations Act 2001* (Cth).

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

PL Weightman
Director

26 August 2020

Brisbane

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the Stapled Security Holders of Cromwell Property Group and the Unitholders of Cromwell Diversified Property Trust

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of:

- Cromwell Property Group (the "Group") which comprises the consolidated balance sheet as at 30 June 2020, the consolidated statement of profit and loss and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated stapled entity. The consolidated stapled entity compromises Cromwell Corporation Limited ("the Company"), Cromwell Diversified Property Trust, and the entities they controlled at the year end or from time to time during the year; and
- Cromwell Diversified Property Trust (the "Trust") which comprises the consolidated balance sheet as at 30 June 2020, the consolidated statement of profit and loss and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration of Cromwell Property Securities Limited (the "Responsible Entity"), as Responsible Entity of the Trust. The consolidated entity comprises Cromwell Diversified Property Trust and the entities it controlled at the year end or from time to time during the year.

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

- giving a true and fair view of the Group's and Trust's financial position as at 30 June 2020 and of their financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company and Cromwell Property Securities Limited as the Responsible Entity for the Trust, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Valuation of investment properties At 30 June 2020, Cromwell Property Group recognised investment properties valued at $3,708.3 million as disclosed in Note 7. The Group owns either directly or through joint ventures a portfolio of property consisting of property across Australia and in Poland. Valuations were carried out by third party valuers for all investment property in Australia and Poland. Valuations included a material valuation uncertainty clause in their 30 June 2020 valuations. These clauses highlight that real estate markets are currently being impacted by the uncertainty caused by COVID 19 and that this means that there less certainty and consequently a higher degree of caution should be attached to the valuation than would normally be the case. This represents a significant estimation uncertainty in relation to the valuation of investment properties. Note 7 outlines the two methodologies used by the Group: • the capitalisation approach applies a capitalisation rate to normalised market net operating income. • the discounted cash flow method involves the projection of a series of cash flows and terminal value calculation discounted to present value. The valuation process requires significant judgment and estimation in the following key areas: • forecast cash flows • weighted average lease expiry ("WALE") • occupancy • terminal yields • capitalisation rates; and • discount rates.	Our procedures included but, were not limited to: • Assessing the design and testing the operating effectiveness of relevant controls within management's valuation framework and assessing the oversight applied by the directors • Enquiring of management to obtain an understanding of portfolio movements and their identification of any additional property specific matters, as well as their assessment of the impact of COVID-19 on the valuations, including the material uncertainty statement included in the valuation reports • Assessing the independence, competence and objectivity of the external valuers, as well as competence and objectivity of internal valuers. • Performing an analytical review and risk assessment of the portfolio, assessing the key inputs and assumptions • Testing on a sample basis, both externally and internally valued properties, for: – the completeness and accuracy of the information in the valuation by agreeing key inputs such as annual net operating income to underlying records and source evidence – the forecasts used in the valuations with reference to current financial results such as net property income, capital expenditure requirements, occupancy and lease renewals; and – the mathematical accuracy of the valuation models • Assessing the assumptions used in the valuations, including the capitalisation rate used in the capitalisation approach and the discount rate and terminal yield used in the discounted cashflow method with reference to external market trends & transactions, property specific factors such as tenant mix and changes since the prior valuation. We also considered the appropriateness of the disclosures included in the financial statements.

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Other Information

The directors of the Company and the Responsible Entity ("the Directors") are responsible for the other information. The other information comprises the Directors' Report**,** which we obtained prior to the date of this auditor's report, and also includes the following information which will be included in the Group's annual report (but does not include the financial report and our auditor's report thereon): Financial Highlights, Chairman's Report, CEO's Report, Corporate Governance Statement and Securityholder Information, which is expected to be made available to us after that date.

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

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Financial Highlights, Chairman's Report, CEO's Report, Corporate Governance Statement and Securityholder Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and Trust to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's and Trust's audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 22 to 41 of the Directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Cromwell Property Group, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Rodgers
Partner
Chartered Accountants
Brisbane, 26 August 2020

CORPORATE GOVERNANCE STATEMENT

The Board is committed to Cromwell Property Group meeting securityholders' and stakeholders' expectations of good corporate governance. The Board is proactive with respect to corporate governance and actively reviews developments to determine which corporate governance arrangements are appropriate for Cromwell Property Group and its securityholders and stakeholders.

This Corporate Governance Statement (Statement) reports on how Cromwell Property Group (or Cromwell or Group) complied with the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (the Recommendations) during the 2020 financial year.

This Statement is current as at 1 September 2020 and has been approved by the Board.

Cromwell Property Group comprises Cromwell Corporation Limited (or the Company) and the Cromwell Diversified Property Trust (or the CDPT), the Responsible Entity of which is Cromwell Property Securities Limited (or CPS).

Principle 1: Lay solid foundations for management and oversight

RECOMMENDATION 1.1

The Board of Directors of Cromwell Corporation Limited is identical to the Board of Directors of Cromwell Property Securities Limited (together, the Board; severally, the Directors). The Board's responsibilities include to provide leadership to Cromwell Property Group and to set its strategic objectives. The Board has adopted a formal, written Board Charter, which sets out the Board's role and responsibilities, including to:

- oversee the process for ensuring timely and balanced disclosure of all 'price sensitive' information in accordance with the *Corporations Act 2001* (Cth) (Corporations Act) and the ASX Listing Rules; and
- ensure an appropriate risk management framework is in place and set the risk appetite within which the Board expects management to operate.

The Board generally holds a scheduled meeting every second calendar month and additional meetings are convened as required. As explained in Cromwell's Business Update released via ASX announcement on 4 June 2020, one of the key actions taken by the Board in response to the COVID-19 pandemic was to meet twice weekly with management to ensure the impact of COVID-19 was monitored and understood and that appropriate actions were being taken. The Directors' Report discloses the names of the Directors, the number of times that the Board met during the 2020 financial year and the individual attendances of the Directors at those meetings. For easy reference, the information (including percentages of total) is shown below:

Director[(1)]	Meetings attended (% of meetings eligible to attend)	Meetings eligible to attend (100%)
Mr Leon Blitz (Chair) (elected as Deputy Chair 21 October 2019 and elected as Chair 26 February 2020)	37 (93%)	40 (100%)
Mr Paul Weightman	39 (98%)	40 (100%)
Ms Tanya Cox (appointed 21 October 2019)	34 (100%)	34 (100%)
Mr Andrew Fay (elected as Deputy Chair 26 February 2020)	39 (98%)	40 (100%)
Ms Lisa Scenna (appointed 21 October 2019)	33 (97%)	34 (100%)
Ms Jane Tongs	40 (100%)	40 (100%)
Ms Michelle McKellar (retired 28 November 2019)	9 (82%)	11 (100%)
Mr Geoffrey Levy (Chair) (retired from Board and as Chair 26 February 2020)	20 (100%)	20 (100%)

(1) Mr David Blight (58), nominee of ARA Real Estate Investors XXI Pte. Ltd., resigned on 19 July 2019. During the period 1 July 2019 to 19 July 2019 inclusive, Mr Blight attended no Cromwell Board meetings and the number of Cromwell Board meetings Mr Blight was eligible to attend was nil.

Management prepares Board papers to inform and focus the Board's attention on key issues. Standing items include progress against strategic objectives, financial performance and corporate governance (including compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with Cromwell Property Group's values and Code of Conduct).

The Board has the following long-established Board Committees to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail:

- Audit and Risk Committee;
- Investment Committee; and
- Nomination and Remuneration Committee.

Details of the role, responsibilities and composition of the Board Committees are contained elsewhere in this Statement. The Directors' Report discloses (for each Board Committee) the members of the Board Committee, the number of times that the Board Committee met during the 2020 financial year and the individual attendances of the members at those meetings. For easy reference, the information (including percentages of total) is shown below:

Audit and Risk Committee

Director	Meetings attended (% of meetings eligible to attend)	Meetings eligible to attend (100%)
Ms Jane Tongs (Committee Chair)	9 (100%)	9 (100%)
Ms Tanya Cox (appointed to Committee 21 October 2019)	6 (100%)	6 (100%)
Mr Andrew Fay	9 (100%)	9 (100%)
Ms Lisa Scenna (appointed to Committee 16 March 2020)	3 (100%)	3 (100%)
Ms Michelle McKellar (retired from Committee 28 November 2019)	4 (100%)	4 (100%)
Mr Leon Blitz (retired from Committee 26 February 2020)	6 (100%)	6 (100%)

Investment Committee

Director	Meetings attended (% of meetings eligible to attend)	Meetings eligible to attend (100%)
Ms Lisa Scenna (Committee Chair) (appointed to Committee 21 October 2019 and appointed as Committee Chair 26 March 2020)	0 (0%)	0 (0%)
Mr Leon Blitz	1 (100%)	1 (100%)
Mr Andrew Fay	1 (100%)	1 (100%)
Mr Paul Weightman	1 (100%)	1 (100%)
Ms Michelle McKellar (Committee Chair) (retired from Committee and as Committee Chair 28 November 2019)	1 (100%)	1 (100%)

Nomination and Remuneration Committee

Director	Meetings attended (% of meetings eligible to attend)	Meetings eligible to attend (100%)
Ms Tanya Cox (Committee Chair) (appointed to Committee 21 October 2019 and appointed as Committee Chair 26 March 2020)	7 (100%)	7 (100%)
Mr Leon Blitz	9 (100%)	9 (100%)
Mr Andrew Fay (retired as Committee Chair 26 March 2020)	9 (100%)	9 (100%)
Ms Michelle McKellar (retired from Committee 28 November 2019)	2 (100%)	2 (100%)
Ms Lisa Scenna (appointed to Committee 21 October 2019 and retired from Committee 25 March 2020)	1 (100%)	1 (100%)
Ms Jane Tongs (retired from Committee 25 March 2020)	3 (100%)	3 (100%)

Day to day management of Cromwell Property Group's affairs and implementation of agreed strategic objectives are delegated by the Board to management under the direction of the Managing Director/Chief Executive Officer (CEO). This has been formalised in the Board Charter and the Board-approved Delegation of Authority Policy. The Board reviews these documents at least annually to ensure their effectiveness and appropriateness (given the evolving needs of Cromwell Property Group).

What you can find on the Corporate Governance page on our website:

- Board Charter
- Audit and Risk Committee Charter
- Nomination and Remuneration Committee Charter
- Delegation of Authority Policy
- Constitution of Cromwell Corporation Limited
- Constitution of the Cromwell Diversified Property Trust

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 1.2

Cromwell Property Group undertakes appropriate checks before appointing a Director or senior executive, or putting forward to securityholders a candidate for election or re-election as a Director. The checks are into matters such as the person's character, experience, education, criminal record and bankruptcy history. The Board and Nomination and Remuneration Committee also consider whether or not the candidate has sufficient time available, given their other roles and activities, to meet expected time commitments to Cromwell.

When securityholders are asked at Cromwell Property Group's annual general meeting (AGM)[2] to elect, or re-elect, a Director to the Board, Cromwell will provide them with the following information to enable them to make an informed decision:

- biographical information, including relevant qualifications, experience and the skills the candidate brings to the Board;
- details of any other current material directorships;
- a statement as to whether the Board supports the candidate's election or re-election and, in line with the fourth edition of the Recommendations, a summary of the reasons why; and
- (for a candidate standing for election as a Director for the first time) any material adverse information revealed by background checks; details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the candidate's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Group as a whole and its securityholders generally; and a statement from the Board as to the candidate's independence; or
- (for a candidate standing for re-election) the term of office currently served and a statement from the Board as to the candidate's independence.

The information will be provided in the relevant notice of meeting. Securityholders also have the opportunity to ask questions of candidates at the AGM.

RECOMMENDATION 1.3

Cromwell Property Group has provided each Non-executive Director with a written letter of appointment which details the terms of their appointment, including:

- the requirement to disclose interests and any matters which could affect the Director's independence;
- remuneration and expected time commitments;
- the requirement to comply with key corporate policies, including Cromwell Property Group's Code of Conduct and Securities Trading Policy;
- the requirement to seek the Chair's consent before accepting any new role that could impact on the time commitment expected of the Director, and to notify the Board about anything that may lead to an actual or potential conflict of interest or duty;
- Cromwell Property Group's policy on when Directors may seek independent professional advice at the expense of the entity;
- indemnity and insurance arrangements and ongoing rights of access to corporate information; and
- ongoing confidentiality obligations.

(2) In this Statement, AGM means (together) the Annual General Meeting of the Company and the General Meeting of the CDPT.

The CEO (an Executive Director) has a written formal job description, an employment contract (outlining the terms of appointment as a senior executive) and a letter of appointment for the role as Executive Director.

Other senior executives have written employment contracts that outline the terms of their appointment.

Cromwell Property Group has a Board-approved Securities Trading Policy under which Directors, senior executives and employees are restricted in their ability to deal in Cromwell Property Group securities. Appropriate closed periods are in place during which Directors, senior executives and employees are not permitted to trade. Directors, senior executives and employees are made aware of the policy and receive training annually. The policy is reviewed at least annually.

What you can find on the Corporate Governance page on our website:
- Code of Conduct
- Securities Trading Policy

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 1.4

The Company Secretary is accountable to the Board (through the Chair) on all matters to do with the proper functioning of the Board.

The Company Secretary's responsibilities include:

- advising the Board and Board Committees on governance matters;
- monitoring that Board and Board Committee policies and procedures are followed;
- coordinating the timely completion and despatch of the Board and Board Committee papers;
- ensuring that the business at the Board and Board Committee meetings is accurately captured in minutes; and
- helping to organise and facilitate the induction and professional development of Directors.

Directors can, and do, communicate directly and regularly with the Company Secretary on Board matters. Similarly, the Company Secretary communicates directly and regularly with the Directors on such matters.

The Board Charter states that the Board is responsible for appointing and removing the Company Secretary.

What you can find on the Corporate Governance page on our website:
- Board Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 1.5

Cromwell Property Group recognises the many benefits of diversity and strives, through its recruitment and selection practices, to ensure that a diverse range of candidates is considered and that conscious and unconscious biases that might discriminate against candidates are avoided.

Cromwell Property Group has a Board-approved Diversity Policy which sets out the framework the Group has in place to achieve appropriate diversity in its Board, senior executive and broader workforce. Pursuant to the Diversity Policy, each financial year the Board (on recommendation from the Nomination and Remuneration Committee) sets measurable objectives for achieving diversity. An annual assessment of progress against those objectives is also undertaken.

The table below shows the gender diversity objectives set for the 2020 financial year and the Group's performance against those objectives as at 30 June 2020.

Number	FY20 gender diversity objective	The Group's performance as at 30 June 2020
1	Develop a tangible Diversity and Inclusion Action Plan	Initiatives in support of the objective have been completed
2	Create a culture of respect and inclusion	Initiatives in support of the objective have been completed; some initiatives are in progress
3	Create a culture that is supportive of employees achieving their work and career goals	Initiatives in support of the objective are in progress (some initiatives delayed due to COVID-19)
4	Value and foster diversity in our workforce	Initiatives in support of the objective have been completed; some initiatives are in progress
5	The Cromwell Board will have at least two female directors	The Cromwell Board has three female directors

As at the date shown, the respective proportions of males and females on the Board, in senior executive positions and across the employee workforce were as follows:

Date	Body	Females (% of total)	Males (% of total)	Total (100%)
As at 30 June 2020	Board	3 (50%)	3 (50%)	6 (100%)
As at 30 June 2020	Senior executive[3]	1 (25%)	3 (75%)	4 (100%)
As at 30 June 2020	Employees[4]	71 (47%)	81 (53%)	152 (100%)

(3) Recommendation 1.5(c)(1) requires the Group to define what it means by 'senior executive'. In this case, 'senior executive' means the key management personnel (KMP) other than Non-executive Directors. As at 30 June 2020, the 'senior executive' comprised the Chief Executive Officer, the Chief Operations Officer, the Chief Financial Officer and the Chief Investment Officer. Please refer to the FY20 Remuneration Report for further information about KMP.

(4) Excludes European business, Singapore business, Phoenix Portfolios, Oyster Property Group and LDK Healthcare.

Cromwell Property Group is a 'relevant employer' under the *Workplace Gender Equality Act 2012* (Cth) (WGEA). The Group's most recent 'Gender Equality Indicators', as defined in and published under the WGEA, are as follows:

Gender equality indicator

1. Gender composition of workforce
2. Gender composition of governing bodies
3. Equal remuneration between women and men
4. Flexible working and support for employees with family and caring responsibilities
5. Consultation with employees on issues concerning gender equality in the workplace
6. Sex-based harassment and discrimination

Cromwell's latest WGEA Report is available on the Corporate Governance page on the Group's website.

What you can find on the Corporate Governance page on our website:

- Diversity Policy
- Nomination and Remuneration Committee Charter
- Gender Diversity Objectives (current financial year and previous financial years)
- WGEA Report

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

What you can find on the Sustainability page on our website:

- Sustainability Report (current report and previous reports)

www.cromwellpropertygroup.com/sustainability

RECOMMENDATION 1.6

The Board undertakes an annual formal performance assessment, which includes an evaluation of the performance of the Board, Board Committees and individual Directors and also a self-evaluation. Under the annual formal performance assessment, Directors complete a questionnaire and can make comments or raise any issues they have in relation to the performance. The results are compiled by the Company Secretary and discussed at a subsequent Board meeting. For the 2020 financial year, the formal performance assessment was conducted and did not raise any governance issues that needed to be addressed.

What you can find on the Corporate Governance page on our website:

- Nomination and Remuneration Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 1.7

Cromwell Property Group has an established, rigorous process for the performance review of all employees, including senior executives. The performance of senior executives and whether they have met their individual key performance indicators is formally evaluated annually by the CEO, with regular feedback being provided during the performance period. At the time of the reviews, the professional development of the senior executive is also discussed, along with any training which could enhance their performance. Both qualitative and quantitative measures are used in the evaluation. A performance evaluation for each senior executive was completed during the reporting period.

Under its Charter, the Nomination and Remuneration Committee is responsible for facilitating an annual review of the performance of the CEO (an Executive Director). This annual review was completed during the 2020 financial year.

What you can find on the Corporate Governance page on our website:

- Nomination and Remuneration Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

Principle 2: Structure the board to add value

RECOMMENDATION 2.1

Nomination and Remuneration Committee

The Board's Nomination and Remuneration Committee has three members, all of whom are independent Directors. The Committee is chaired by an independent Director who is not the Chair of the Board.

The Nomination and Remuneration Committee operates under a Board-approved written Charter. The Charter sets out the Nomination and Remuneration Committee's various responsibilities, including reviewing and making recommendations to the Board in relation to:

- Board succession planning generally;
- induction and continuing professional development programmes for Directors;
- the development and implementation of a process for evaluating the performance of the Board, Board Committees and Directors;
- the process for recruiting new Directors;
- the appointment, or re-election, of Directors to the Board;
- the performance and education of Directors;
- reviewing and recommending remuneration arrangements for the Directors, the CEO and senior executives; and
- ensuring succession plans are in place with regard to the CEO and other senior executives.

The Nomination and Remuneration Committee:

- may seek any information it considers necessary to fulfil its responsibilities;
- has access to management to seek explanations and information;
- may seek professional advice from employees of the Group and independent professional advice from appropriate external advisors (at Cromwell Property Group's cost); and
- may meet with external advisors without management being present.

The minutes of each Nomination and Remuneration Committee meeting are included in the papers for the next Board meeting after the Committee has approved those minutes. The Chair of the Nomination and Remuneration Committee reports the Committee's findings to the next Board meeting after each meeting of the Committee.

The Directors' Report discloses the members of the Nomination and Remuneration Committee, the number of times that the Committee met during the 2020 financial year and the individual attendances of the members at those meetings. For easy reference, the information (including percentages of total) is shown below:

Director	Meetings attended (% of meetings eligible to attend)	Meetings eligible to attend (100%)
Ms Tanya Cox (Committee Chair) (appointed to Committee 21 October 2019 and appointed as Committee Chair 26 March 2020)	7 (100%)	7 (100%)
Mr Leon Blitz	9 (100%)	9 (100%)
Mr Andrew Fay (retired as Committee Chair 26 March 2020)	9 (100%)	9 (100%)
Ms Michelle McKellar (retired from Committee 28 November 2019)	2 (100%)	2 (100%)
Ms Lisa Scenna (appointed to Committee 21 October 2019 and retired from Committee 25 March 2020)	1 (100%)	1 (100%)
Ms Jane Tongs (retired from Committee 25 March 2020)	3 (100%)	3 (100%)

What you can find on the Corporate Governance page on our website:

- Nomination and Remuneration Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 2.2

Board Skills Matrix

The Board reviews, on a regular basis, the mix of skills, experience, independence, knowledge and diversity represented by Directors on the Board and determines whether the composition and mix remain appropriate for Cromwell's purpose and strategic objectives and whether they cover the skills needed to address existing and emerging business and governance issues relevant to Cromwell Property Group.

The Board has adopted a Board Skills Matrix, which sets out the collective skills and attributes of the Board.

Skills and experience

Leadership and Culture	• Non-executive Director and Board Committee experience in a publicly listed company in Australia or overseas • Experience at an executive level in business including the ability to assess the performance of the CEO and senior management • Understanding, implementing and monitoring good organisational culture
Property and Asset Management	• Experience in, and appropriate knowledge of, the Australian and European commercial property market in one or more of the following areas: acquisitions and disposals; asset management; property management; leasing; facilities management; and development • Experience in, and knowledge of, other property markets in other relevant jurisdictions (i.e. international) and other property market sectors
Funds/ Investment Management	• Significant experience in, and knowledge of, wholesale and retail funds management, in Australia and globally
Commercial Capability	• Deep experience at a Board or executive level with a listed company(ies) in the ASX300 or international equivalent, with an understanding of capital raising, takeovers, continuous disclosure and corporate governance • Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies to meet Cromwell Property Group's identified objectives
Financial Acumen	• Understanding of key financial statements; critically assess financial viability and performance; contribute to financial planning; monitor operating and capital expenditure budgets; and monitor debt levels and funding arrangements; and/or • Experience as a partner in a top tier accounting firm, or as a CFO in a listed company in the ASX300 or international equivalent, with a deep understanding of the accounting standards applicable to Cromwell Property Group's financial reports and Cromwell Property Group's financial accountability process
Risk Oversight	• Ability to identify or recognise key risks to Cromwell Property Group across its various operations and monitor risk management frameworks
Debt Management	• Experience in the banking industry or in a corporate treasury department giving an understanding of the debt market in Australia, Europe or elsewhere
People	• Experience in managing human capital, remuneration and reward, industrial relations, workplace health and safety and strategic workforce planning
Public Policy, Government, Economics	• Experience with either Federal or State government ministers or departments giving a knowledge of agendas, policies or processes • Understanding of key macro and micro economic indicators and market cycles and their impact on Cromwell Property Group and the environment in which it operates
Sustainability	• Demonstrate an understanding of health and safety practices • Understanding of risks and opportunities regarding climate change • Former or current role with direct accountability for environment practices including energy, water management, emissions and land management

The above table outlines detailed descriptions of the experience and skills represented by the current composition of the Board, and of those desirable by the Board. The Board regularly reviews and updates its Board Skills Matrix to reflect the strategy and direction of Cromwell Property Group.

The Board considers that its current members have an appropriate mix of skills, personal attributes and experience that allows the Directors individually, and the Board collectively, to discharge their duties effectively and efficiently. The Board comprises individuals who understand the business of the Group and the environment in which it operates and who can effectively assess management's performance in meeting agreed objectives and goals.

The Directors' Report provides the following information about each Director:

- profile, including qualifications and experience; and
- special responsibilities and attendances at Board and Board Committee meetings. For easy reference, attendances at meetings are reproduced in this Statement.

The Nomination and Remuneration Committee refers to the Board Skills Matrix when considering Board succession planning and professional development initiatives for the Directors.

What you can find on the Corporate Governance page on our website:

- Nomination and Remuneration Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 2.3

The Board

The Group recognises that independent Directors are important in reassuring securityholders that the Board properly fulfils its role. The Board comprises six Directors, with an independent Chair, an independent Deputy Chair and a majority of independent Non-executive Directors:

Director (age)	First appointed	Status
Mr Leon Blitz (Chair) (56)	28 June 2017	Independent Non-executive Director
Mr Paul Weightman (58)	6 August 1998	Executive Director, Managing Director/CEO
Ms Tanya Cox (59)	21 October 2019	Independent Non-executive Director
Mr Andrew Fay (55)	15 October 2018	Independent Non-executive Director
Ms Lisa Scenna (52)	21 October 2019	Independent Non-executive Director
Ms Jane Tongs (60)	26 November 2014	Independent Non-executive Director

Ms Michelle McKellar (65) retired as an independent Non-executive Director on 28 November 2019 and Mr Geoffrey Levy (AO) (61) retired as independent Non-executive Chair and as an independent Non-executive Director on 26 February 2020.[1]

Each year, independence status is assessed using the guidelines and factors set out in the Recommendations and each independent Non-executive Director also confirms to the Board, in writing, their continuing status as an independent Director.

In assessing a Director's independence status, the Board has adopted a materiality threshold of 5% of the Group's net operating income or 5% of the Group's net tangible assets (as appropriate) as disclosed in its last audited financial accounts.

The length of time that each independent Director has served on the Board is shown in the table above.

The Board is comfortable that no Director has served for a period such that their independence may have been compromised. The Board also recognises that the interests of Cromwell Property Group and its securityholders are well served by having a mix of Directors, some with a longer tenure with a deep understanding of Cromwell and its business and some with a shorter tenure with fresh ideas and perspective.

Cromwell Property Group's independent Non-executive Directors are considered by the Board to meet the test of independence under the third edition and fourth edition of the Recommendations.

Each independent Non-executive Director has undertaken to inform the Board as soon as practical if they think their status as an independent Director has or may have changed.

What you can find on the Corporate Governance page on our website:

- Board Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 2.4

The Board comprises six Directors, with an independent Chair and a majority of independent Non-executive Directors.

The independent Non-executive Directors confer periodically as a group without senior executives present.

What you can find on the Corporate Governance page on our website:
- Board Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 2.5

The Chair of the Board – Mr Geoffrey Levy (AO) to 26 February 2020 and Mr Leon Blitz from 26 February 2020 – is an independent Non-executive Director. Mr Paul Weightman is an Executive Director and the CEO of Cromwell Property Group. This is consistent with the Board Charter, which stipulates that the Chair of the Board will not be the same person as the CEO and ideally will be an independent Non-executive Director.

The Board Charter sets out the responsibilities of the Chair, including:

- leading the Board;
- facilitating the effective contribution and ongoing development of all Directors;
- promoting constructive and respectful relations between Board members and between the Board and management; and
- facilitating Board discussions to ensure that core issues facing Cromwell Property Group are addressed.

What you can find on the Corporate Governance page on our website:
- Board Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 2.6

An induction programme ensures that new independent Directors can participate fully and actively in decision making, and add value, upon their appointment. The programme includes meeting with fellow Directors (including the CEO) and the senior executive team, receiving briefings on Cromwell Property Group's strategy and reviewing corporate governance materials and policies.

Each year, the Nomination and Remuneration Committee also considers and recommends to the Board a professional development programme for Directors. This includes training relevant to each skill area of the Board Skills Matrix and on key issues relevant to Cromwell Property Group's operations, financial affairs and governance. The professional development programme is compiled in light of recent or potential developments (internal and external) as well as any skills or knowledge gaps identified by the Nomination and Remuneration Committee. Directors also have access to the inhouse training sessions provided by Cromwell Property Group's Legal and Compliance team. On an ongoing basis, Directors are provided with briefings on changes to accounting standards as well as updates on legal, regulatory and corporate developments relevant to Cromwell Property Group.

During the 2020 financial year, prior to the implementation of restrictions associated with the COVID-19 pandemic, Directors undertook Cromwell Property Group property asset and office site visits.

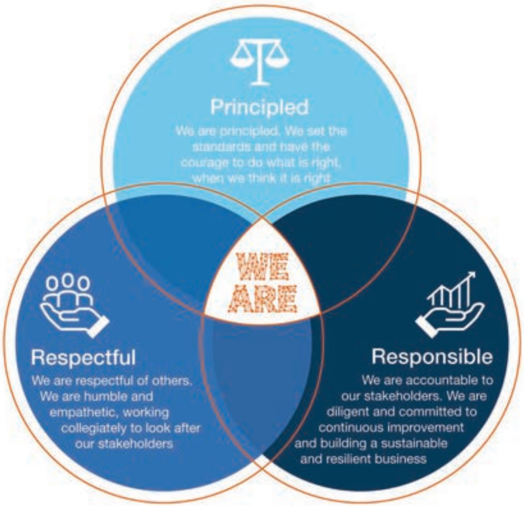
What you can find on the Corporate Governance page on our website:
- Nomination and Remuneration Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

Principle 3: Act ethically and responsibly

RECOMMENDATION 3.1

Cromwell Property Group is a 'values led' organisation, with its corporate beliefs represented as follows:



Such values underpin Cromwell Property Group's:

- purpose – to exist to look after people; and
- vision – to be globally recognised as the value driven real estate investor and manager of choice.

Cromwell Property Group's Directors, senior executives and employees are required to maintain high standards of ethical conduct. This is reinforced by the values and the various practices and policies of the Group. In line with recommendation 3.2 of the fourth edition of the Recommendations, all Directors, senior executives and employees are expected to act with integrity and strive at all times to enhance the reputation and performance of Cromwell Property Group. The Board and the senior executives reinforce Cromwell Property Group's values in their interactions with Cromwell's broader workforce.

To reinforce this culture, Cromwell Property Group has a Code of Conduct to provide guidance about the attitudes and behaviour necessary to maintain stakeholder confidence in the integrity of Cromwell Property Group and comply with the Group's legal obligations.

The Code of Conduct is made available to all Directors, senior executives and employees and they are reminded of the importance of the Code of Conduct on a regular basis. Appropriate standards are also communicated and reinforced to all employees at induction sessions, regular refresher training and team meetings and in staff communications.

Compliance with Board-approved policies (including the Code of Conduct) is monitored via monthly checklists completed by key management and proactive testing programmes and by investigation following any report of a breach. Compliance monitoring is undertaken by the Legal and Compliance team under the direction of the Company Secretary who reports directly to the Board. The Board and the Audit and Risk Committee are notified of any material breaches of the Code of Conduct. The Directors and senior executives take appropriate and proportionate disciplinary action against those who breach the Code of Conduct.

There were no material breaches of the Code of Conduct during financial year 2020.

In line with recommendations 3.3 and 3.4 of the fourth edition of the Recommendations, Cromwell Property Group has a Board-approved Breach Reporting Policy, Whistleblower Protection Policy and Code of Conduct encompassing anti-bribery and corruption. These policies actively encourage and support reporting to appropriate management of any actual or potential breaches of the Group's legal obligations and/or of the Code of Conduct and any concerns about poor or unacceptable practice and misconduct in the workplace. The Audit and Risk Committee is informed of any incidents reported under Cromwell Property Group's Whistleblower Protection Policy.

What you can find on the 'Our Values' page on our website:

- Our Values

www.cromwellpropertygroup.com/about/our-values

What you can find on the Corporate Governance page on our website:

- Code of Conduct (encompassing anti-bribery and corruption)
- Breach Reporting Policy
- Whistleblower Protection Policy

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

Principle 4: Safeguard integrity in corporate reporting

RECOMMENDATION 4.1

Audit and Risk Committee

The Board is responsible for the integrity of the Group's corporate reporting. To assist in discharging this function, the Board has a long-established Audit and Risk Committee. The Board's Audit and Risk Committee has four members, all of whom are independent Directors. The Committee is chaired by an independent Director who is not the Chair of the Board.

The Audit and Risk Committee operates under a Board-approved written Charter, which sets out the Audit and Risk Committee's:

- objectives, including to maintain and improve the quality, credibility and objectivity of the financial accountability process (including financial reporting on a consolidated basis); and
- responsibilities, including reviewing and making recommendations to the Board in relation to:
  - whether Cromwell Property Group's financial statements reflect the understanding of the Audit and Risk Committee members, and otherwise provide a true and fair view, of the financial position and performance of the Group;
  - the appropriateness of any significant estimates or judgements in the financial reports (including those in any consolidated financial statements); and
  - the appointment or removal, and review of effectiveness and independence, of the external auditor.

The minutes of each Audit and Risk Committee meeting are included in the papers for the next Board meeting after the Committee has approved those minutes. The Chair of the Audit and Risk Committee reports the Committee's findings to the next Board meeting after each meeting of the Committee.

The Directors' Report discloses:

- the relevant qualifications and experience of the members of the Audit and Risk Committee; and
- the number of times that the Audit and Risk Committee met during the 2020 financial year and the individual attendances of the members at those meetings. For easy reference, the information (including percentages of total) is shown below:

Director	Meetings attended (% of meetings eligible to attend)	Meetings eligible to attend (100%)
Ms Jane Tongs (Committee Chair)	9 (100%)	9 (100%)
Ms Tanya Cox (appointed to Committee 21 October 2019)	6 (100%)	6 (100%)
Mr Andrew Fay	9 (100%)	9 (100%)
Ms Lisa Scenna (appointed to Committee 16 March 2020)	3 (100%)	3 (100%)
Ms Michelle McKellar (retired from Committee 28 November 2019)	4 (100%)	4 (100%)
Mr Leon Blitz (retired from Committee 26 February 2020)	6 (100%)	6 (100%)

The Audit and Risk Committee:

- may seek any information it considers necessary to fulfil its responsibilities;
- has access to management to seek explanations and information;
- has access to auditors to seek explanations and information from them (without management being present);
- may seek professional advice from employees of the Group and independent professional advice from appropriate external advisors (at Cromwell Property Group's cost); and
- may meet with external advisors without management being present.

During the 2020 financial year, the external auditor attended the majority of the meetings of the Audit and Risk Committee; at those meetings, time was made available for the Committee to meet with the external auditor without management being present.

The external auditor has declared its independence to the Board and to the Audit and Risk Committee. The Board is satisfied the standards for auditor independence and associated issues have been met.

What you can find on the Corporate Governance page on our website:

- Audit and Risk Committee Charter
- Auditor Independence Policy
- External Auditor – Selection, Appointment and Rotation

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 4.2

Before it approves the Group financial statements for a financial period, the Board receives from the CEO and CFO a written declaration that, in their opinion, the financial records of the entity have been properly maintained and the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

RECOMMENDATION 4.3

The external auditor attends the Group's AGM and is available to answer securityholders' questions relevant to the audit.

Principle 5: Make timely and balanced disclosure

RECOMMENDATION 5.1

Cromwell Property Group believes that all stakeholders should be informed in a timely and widely available manner of all the major business events and risks that influence the Group. In particular, Cromwell Property Group strives to ensure that any price sensitive material for public announcement is lodged with the ASX before external disclosure elsewhere and posted on the Group's website as soon as reasonably practicable after lodgement with the ASX.

The Group has a Market Disclosure Protocol which includes policies and procedures designed to ensure compliance with the continuous disclosure obligations under the ASX Listing Rules.

In line with recommendation 5.2 of the fourth edition of the Recommendations, the Board receives copies of all market announcements promptly after such announcements have been released. This ensures that the Board has timely visibility of the nature and quality of information disclosed to the market and the frequency of disclosures.

When Cromwell Property Group is giving a presentation, a copy of the presentation materials is released on the ASX Market Announcements Platform ahead of the presentation. Examples of such presentations are those delivered for half year results and full year results and at the AGM and any general meeting.

In addition, for the AGM and any general meeting, Cromwell Property Group releases the script of the Chair's address and the CEO's address. For the AGM on 28 November 2019, Cromwell provided live webcasting of the meeting so that securityholders could hear proceedings online. For the general meeting on 30 March 2020, Cromwell took steps to ensure all securityholders could participate while maintaining their health and safety in light of the COVID-19 pandemic. Cromwell invited securityholders to participate in the meeting 'virtually' through an online platform provided by Cromwell's registry, Link Market Services Limited. Securityholders were able to participate in the meeting by hearing the Chair's address, viewing the presentation slides, asking questions and (if they had not previously lodged a proxy) voting online. Cromwell intends to invite securityholders to participate in future AGMs and general meetings 'virtually' through the online platform provided by its registry.

Cromwell Property Group is committed to providing securityholders with the opportunity to engage and participate in presentations and meetings.

What you can find on the Corporate Governance page on our website:

- Market Disclosure Protocol
- Investor Relations Policy

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

Principle 6: Respect the rights of securityholders

RECOMMENDATION 6.1

Cromwell Property Group aims to keep securityholders informed on an ongoing basis of the Group's performance and all major developments. Securityholders receive regular reports and the Group uses its website as its primary means of providing information to securityholders and the broader investment community about the Group's business, history, corporate structure, corporate governance and financial performance.

The Corporate Governance page on the Group's website provides:

- a link to information about the Board of Directors;
- key corporate governance documents, including constitutions, charters and policies;
- a link to key events in the Corporate Governance calendar;
- a link to a description of the Group's stapled security dividends/distributions policy and information about the Group's dividend/distribution history;
- a link to download relevant securityholder forms; and
- materials referred to in this Statement.

The Group's website also provides:

- overview of the Group's current business;
- description of how the Group is structured;
- summary of the Group's history;
- documents that the Group releases publicly (such as annual reports, ASX announcements, notices of meeting and company news items);
- historical information about the market prices of Cromwell Property Group securities;
- ahead of the AGM (or any general meeting), information including time and venue and a copy of the Chair's address, the CEO's address and the presentation materials;
- contact details for enquiries from securityholders, analysts or the media; and
- contact details for its securities registry.

Our website address:	The Corporate Governance page on our website:
www.cromwellpropertygroup.com	www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 6.2

Cromwell Property Group has a Board-approved Investor Relations Policy, which has been designed to facilitate effective two-way communication with all Cromwell securityholders (institutional and retail) and other financial market participants, and to ensure that Cromwell gives all Cromwell securityholders and other financial market participants easy and timely access to balanced and understandable information about Cromwell's business, governance, financial performance and prospects.

The Policy also sets out the policies and processes that the Group has in place to encourage participation of securityholders and financial market participants in the AGM. This is important to the Group because it assists with ensuring a high level of accountability and identification with the Group's strategies and goals.

What you can find on the Corporate Governance page on our website:

- Investor Relations Policy

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 6.3

Cromwell Property Group facilitates and encourages participation at meetings of securityholders.

The Chair and the CEO each address the meeting of securityholders and provide securityholders with an update on the Group's business, governance and financial performance and any areas of concern or interest to the Board and management. The Chair and CEO take any comments and questions received from securityholders during or after their address.

The current audit partner attends the AGM and is available to answer securityholders' questions about the audit. The notice of meeting for the AGM advises that securityholders entitled to cast their vote at the AGM may submit written questions to the auditor relevant to the content of the auditor's report or the conduct of the audit of the annual financial report being considered at the AGM. A securityholder wishing to submit a question to the auditor is asked to submit the question in writing to the Company Secretary up to a week before the AGM. A list of the questions submitted to the auditor is made available to securityholders attending the AGM at or before the start of the AGM. At the AGM, the Chair reminds securityholders of the opportunity to ask questions about the audit.

The Chair provides securityholders with an opportunity to ask questions about and discuss the specific resolutions put to the meeting. Securityholders have the opportunity to ask questions about or comment on the management of the Group.

Securityholder meetings are held during business hours at the Group's registered office in Brisbane, which is accessible by public transport and near paid carparking locations. The notice of meeting invites securityholders to join the Directors for morning tea or afternoon tea (as applicable) after the meeting.

For the AGM on 28 November 2019, Cromwell provided live webcasting of the meeting so that securityholders could hear proceedings online. For the general meeting on 30 March 2020, Cromwell took steps to ensure all securityholders could participate while maintaining their health and safety in light of the COVID-19 pandemic. Cromwell invited securityholders to participate in the meeting 'virtually' through an online platform provided by Cromwell's registry, Link Market Services Limited. Securityholders were able to participate in the meeting by hearing the Chair's address, viewing the presentation slides, asking questions and (if they had not previously lodged a proxy) voting online.

At the AGM in 2019, and at the general meeting in 2020, all resolutions were decided by way of a poll rather than by a show of hands.

RECOMMENDATION 6.4

Cromwell Property Group gives its securityholders the option to receive communications from the Group and from its securities registry electronically. Many securityholders have elected to receive all communications electronically, while other securityholders have elected to receive all communications electronically with payment statements received by post.

Electronic communications sent by the Group and by the securities registry are formatted in a reader friendly and printer friendly format.

Securityholders can send communications to the Group and to the securities registry electronically. The Contact page on the Group's website provides the email address for contacting the Group and the securities registry.

Principle 7: Recognise and manage risk

RECOMMENDATION 7.1

Audit and Risk Committee

The Group is exposed to various risks across its business operations and recognises the importance of effectively identifying and managing those risks so that informed decisions on risk issues can be made. The Board's Audit and Risk Committee has four members, all of whom are independent Directors. The Committee is chaired by an independent Director who is not the Chair of the Board. The Audit and Risk Committee operates under a Board-approved written Charter, which sets out the Committee's various responsibilities, including:

- assessing the effectiveness of the internal risk control system and management's performance against the risk management framework, including whether management is operating within the risk appetite set by the Board;
- receiving reports from management of any actual or suspected fraud, theft or other breach of internal controls; and
- reviewing the general insurance programme, and assessing and recommending to the Board for adoption the scope, cover and cost of corporate insurance.

The Audit and Risk Committee:

- may seek any information it considers necessary to fulfil its responsibilities;
- has access to management to seek explanations and information;
- has access to auditors to seek explanations and information from them (without management being present);
- may seek professional advice from employees of the Group and independent professional advice from appropriate external advisors (at the Group's cost); and
- may meet with external advisors without management being present.

The minutes of each Audit and Risk Committee meeting are included in the papers for the next Board meeting after the Committee has approved those minutes. The Chair of the Audit and Risk Committee reports the Committee's findings to the next Board meeting after each meeting of the Committee.

The Directors' Report discloses:

- the relevant qualifications and experience of the members of the Audit and Risk Committee; and
- the number of times that the Audit and Risk Committee met during the 2020 financial year and the individual attendances of the members at those meetings. For easy reference, the information (including percentages of total) is shown below:

Director	Meetings attended (% of meetings eligible to attend)	Meetings eligible to attend (100%)
Ms Jane Tongs (Committee Chair)	9 (100%)	9 (100%)
Ms Tanya Cox (appointed to Committee 21 October 2019)	6 (100%)	6 (100%)
Mr Andrew Fay	9 (100%)	9 (100%)
Ms Lisa Scenna (appointed to Committee 16 March 2020)	3 (100%)	3 (100%)
Ms Michelle McKellar (retired from Committee 28 November 2019)	4 (100%)	4 (100%)
Mr Leon Blitz (retired from Committee 26 February 2020)	6 (100%)	6 (100%)

What you can find on the Corporate Governance page on our website:

- Audit and Risk Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 7.2

The Board is responsible for:

- ensuring an appropriate risk management framework is in place;
- setting the risk appetite within which the Board expects management to operate; and
- reviewing and ratifying systems of internal compliance and control and legal compliance to ensure appropriate compliance frameworks and controls are in place.

As outlined in its Board-approved Charter, the Audit and Risk Committee's responsibilities include:

- overseeing the establishment and implementation of risk management and internal compliance and control systems and ensuring there is a mechanism for reviewing and assessing the efficiency and effectiveness of those systems at least annually to satisfy itself that it continues to be sound;
- approving and recommending to the Board for adoption policies and procedures on risk oversight and management to establish an effective and efficient system for:
  - identifying, assessing, monitoring and managing risk;
  - disclosing any material change to the risk profile; and
- regularly reviewing and updating the risk profile.

Under the direction of the CEO, management is responsible for ensuring that the Group operates within the risk appetite set by the Board. It does so by identifying relevant business risks, designing controls to manage those risks and ensuring those controls are appropriately implemented. The Group has adopted an Enterprise Risk Management Policy, which is a general statement of the Group's approach to proactive, enterprise wide risk management. There is also a wide range of underlying internal policies and procedures, which are designed to mitigate the Group's material business risks. The Group's approach to enterprise risk management is guided by relevant International Standards and regulatory guidance and the Recommendations.

Reviews of the enterprise risk management framework were completed in the 2020 financial year. The Audit and Risk Committee and the Board were satisfied the framework continues to be sound and that Cromwell Property Group operates within the risk appetite set by the Board.

Compliance Committee

A Compliance Committee – comprised of a majority of external members – monitors the extent to which Cromwell Property Securities Limited (as Responsible Entity for the CDPT) complies with the CDPT's compliance plan and the underlying compliance framework. The Board of Cromwell Property Securities Limited receives regular reports from the Compliance Committee. During the financial year, the Chair of the Compliance Committee meets with the Audit and Risk Committee, with time made available for the Committee to meet with the Chair of the Compliance Committee without management being present. The roles and responsibilities of the Compliance Committee are outlined in a Board-approved Charter, which is reviewed annually by the Compliance Committee. The Board of the Responsible Entity may change the Charter at any time by resolution.

What you can find on the Corporate Governance page on our website:

- Board Charter
- Audit and Risk Committee Charter
- Enterprise Risk Management Policy
- Compliance Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 7.3

The Group's Risk and Audit Universe, aligned with the Group's Sustainability Framework, sets out each risk description and auditable focus area. The Risk and Audit Universe details three internal levels of control: Level One (management oversight and operational controls, policies and processes); Level Two (monitoring governance, compliance, risk management and reporting); and Level Three (functionally independent assessments and reviews). Level Four under the Risk and Audit Universe comprises external audit, assurance and verification of processes.

Although the Group does not have a designated internal audit function, throughout the year the Legal and Compliance team conducts tests of the effectiveness of the controls and the appropriateness of the monitoring strategies in place for those risks with an inherent risk rating of Very High or High. This forms part of Level Three under the Risk and Audit Universe. Relevant management confirm (monthly, quarterly or annually as appropriate given the residual risk rating) that the controls remain appropriate and identify any new risks and any new controls that should be put in place. The Company Secretary reports findings to the Audit and Risk Committee.

RECOMMENDATION 7.4

The Group's Sustainability Report discloses the extent to which the Group has material exposure to economic, environmental and social sustainability risks and explains how such risks are and will be managed.

What you can find on the Sustainability page on our website:

- Sustainability Report (current edition and previous editions)

www.cromwellpropertygroup.com/sustainability

Principle 8: Remunerate fairly and responsibly

RECOMMENDATION 8.1

Nomination and Remuneration Committee

The Board has a long-established Nomination and Remuneration Committee, which operates under a Board-approved written Charter. The Charter sets out the Nomination and Remuneration Committee's various responsibilities, including reviewing and making recommendations to the Board in relation to:

- remuneration policies and practices to attract, retain and motivate senior executives and directors who will create value for securityholders;
- the remuneration framework for Non-executive Directors, including the allocation of the pool of Directors' fees;
- Executive Director and senior executive total remuneration;
- the design of any equity based incentive plan; and
- whether there is any gender or other inappropriate bias in remuneration policies and practices.

The Nomination and Remuneration Committee:

- may seek any information it considers necessary to fulfil its responsibilities;
- has access to management to seek explanations and information;
- may seek professional advice from employees of the Group and independent professional advice from appropriate external advisors (at the Group's cost); and
- may meet with external advisors without management being present.

The minutes of each Nomination and Remuneration Committee meeting are included in the papers for the next Board meeting after the Committee has approved those minutes. The Chair of the Nomination and Remuneration Committee reports the Committee's findings to the next Board meeting after each meeting of the Committee. The Nomination and Remuneration Committee has three members, all of whom are independent Directors.

The Directors' Report discloses the members of the Nomination and Remuneration Committee, the number of times that the Committee met during the 2020 financial year and the individual attendances of the members at those meetings. For easy reference, the information (including percentages of total) is shown below:

Director	Meetings attended (% of meetings eligible to attend)	Meetings eligible to attend (100%)
Ms Tanya Cox (Committee Chair) (appointed to Committee 21 October 2019 and appointed as Committee Chair 26 March 2020)	7 (100%)	7 (100%)
Mr Leon Blitz	9 (100%)	9 (100%)
Mr Andrew Fay (retired as Committee Chair 26 March 2020)	9 (100%)	9 (100%)
Ms Michelle McKellar (retired from Committee 28 November 2019)	2 (100%)	2 (100%)
Ms Lisa Scenna (appointed to Committee 21 October 2019 and retired from Committee 25 March 2020)	1 (100%)	1 (100%)
Ms Jane Tongs (retired from Committee 25 March 2020)	3 (100%)	3 (100%)

What you can find on the Corporate Governance page on our website:
- Nomination and Remuneration Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 8.2

The Directors' Report (the section titled Remuneration Report) discloses information, including the policies and practices regarding the remuneration of:

- Non-executive Directors; and
- the Executive Director and other senior executives.

The respective policies and practices reflect the different roles and responsibilities of Non-executive Directors and the Executive Director and other senior executives.

As disclosed in the Remuneration Report, the Group's Non-executive Directors are paid a fixed remuneration, comprising base and committee fees or salary and superannuation (if applicable). Non-executive Directors do not receive bonus payments or participate in security-based compensation plans, are not provided with retirement benefits other than statutory superannuation and are required to hold a minimum of one year's fees within three years from July 2019 or their start date.

The Remuneration Report details the nature and amount of remuneration of the Chief Executive Officer (Executive Director) and other senior executives (Key Management Personnel or KMP).

Remuneration packages are designed to align the KMP's interests with those of securityholders. Key performance indicators (KPIs) for each KMP consider their role within Cromwell generally as well as their expected contribution to the achievement of Cromwell's objectives. The KPIs are designed to best incentivise each KMP to meet Cromwell's objectives and therefore best serve the interests of securityholders. This is achieved by providing remuneration packages which consist of the following three elements (or a combination thereof) where appropriate:

1.) Fixed component in the form of a cash salary;
2.) An at-risk cash award that is linked solely to performance of a tailored set of objectives, where appropriate; and
3.) At-risk longer-term equity payment. This third element is equity based remuneration aimed at alignment and retention.

The Group has an official clawback policy on unvested rights and deferred securities and malus and clawback clauses allow unvested securities to be clawed back where a recipient has acted fraudulently, dishonestly or where there has been a material misstatement or omission in the Group's financial statements leading to receipt of an unfair benefit. Additionally, performance rights under Cromwell Property Group's Performance Rights Plan lapse under certain circumstances including a determination by the Plan Committee that the performance right should lapse because the participant, in the Plan Committee's opinion, has committed any act of fraud, defalcation or gross misconduct in relation to the affairs of a body corporate in the Group.

Each of the CEO, the Chief Operations Officer, the Chief Financial Officer and the Chief Investment Officer was awarded a short-term incentive (an at-risk cash award) in the 2020 financial year. The nature of the performance based remuneration is an 'at risk' payment rather than a 'bonus' payment.

For all KMP except the CEO and Non-executive Directors, the CEO is responsible for setting KPI targets which are reviewed by the Board and assessing annually whether those targets have been met. The KPI targets for the CEO are set, revised and reviewed annually by the Nomination and Remuneration Committee and the Board.

What you can find on the Corporate Governance page on our website:

- Nomination and Remuneration Committee Charter

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

RECOMMENDATION 8.3

In accordance with the remuneration policy, the Group operates a Performance Rights Plan and has issued performance rights to a number of senior executives, including the CEO (an Executive Director).

The terms of the Group's Performance Rights Plan do not allow participants, whether Executive Directors or other employees, to hedge or otherwise limit the economic risk of their participation in the Plan.

Previous participation in the Performance Rights Plan by the CEO (an Executive Director) was approved by securityholders at an AGM. Pursuant to the ASX Listing Rules, any further participation would also need to be approved by securityholders.

What you can find on the Corporate Governance page on our website:

- Plan Rules for the Cromwell Property Group Performance Rights Plan

www.cromwellpropertygroup.com/securityholder-centre/corporate-governance

SECURITYHOLDER INFORMATION

The securityholder information set out below was applicable as at 31 August 2020, unless stated otherwise.

Spread of Stapled Securityholders

Category of Holding	Number of Securities	Number of Holders
100,001 and Over	2,304,540,903	1,167
50,001 to 100,000	128,698,991	1,844
10,001 to 50,000	160,477,255	6,285
5,001 to 10,000	12,271,670	1,601
1,001 to 5,000	6,422,072	2,239
1 to 1,000	460,709	1,323
Total	**2,612,871,600**	**14,459**

Unmarketable Parcels

The number of stapled securityholdings held in a less than marketable parcel was 870.

Substantial Securityholders

Holder	Stapled Securities	Date of Notice
ARA Group	697,239,866	07/08/2020
Tang family and related entities	433,607,179	19/06/2020
Vanguard Group	210,756,179	16/12/2019
BlackRock Group	130,660,437	28/07/2020

Voting Rights

On a show of hands every securityholder present at a meeting in person or by proxy shall have one vote and, upon a poll, every securityholder shall have effectively one vote for every security held.

20 Largest Securityholders

Rank	Investor	Number of Stapled Securities Held	% Held of Issued Stapled Securities
1	CITICORP NOMINEES PTY LIMITED	472,054,239	18.07%
2	ARA REAL ESTATE INVESTORS XXI PTE LTD	329,520,331	12.61%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	329,302,645	12.60%
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	314,248,059	12.03%
5	ARA REAL ESTATE INVESTORS XXI PTE LTD	287,872,078	11.02%
6	ARA REAL ESTATE INVESTORS 28 LIMITED	79,847,457	3.06%
7	NATIONAL NOMINEES LIMITED	52,203,251	2.00%
8	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	48,338,883	1.85%
9	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	18,528,802	0.71%
10	STARA INVESTMENTS PTY LTD	10,096,525	0.39%
11	PAUL LOUIS WEIGHTMAN	9,682,153	0.37%
12	BNP PARIBAS NOMS PTY LTD <DRP>	8,402,806	0.32%
13	HUMGODA INVESTMENTS PTY LTD	8,328,943	0.32%
14	PANMAX PTY LTD <PANMAX PTY LTD S/FUND A/C>	6,827,001	0.26%
15	NEALE EDWARDS PTY LTD	6,026,400	0.23%
16	WALLACE SMSF PTY LTD <PJ & BM WALLACE PS/F A/C>	4,911,779	0.19%
17	STARA INVESTMENTS PTY LTD <P L WEIGHTMAN SUPER FUND A/C>	3,921,030	0.15%
18	CABET PTY LTD	3,723,627	0.14%
19	BNP PARIBAS NOMS(NZ) LTD <DRP>	3,570,219	0.14%
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	3,515.574	0.13%
	Total	**2,000,921,802**	**76.58%**

Provision of Information for Securityholders

Cromwell is committed to ensuring its securityholders are fully informed on the financial and operational status of the Group as well as its future prospects, in accordance with the rules and guidelines of the Australian Securities Exchange (ASX) and other regulatory bodies. The following information can also be found on the Cromwell website at www.cromwellpropertygroup.com.

ASX LISTING

Cromwell Property Group is listed on the Australian Securities Exchange (ASX code: CMW).

SECURITYHOLDING DETAILS

Securityholders can access information on their holdings and update their details through Cromwell's securities registry provider:

Link Market Services Limited

Level 21, 10 Eagle Street
Brisbane Qld 4000

Telephone: +61 1300 554 474
Fax: +61 2 9287 0303
Web: www.linkmarketservices.com.au
Email: info@linkmarketservices.com.au

Securityholders can change or update details in a number of ways:

- Send written authorisation to the registry quoting your SRN / HIN and signing the request;
- Log on to www.linkmarketservices.com.au; or
- Call the registry.

You will have to verify your identity by providing your personal details. Bank detail changes must be requested in writing or electronically and cannot be made over the phone. Address changes must be requested in writing to the registry or your CHESS Sponsor.

Securityholders are not obliged to quote their TFN, ABN or exemption. However, if these details are not lodged with the registry, Cromwell is obliged to deduct tax from unfranked portions of dividend payments and distribution payments and up to the highest marginal tax rate, depending on residency.

DISTRIBUTIONS/DIVIDENDS

Cromwell Property Group Dividends/Distributions

During the year the following distributions/dividends have been paid:

Quarter Ending	Amount per Security	Ex Date	Record Date	Payment Date
30 June 2020	1.87500 cents	29 June 2020	30 June 2020	21 August 2020
31 March 2020	1.87500 cents	30 March 2020	31 March 2020	22 May 2020
31 December 2019	1.87500 cents	30 December 2019	31 December 2019	21 February 2020
30 September 2019	1.87500 cents	27 September 2019	30 September 2019	22 November 2019

Further Information

The Cromwell website provides a comprehensive range of information on the Group, past performance and products.

The website address is www.cromwellpropertygroup.com. Requests for further information about the Group, its dealings and key securityholder communications should be directed to:

Investor Relations Manager
Cromwell Property Group
GPO Box 1093
Brisbane QLD 4001 Australia
TEL: +61 7 3225 7777
FAX: +61 7 3225 7788
EMAIL: invest@cromwell.com.au

LISTING:

Cromwell Property Group is listed on the Australian Securities Exchange (ASX code: CMW).

SECURITIES REGISTRY:

Link Market Services Limited
Level 21, 10 Eagle Street
Brisbane QLD 4000
TEL: +61 1300 554 474
FAX: +61 2 9287 0303
WEB: www.linkmarketservices.com.au

AUDITOR:

Deloitte Touche Tohmatsu
Level 23, Riverside Centre
123 Eagle Street
Brisbane QLD 4000
TEL: +61 7 3308 7000
WEB: www.deloitte.com.au

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