Property Group

ANNUAL REPORT 2017

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FINANCIAL CALENDAR

22 November 2017	Meeting of unitholders
December 2017	Estimated interim distribution announcement and units trade ex-distribution
February 2018	Interim results announcement
June 2018	Estimated final distribution announcement and units trade ex-distribution
August 2018	Full-year results announcement
August 2018	Final distribution payment
August 2018	Annual tax statement

MEETING OF UNITHOLDERS

The meeting of unitholders will be held at 2pm in the Barnet Long Room, Level 1, Customs House, 31 Alfred Street, Sydney NSW 2000 on 22 November 2017

Unitholder register details

You can view your holdings, access information and make changes by visiting www.investorcentre.linkmarketservices.com.au

Responsible entity

Shopping Centres Australasia Property Group RE Limited ABN 47 158 809 851 AFSL 426603. Shopping Centres Australasia Property Group comprises Shopping Centres Australasia Property Management Trust (ARSN 160 612 626) and Shopping Centres Australasia Property Retail Trust (ARSN 160 612 788)

Front Cover: Woolworths North Orange, NSW

OUR 2017 PERFORMANCE HIGHLIGHTS

(For period 1 July 2016 to 30 June 2017)

14.70¢
FUNDS FROM OPERATIONS (PER UNIT)

13.10¢
DISTRIBUTIONS TO UNITHOLDERS (PER UNIT)

$319.6m
STATUTORY PROFIT AFTER TAX

SOLID PORTFOLIO PERFORMANCE

98.4%
PORTFOLIO OCCUPANCY
Within target range

6.47%
PORTFOLIO WEIGHTED AVERAGE CAP RATE
Firming by 66 bps

$476.6m
INCREASE IN AUSTRALIAN PROPERTY VALUE
Including acquisitions and revaluation gains

REFINING OUR PORTFOLIO

8
ACQUIRED PROPERTIES
Australian neighbourhood centres for $274.9 million

16
DIVESTED
New Zealand and other non-core properties for $311.0 million

PRUDENT CAPITAL AND COST MANAGEMENT

3.8%
WEIGHTED AVERAGE COST OF DEBT

31.8%
GEARING AT THE LOWER END OF OUR TARGET RANGE

86%
OF DRAWN DEBT FIXED OR HEDGED

$264.6m
CASH AND UNDRAWN FACILITIES

0.45%
MANAGEMENT EXPENSE RATIO

MESSAGE FROM THE CHAIRMAN

PHILIP MARCUS CLARK AM
CHAIRMAN, SCA PROPERTY GROUP

On behalf of your Board, I present SCA Property Group's Annual Report, including the audited Financial Statements for the year ended 30 June 2017.

Financial results

I am pleased to report another strong financial performance by SCP:

- Earnings: 14.7 cents per unit, up 6.9% on the prior year; and
- Distributions: 13.1 cents per unit, up 7.4% on the prior year.

SCP has delivered compound annual growth in distributions of 6% p.a. over the last five years.

In FY17, SCP's Total Securityholder Return (TSR) outperformed the S&P/ASX 200 A-REIT Index once again. Since listing in late 2012, SCP has delivered an average annual TSR of 16.8% p.a. against the Index TSR of 12.8% p.a.

Competitive environment

During the year, there has been considerable focus on the rise of internet shopping and the potential impact on "bricks and mortar" shopping centres. We have also seen the closure of some high-profile fashion retailers.

SCP has positioned itself with a high weighting towards fresh-food and non-discretionary retail categories. We are certainly not complacent, but we do believe that positioning will help shield our centres against the impact of internet sales operators, who are primarily focused on discretionary product lines like electronics, fashion and sporting goods.

We are also encouraged by the fact that the value of our centres has increased. In the year to June 2017, we reported a net increase of $211.6 million in like-for-like valuations of our property portfolio.

13.1¢

DISTRIBUTION (PER UNIT)

89%

PAYOUT RATIO

Disciplined capital management

Early in the financial year, we completed the sale of our New Zealand portfolio. Proceeds of the sale were redeployed into Australian shopping centres and the acquisition of a 4.9% stake in Charter Hall Retail Fund, which has a portfolio similar to ours. SCP now holds 100% domestic property assets.

The Board and management have maintained a strong focus on prudent capital management:

- Our weighted-average cost of debt at 3.8% remains the lowest among our peers;
- The weighted-average term to maturity of our debt is five years; and
- Gearing at 30 June 2017 was 31.8% and remains at the lower end of our targeted range of 30–40% loan to valuation ratio. We prefer gearing to remain below 35% at this point in the cycle.

Work health and safety

Your Board has invested significant resources to optimise the Group's work health and safety processes. This investment is reflected in a year-on-year reduction of incidents in our centres.

I am proud of the initiatives our management team has taken to lead the way in gathering incident statistics across the industry, to improve safety in shopping centres.

Sustainability

You will see from the Annual Report that we have made good progress in implementing and reporting on our sustainability strategy.

Energy costs are on the rise, so I am pleased to report that our solar initiative is now being rolled out. It will deliver energy cost savings for the Group and its tenants, a new income stream for SCP and environmental benefits, without capital investment by SCP.

Independent Board review

During the year, the Board engaged an independent specialist to conduct a comprehensive Board review.

The review provided a favourable assessment of the Board's performance. But it also highlighted the need for long-term succession planning and the need to ensure that the Board continues to have access to the appropriate range of skills and experience as future circumstances require.

The Board is considering the review recommendations and I will report further at the November 2017 AGM.

Outlook

We remain committed to our core objective, which is to deliver sustainable earnings and distribution growth to our unitholders. Our strategy to achieve this is to:

- Optimise the earnings from our existing portfolio;
- Execute accretive acquisitions of convenience-based shopping centres;
- "recycle" our lower growth centres into better performing centres
- Invest in value-enhancing development opportunities within our existing portfolio; and
- Continue to grow our funds management business.

A key priority for the Group is to optimise the earnings from our centres by continuing to improve our tenancy mix and by ensuring that centre standards are maintained at a high level. This should support ongoing strong sales growth for our speciality tenants, which in turn should enable further positive rent reversions and increasing rent per square metre over the next few years.

We believe that SCP's portfolio of non-discretionary, fresh-foods focused, convenience-based shopping centres will remain a resilient asset class.

On behalf of the Board, I thank our management and staff who have worked hard to deliver another good result. I thank my fellow Directors for their significant contributions to the Group's success. As I have said before, I am proud to chair such an effective and collaborative Board.

Finally, thanks to all SCP unitholders for your continued support and confidence.

Yours sincerely,

Philip Marcus Clark AM
Chairman, SCA Property Group

MESSAGE FROM THE CEO

ANTHONY MELLOWES
CHIEF EXECUTIVE OFFICER,
SCA PROPERTY GROUP

On behalf of your management team, I am pleased to present SCA Property Group's Annual Report, including the audited Financial Statements, for the year ended 30 June 2017.

Portfolio management and asset recycling

This year has been an important transitional year for SCP. We have sold our portfolio of lower growth shopping centres in New Zealand and redeployed the funds into Australian neighbourhood shopping centres. This year SCP acquired a total of eight shopping centres in New South Wales and Queensland. All of these assets meet our fundamental requirements of being convenience-based, anchored by Woolworths Limited or Wesfarmers Limited (Coles), with a strong bias towards non-discretionary based, specialty tenancy usages. We also reinvested part of the New Zealand proceeds into the acquisition of a 4.9% stake in Charter Hall Retail Fund.

This rapid redeployment of the proceeds from the sale of the New Zealand portfolio into higher growth domestic convenience centres and the profits from our three growth initiatives (being accretive acquisitions, developments and our unlisted funds management business) have all contributed to our strong financial results this year.

Financial results

This year we achieved a pleasing increase of 8.3% in Funds from Operations and an 8.5% increase in Adjusted Funds from Operations. This translated into a full year distribution of 13.1 cents per unit, up by 7.4% on the prior year. Our gearing is at the lower end of our preferred range. As at 30 June 2017, our gearing was 31.8% and our portfolio occupancy percentage was a stabilised 98.4%.

31.8%

GEARING

$2.20

NET TANGIBLE ASSETS PER UNIT

Supermarket sales performance and growth

The Group derives approximately 52% of its income from its anchor tenants, Woolworths Limited and Coles. The trading performance of both Woolworths and Coles supermarkets has been remarkably resilient over the past decade even though market dominance has regularly shifted between Woolworths and Coles, their combined share of the market has not been materially impacted by newer entrants to the market.

Currently, the engine for growth is our specialty tenants as specialty leases typically have annual fixed increases in rental. Despite paying no incentives, we have achieved strong income growth of 7% on renewal of our specialty leases. Approximately 80 leases came up for renewal in the reporting period and a further 100 are due for renewal this current financial year. We expect renewal spreads to moderate given current market conditions.

Supermarket rental increases are tied to the trading performance of the individual supermarket. The recent strong performance in Woolworths food and liquor sales bodes well for SCP as its portfolio is still weighted towards Woolworths as its main anchor tenant. If that sales performance is maintained, it is likely to translate into increases in rent through turnover provisions in the supermarket leases.

Unlisted funds management business

I am pleased to report that our second unlisted fund, SURF 2, was successfully launched in May 2017. The Fund comprises Katoomba Marketplace and the Mittagong Dan Murphy's, both New South Wales centres.

We look forward to launching SURF 3 in the current financial year, subject to suitable market conditions.

Developments

SCP has been active in the development of its centres and I am pleased to announce that Coles will open its full-line supermarket in Kwinana, Western Australia on or about 25 October this year. This is an important achievement as the Coles supermarket will add significant value to our largest sub-regional asset.

Also, we have been successful in leasing the former Masters tenancy in Mount Gambier, South Australia to Bunnings for an initial 12-year term. Again, this is an important achievement which not only preserves, but improves, the value of this asset following the closure of the Masters hardware outlet. Bunnings commenced trading from the centre in late September 2017. There was no 'down time' in the payment of rental during the transition to Bunnings and rental is 'topped up' by Woolworths Limited, or its assigns, to the level of the Masters rent, until the expiry date of the former Masters lease in 2032 (unless SCP elects to sell the property).

Restructure of Property and Facilities Management

In July 2016, we restructured our Property and Facilities Management platforms to streamline our asset management and achieve further operational efficiencies. We continued with a national provider of facilities management to manage property expenses and leverage economies of scale. Our geographically diverse income streams led us to regionalise property management focused on embedding our centres into the local communities in which they reside.

The structure supports our aim for sustainable defensive cash flows and fosters stronger communities in the regions in which we operate.

Changing retail environment

The retail market is currently going through a period of change. There is no doubt that internet-based retailing is on the rise. However, Australia presents some unique and difficult challenges for an internet-based fresh food offering due to its low population densities outside the heavily populated areas of its capital cities and the consequent cost structures.

We believe that SCP's portfolio of convenient, non-discretionary, fresh-foods focused retail will remain resilient in the face of these changes, and we remain committed to managing our centres as efficiently as possible, while driving sustainable revenue growth and generating reliable and defensive income streams for our investors.

Kind regards,

A. Mellowes

Anthony Mellowes
Chief Executive Officer,
SCA Property Group

ABOUT US

SCA Property Group (SCP) is comprised of two internally managed real estate investment trusts, the units of which are stapled together to form a stapled listed vehicle. The Group owns and manages a portfolio of quality sub-regional and neighbourhood shopping centres and freestanding retail assets. The portfolio is focused on convenience retailing across Australia.

As at 30 June 2017, our portfolio consisted of 75 shopping centres valued at $2,364.6 million. Convenience retailing has proven to be a resilient asset class due to its exposure to non-discretionary retail tenants. Many of the Group's convenience-based retail centres have a strong weighting to food sales, due to grocery-based anchors such as supermarkets.

SCA Property Group's portfolio benefits from long-term leases to Woolworths Limited and Wesfarmers Limited, which act as an anchor tenant at each property. Wesfarmers is the owner of Coles and other retail businesses. Woolworths and Coles are Australia's largest retailers by sales revenue and number of stores.

SCA Property Group is listed on the Australian Securities Exchange (ASX) under the code 'SCP'.

Short history

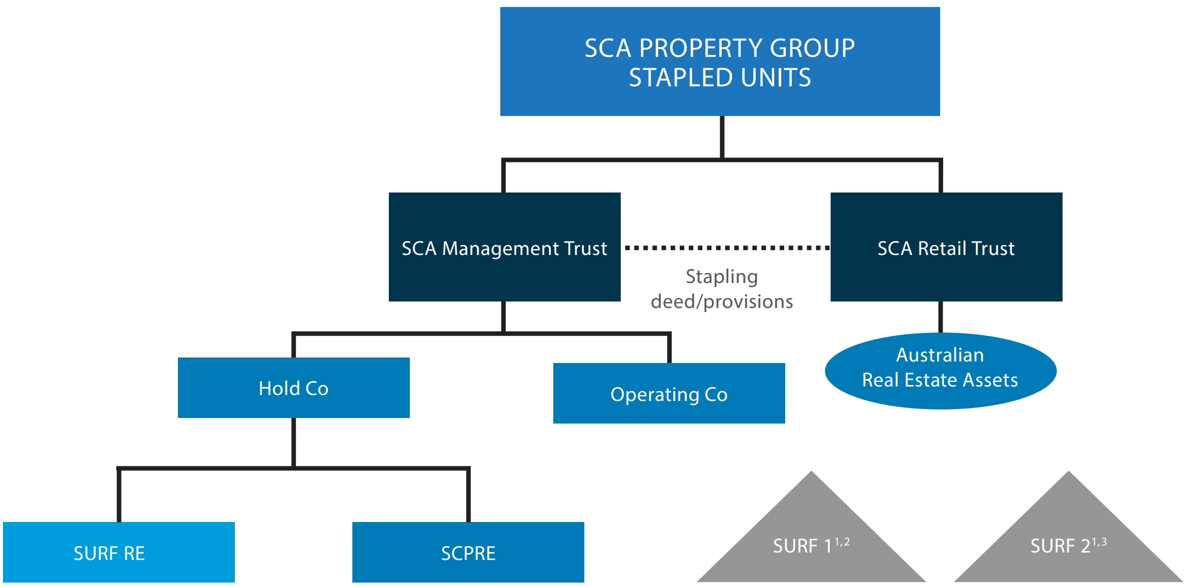
SCA Property Group was created by Woolworths in late 2012 to act as a landlord for a number of its shopping centres. Woolworths transferred its ownership in those shopping centres to SCA Property Group, which was then listed on the ASX as a separate independent real estate investment trust in December 2012. Woolworths Limited does not have any ownership interest in SCA Property Group.

Since its creation, SCA Property Group has completed a number of acquisitions and divestments, and as at 30 June 2017 has 75 shopping centres, of which 56 are anchored by Woolworths Limited retailers and 19 by Wesfarmers Limited retailers.

Group structure

SCA Property Group comprises two registered managed investment schemes: Shopping Centres Australasia Property Management Trust (SCA Management Trust) (ARSN 160 612 626) and Shopping Centres Australasia Property Retail Trust (SCA Retail Trust) (ARSN 160 612 788). The units in each are stapled to form the stapled listed vehicle, SCA Property Group.

SCA Property Group is internally managed, which allows us to align management interests with the interests of our unitholders. Shopping Centres Australasia Property Group RE Limited (SCPRE) (ACN 158 809 851) is the Responsible Entity (AFSL 426603) to SCA Management and SCA Retail Trusts. The responsible entity is a wholly-owned subsidiary of the Management Trust.



Additional notes:
1. SURF RE Limited is the Responsible Entity of SCA Unlisted Retail Fund 1 (SURF 1) from 9 June 2015 and SCA Unlisted Retail Fund 2 (SURF 2) from 22 August 2016.
2. SURF 1 commenced activities on 1 October 2015. SCA Retail Trust owns 24.4% of SURF 1.
3. SURF 2 commenced activities on 2 June 2017. SCA Retail Trust owns 28.6% of SURF 2.


Woolworths
BWS
WELCOME TO BELMONT CENTRAL
EAT MORE CHICKEN
Fire Exit Door
Do Not Obstruct

OUR PROPERTY PORTFOLIO

SCA Property Group's portfolio comprises 68 neighbourhood, 6 sub-regional and 1 development property located across Australia.

During the year ended 30 June 2017 the Group completed the sale of its New Zealand properties and the Group sold Katoomba Marketplace and Mittagong Shopping Village. These sales were consistent with the Group's strategy of divesting freestanding properties and properties with relatively few specialty tenants. The New Zealand and Australian properties were freestanding or had few specialties and were as such considered to be non-core. The 2 Australian properties were sold to the Group's second unlisted retail fund – SCA Unlisted Retail Fund 2 (SURF 2).

75

INVESTMENT PROPERTIES
Valued at $2,364.6 million

98.4%

PORTFOLIO OCCUPANCY

1,309

SPECIALTY TENANTS

8.7 yrs

AVERAGE AGE OF PORTFOLIO

9.8 yrs

WEIGHTED AVERAGE LEASE EXPIRY

525,793 m^2

GROSS LETTABLE AREA

OUR PROPERTY PORTFOLIO CONTINUED

The total value of the investment properties as at 30 June 2017 was $2,364.6 million (up from $1,888.0 million as at 30 June 2016). The increase in value of the properties during the year was principally due to:

- The acquisition of eight properties during the year for $274.9 million;
- Less the sale of two non-core properties to SURF 2 for $55.1 million;
- Development expenditure (primarily on Kwinana and Bushland Beach) of $22.8 million; and
- Favourable fair value movements of $211.6 million, primarily due to cap rate compression.

The weighted average capitalisation rate for the Australian portfolio is now 6.47%, compared to 7.13% as at 30 June 2016.

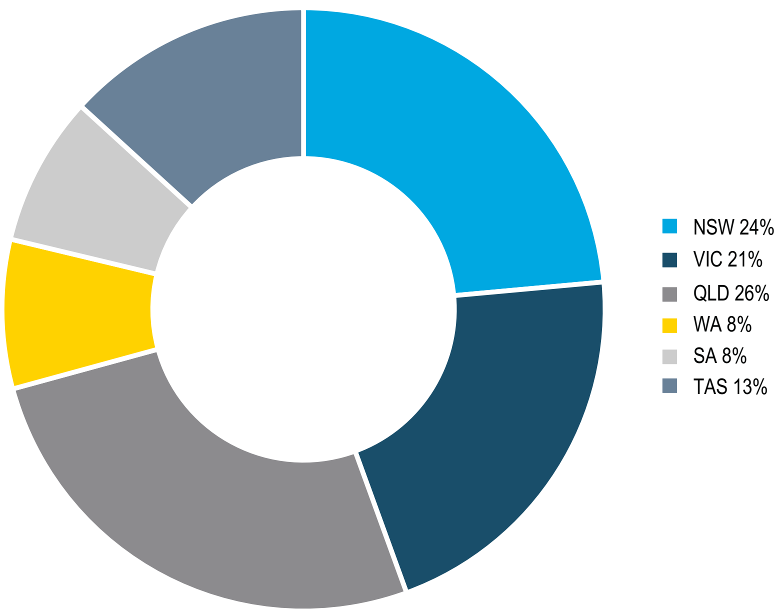
Assets As at 30 June 2017	Number of centres	Number of specialties	GLA (sqm)	Occupancy (% GLA)	Value (A$m)	WALE (yrs)	Weighted average cap rate (%)
Freestanding	-	-	-	-	-	-	-
Neighbourhood	68	1,007	393,893	98.30%	1,814.3	9.3	6.50
Sub-regional	6	302	131,900	98.70%	537.5	11.3	6.38
Development Asset[1]	1	n/a	n/a	n/a	12.8	n/a	n/a
Total Assets	**75**	**1,309**	**525,793**	**98.40%**	**2,364.6**	**9.8**	**6.47**

GLA means gross lettable area

WALE means weighted average lease expiry

1. Relates to Bushland Beach Plaza which is a development asset as at 30 June 2017.

GEOGRAPHIC DIVERSIFICATION (BY VALUE)



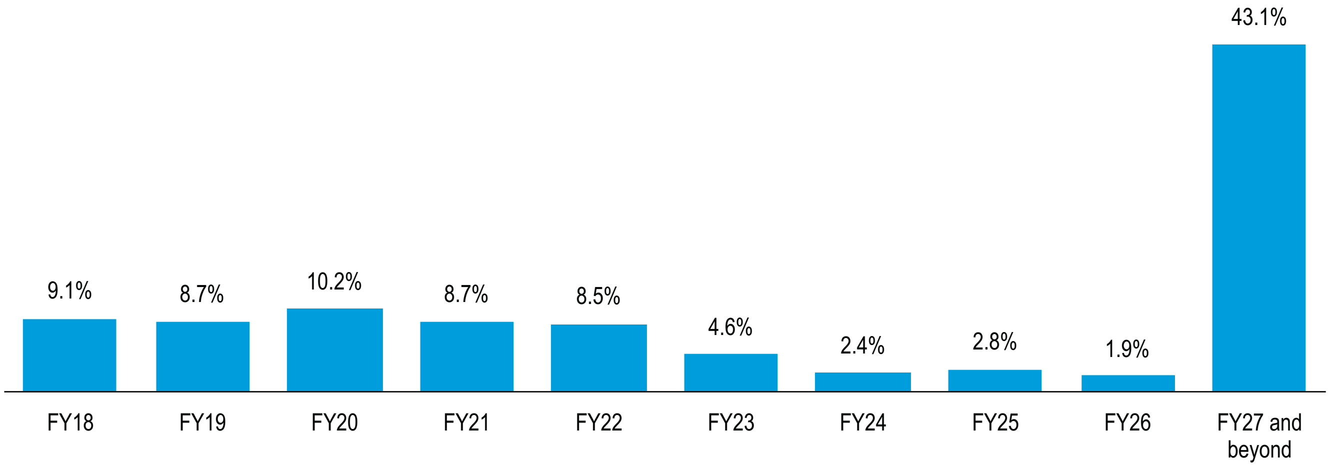
OUR TENANTS

The Group's shopping centres are anchored by long-term leases to high-quality tenants with a weighted average lease expiry of 9.8 years.

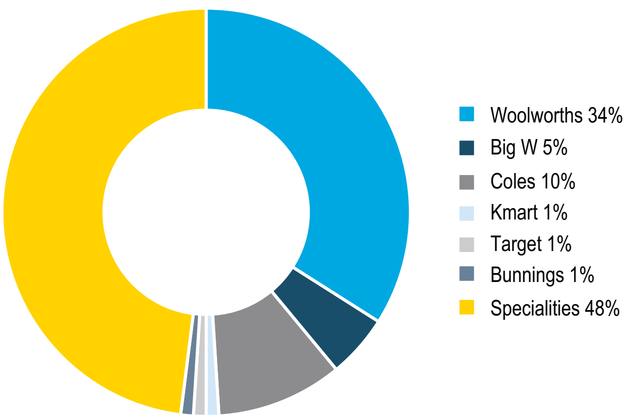
Nearly half the portfolio is located in new growth corridors and regions, and largely comprises convenience-based neighbourhood centres with a strong weighting to the non-discretionary retail segment.

Woolworths and Wesfarmers-owned anchor tenants represent 52% of gross income. The remaining 48% of gross income comes from specialty tenants skewed toward non-discretionary categories.

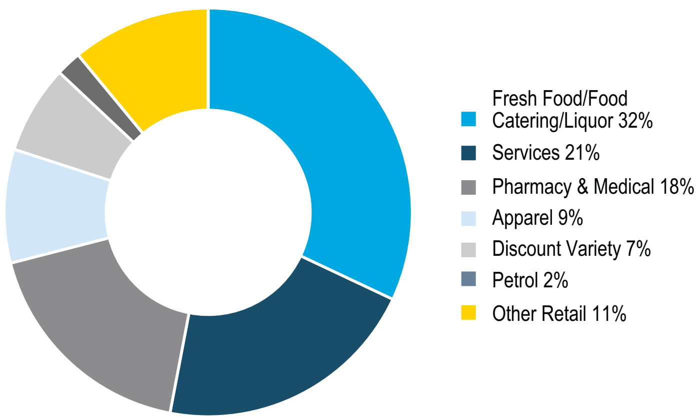
OVERALL LEASE EXPIRY (% OF GROSS RENT)



TENANTS BY CATEGORY (BY GROSS RENT)[1]



SPECIALTY TENANTS BY CATEGORY (BY GROSS RENT)[1,2]



1. Annualised gross rent excluding vacancy.
2. Mini major tenants represent 15% of annualised specialty gross rent. Mini major tenants have been split across the relevant categories.

OUR STRATEGY

SCP aims to ensure resilient cash flows, to provide investors with secure and regular distributions.

SCP's core strategy is to invest in a geographically diverse portfolio of convenience-based retail centres. Our portfolio focuses on the non-discretionary retail sector (primarily convenience retailers and grocery outlets) and is anchored by long-term leases to quality tenants.

Focus on convenience-based retail centres	Weighted to non-discretionary retail segment	Long leases to quality anchor tenants
Appropriate capital structure	Growth opportunities	

SCP's portfolio is relatively young, with an average age of less than 9 years (weighted by value). This presents both opportunities and challenges, and our strategy for the immediate future is to generate incremental growth by positioning the portfolio to maximise its long-term value.

We are doing this by:

- Optimising the existing portfolio: by increasing the rent per square metre we generate from our specialty tenants, and by controlling our costs;
- Growing the portfolio: by undertaking selected acquisitions and divestments, and by conducting selected small-scale development opportunities in our completed portfolio. We are also building a funds management business, with our second fund, SURF 2, completed in June 2017;
- Capital management: we adopt a prudent approach to capital management, with the aim of achieving a sustainably low cost of capital and an appropriate level of gearing; and
- Sustainability: ensuring the sustainability of SCP's business, including a focus on safety, community and the environment.

Optimising the existing portfolio

A key priority for the Group is to increase the rent per square metre we generate from our specialty tenants. This can be achieved by remixing our tenancies to higher rent-paying tenants, by annual rental increases that are built into leases, and by increasing rentals at lease expiry. During the 12 months to 30 June 2017, there were 81 specialty tenancy renewals with an average rental increase of 7.0% achieved.

We are continuing to explore opportunities to reduce costs by utilising our economies of scale to achieve savings in areas such as property management, electricity, cleaning and security.

Growing the portfolio

The market for convenience-based retail centre ownership is fragmented and provides acquisition opportunities from time to time.

There is a pipeline of new convenience-based centres due to population growth. Private individuals and retailers are still the dominant developers of convenience-based centres, and will be for the medium term.

In addition, many of our completed centres have relatively low-risk development opportunities such as supermarket expansions and small centre expansions that we intend to pursue in coming years.

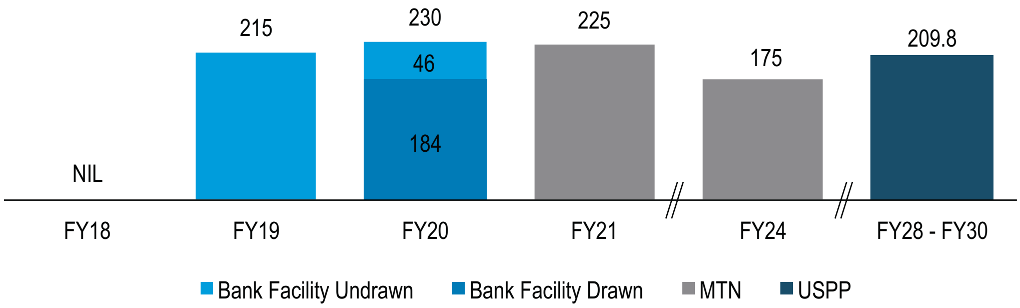
Capital management

Debt and gearing

We maintain a prudent approach to managing the balance sheet, with gearing of 31.8% as at 30 June 2017, which is at the lower end of our target range of 30–40%. At 30 June 2017, the Group had cash and undrawn facilities of $264.6 million.

We have diversified sources of debt with bank facilities, US Private Placement Notes (USPP) and Australian medium term notes (A$MTN). Our weighted average cost of debt is now 3.8%, which is among the lowest in our sector. The weighted average term to maturity is 5.0 years and the earliest drawn debt expiry is December 2019.

DEBT FACILITIES EXPIRY PROFILE ($M)



Interest rate hedging

SCP's interest rate hedging policy is designed to reduce the volatility of future distributable earnings as a result of changing interest rates. We manage this exposure by:

- Targeting a range for fixed or hedged interest rate exposure of 50–100% of drawn borrowings; and
- Using derivative contracts and/or other agreements to fix interest payment obligations.

The directors will monitor this policy to ensure it meets SCP's ongoing objectives and is in the best interests of unitholders. As at 30 June 2017, 86% of the Group's debt was fixed or hedged.

Distribution payout ratio

SCP has a target payout ratio of 85–95% of Funds from Operations (FFO) and less than 100% of Adjusted FFO (AFFO). For the year to 30 June 2017, our distribution payout ratio was 89% of FFO and 97% of AFFO.

Stability of our earnings

Fifty-two per cent of our rental income comes from Woolworths Limited and Wesfarmers Limited, both of which are of a high credit quality. The remaining 48% of our rental income comes from specialty tenants. We have improved this income stream by reducing specialty vacancy to normalised levels and by securing quality tenants whom, we believe, will deliver sustainable rental income growth in the future.

We have actively managed our portfolio by divesting non-core assets and acquiring assets that we believe will deliver stronger returns. We have put in place a solid capital structure, with diversified sources of funding, gearing at 31.8% (at the lower end of our target range of 30–40%), average weighted term to maturity of our debt of 5.0 years and we have fixed or hedged 86% of our debt.

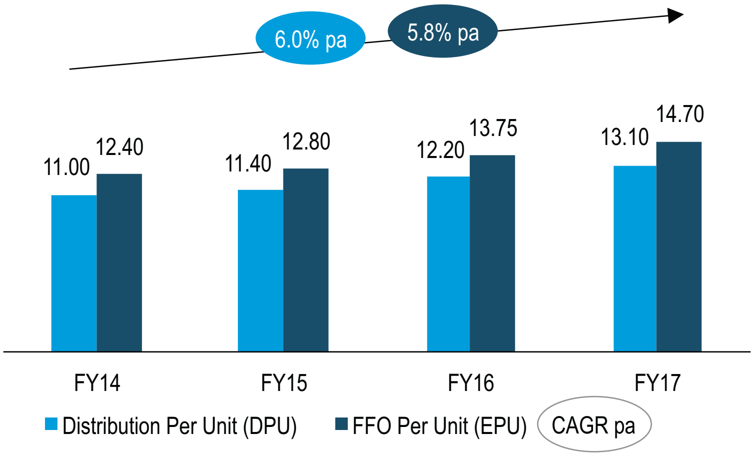
OUR PERFORMANCE

SCP HAS DELIVERED SUPERIOR RETURNS TO UNITHOLDERS

SCP has provided stable and secure distributions that have been supplemented by strong unit price performance during the FY17 financial year, and since the IPO.

Over the last three years, SCP has on average grown Distributions Per Unit by around 6.0% p.a.

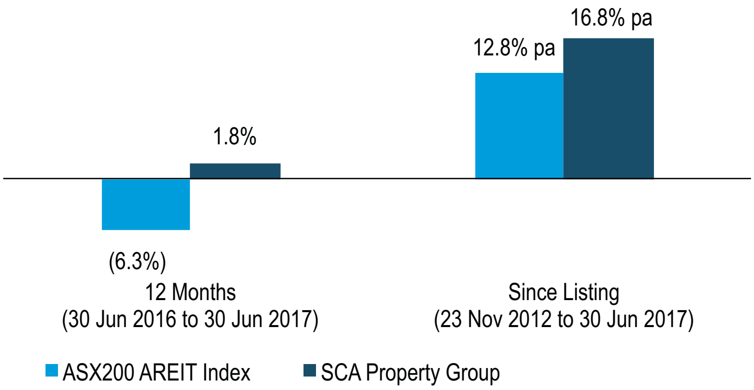
CONSISTENT DPU AND EPU GROWTH



SCP has delivered consistent and growing earnings and distributions, with a compound annual growth rate of around 6% pa

Since listing in November 2012, SCP has delivered a total unitholder return (unit price appreciation plus distributions) of 16.8% p.a., and has outperformed the S&P/ASX 200 A-REIT Index over the same period. While FY17 was a challenging year for listed property trusts with the S&P/ASX 200 A-REIT Index recording negative unit price performance, SCP has continued to outperform the index to deliver a positive total unitholder return.

RELATIVE TOTAL SHAREHOLDER RETURN



SCP has outperformed the ASX200 AREIT Index during FY17, and since its listing in late 2012

Strong sales growth in our centres

In FY17, comparable store moving annual turnover (MAT) growth in our centres averaged 1.8%. Anchor supermarket sales growth of 2.2% has improved due to a stronger performance from Woolworths supermarkets, with volumes and transactions continuing to grow strongly, which has driven foot traffic through our centres. Consequently, specialty tenant sales growth in Australia remained relatively strong at 3.8%. Strong sales growth will assist SCP to generate increasing rental income in the future.

Comparable Store MAT[1] sales growth by category (%)

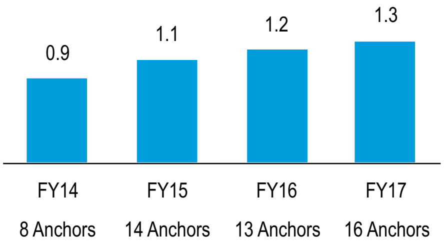
$m	as at 30 June 2017	as at 30 June 2016
Supermarkets	2.2%	0.2%
Discount Department Stores (DDS)	(4.3%)	(3.7%)
Mini Majors	1.4%	5.1%
Specialties	3.8%	5.6%
Total	**1.8%**	**0.6%**

1. MAT stands for moving annual turnover, and measures the growth in sales over the last 12 months compared to the previous 12 month period.

TURNOVER RENT THRESHOLDS BEING ACHIEVED

Several of our anchor tenants are achieving turnover rent thresholds. Once turnover rent thresholds are achieved, rental income increases with store sales growth. As at 30 June 2017, 16 anchors were generating turnover rent, and for the 12 months to 30 June 2017, turnover rent was $1.3 million. We expect these numbers to increase in coming years.

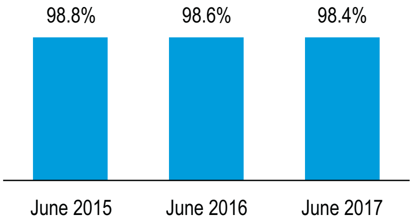
TURNOVER RENT ($M)



OCCUPANCY RATE REMAINS HIGH

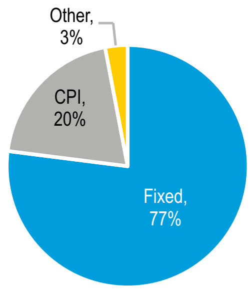
SCP continues to enjoy high levels of portfolio occupancy of around 98.4%. This is within the normalised range for neighbourhood shopping centres.

PORTFOLIO OCCUPANCY (% OF GLA)

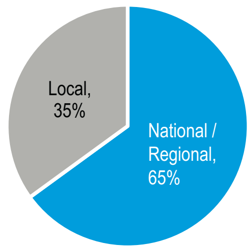


AUSTRALIAN SPECIALITY LEASE COMPOSITION (AS AT 30/6/2017)

ANNUAL INCREASE MECHANISM



TENANT TYPE



SPECIALTY TENANT KEY METRICS

Specialty tenant sales continue to grow, assisted by supermarket volume growth. As a result, average specialty occupancy cost continues to be sustainable at 9.7%. This enables SCP to secure strong rental increases when leases come up for renewal. During FY17, we had 81 renewals with average increases of 7.0% achieved and no incentives paid. Most specialty leases are for five-year terms and have built-in annual rental increases of 3% to 4%.

Australian Specialty Tenant Metrics	30-Jun-17	30-Jun-16
Specialty sales MAT growth (%)[2]	3.8%	5.6%
Average specialty occupancy cost (%)[2]	9.7%	9.3%
Average specialty gross rent per square metre	$700	$676
Specialty sales productivity ($ per sqm)[2]	$7,801	$7,269
Renewals		
Number	**81**	**69**
GLA (sqm)	**9,267**	**7,208**
Average uplift (%)	**7.0%**	**7.5%**
Incentive (months)	**0**	**0**
New Leases		
Number	**68**	**58**
GLA (sqm)	**8,468**	**7,131**
Incentive (months)	**10.0**	**11.9**

2. Occupancy cost and sales productivity metrics only include sales reporting tenants trading over 24 months.

OUR PERFORMANCE CONTINUED

Active portfolio management

During FY17, we have actively managed our portfolio by divesting non-core assets (primarily freestanding stores or centres with relatively few specialty tenants) while continuing to acquire neighbourhood shopping centres in Australia. During the year we acquired eight neighbourhood shopping centres for $274.9 million at a weighted average initial yield of 6.90%. We divested our entire New Zealand portfolio of 14 assets for $255.9 million (implied yield of 6.62%) and two non-core assets in Australia to our second unlisted fund SURF 2 for $55.1 million (implied yield of 6.45%).

Muswellbrook Fair Shopping Centre (Muswellbrook, NSW)

- Acquisition completed in July 2016 for $29.3m (6.95% implied cap rate)
- % of income from Coles: 32%
- Overall WALE: 6.4 years
- Occupancy at acquisition: 97.0%
- Year Built: 2007 (redeveloped in 2015/2016)

Annandale Central Shopping Centre (Townsville, QLD)

- Acquisition completed in December 2016 for $33.5m (7.40% implied cap rate)
- % of income from Coles: 45%
- Overall WALE: 7.4 years
- Occupancy at acquisition: 91.1%
- Year Built: 2000 (redeveloped in 2007)

Jimboomba Junction Shopping Centre (Jimboomba, QLD)

- Acquisition completed in July 2016 for $27.5m (7.13% implied cap rate)
- % of income from Coles: 37%
- Overall WALE: 4.7 years
- Occupancy at acquisition: 96.7%
- Year Built: 2007

Clemton Park Shopping Village (Campsie, NSW)

- Acquisition completed in March 2017 for $48.5m (7.39% implied cap rate)
- % of income from Coles: 42%
- Overall WALE: 14.4 years
- Occupancy at acquisition: 98.4%
- Year Built: 2017

Belmont Central Shopping Centre (Belmont, NSW)

- Acquisition completed in July 2016 for $28.5m (7.63% implied cap rate)
- % of income from Woolworths: 35%
- Overall WALE: 8.7 years
- Occupancy at acquisition: 93.0%
- Year Built: 2008

Mudgeeraba Market & Franklin Square (Mudgeeraba, QLD)

- Acquisition completed in May 2017 for $35.8m (6.06% implied cap rate)
- % of income from Woolworths: 31%
- Overall WALE: 6.9 years
- Occupancy at acquisition: 99.1%
- Year Built: 2008

Lillybrook Shopping Village (Kallangur, QLD)

- Acquisition completed in October 2016 for $25.5m (6.68% implied cap rate)
- % of income from Coles: 32%
- Overall WALE: 8.9 years
- Occupancy at acquisition: 95.8%
- Year Built: 2004 (Coles refurbished in 2007)

Worongary Town Centre (Worongary, QLD)

- Acquisition completed in June 2017 for $46.3m (6.19% implied cap rate)
- % of income from Coles: 23%
- Overall WALE: 2.5 years
- Occupancy at acquisition: 99.0%
- Year Built: Developed in stages from 2004 to the most recent and final extension in 2016

During the year we also acquired a 4.9% interest in Charter Hall Retail Fund (CQR) for $83.4 million. CQR has a similar portfolio of quality shopping centres to SCP, and our acquisition implied an FY17 distribution yield of 6.7%.

Development Pipeline

We have identified over $130 million of development and refurbishment opportunities at 22 of our centres over the next five years[1]. These are generally 'bolt-on' developments to our existing centres. During FY17, we made substantial progress on two projects in particular, being the addition of Coles as a third anchor tenant at Kwinana, and the development of a new Coles-anchored neighbourhood shopping centre at Bushland Beach. Both of these developments are expected to be completed during FY18 and are expected to deliver an acceptable return on investment for unitholders.

Development Type	Centre(s)	FY17 ACTUAL	FY18	FY19	FY20	FY21	FY22
Centre improvement	Burnie, Clemton Park, Murray Bridge, The Markets	0.3	0.9	4.0	6.0	-	-
Stage 3 (third anchor)	Kwinana	14.3	5.9	-	-	-	-
Supermarket expansions	Northgate, Riverside, Treendale, West Dubbo	-	-	-	0.7	4.6	4.5
Supermarket and centre expansions	Collingwood Park, Gladstone, Mackay, New Town Plaza, North Orange, Wyndham Vale	0.3	2.0	3.5	0.4	21.8	22.0
Major centre expansions	Bushland Beach, Central Highlands, Epping North, Greenbank, Mt Gambier, Ocean Grove	6.4	13.3	11.2	21.0	3.6	3.5
Car park	Whitsunday	1.5	1.0	-	-	-	-
Preliminary and defensive	Various	-	0.3	0.3	0.3	0.3	0.3
Total		**22.8**	**23.4**	**19.0**	**28.4**	**30.3**	**30.3**

Construction is ongoing on two major projects, being

- Kwinana near Perth, WA: adding Coles as a third anchor for total expected project cost of $20.2m of which $14.3m was spent in FY17 and remaining $5.9m is expected to be spent during FY18. Expected completion date is late October 2017.
- Bushland Beach near Townsville, QLD: building a new Coles-anchored centre for total expected project cost of $19.6m of which the remaining $12.4m is expected to be spent during FY18. Expected completion date is April 2018.

1. The exact timing of future developments is subject to prevailing market conditions and regulatory approvals.

OUR PERFORMANCE CONTINUED

Funds management business

In June 2017, we successfully completed our second unlisted retail fund SURF 2, containing two non-core assets acquired from SCP for $55.1 million. We intend to launch our third unlisted retail fund, SURF 3, during FY18. The funds management business will allow SCP to recycle non-core assets, and utilise its expertise and platform to earn capital-light management fees in the future.

Prudent capital management

SCP maintains a prudent approach to managing the balance sheet, with gearing of 31.8% as at 30 June 2017. This is at the lower end of the policy range of 30–40%. Our preference is for gearing to remain below 35% at this point in the cycle.

As at 30 June 2017, the weighted average cost of debt (including amortisation of establishment fees) was 3.8% p.a., and 86% of the Group's debt was fixed or hedged.

In August 2014, we received $210 million from an issue of US Private Placement Notes (USPP), with a weighted average term to maturity of 14 years. In April 2015, we received $175 million from an Australian Medium Term Note (A$MTN), with a maturity of six years. In July 2016, we increased the A$MTN by a further $50 million, and in June 2017 we issued another $175 million of seven year A$MTNs. All of these notes have been rated Baa1 by Moody's. These transactions have further diversified our sources of debt funding, and the weighted average term to maturity of our debt is now 5.0 years, with no debt drawn expiring until December 2019. We have drawn debt of $790.2 million, and total debt facilities, including the USPP and A$MTNs, of $1,054.8 million. At 30 June 2017, the Group had cash and undrawn facilities of $264.6 million.

We are well within debt covenant limits of less than 50% gearing and interest cover ratio greater than 2.0x (currently 5.2x).

SCP will maintain its judicious approach to capital management, and will continually monitor and assess opportunities to ensure an appropriate, efficient and sustainable funding structure.

ABOVE: Dan Murphy's, Mittagong

ABOVE: Woolworths & Big W, Katoomba

FINANCIAL HIGHLIGHTS

Profit and loss

For the financial year ended 30 June 2017, we delivered a statutory net profit after tax of $319.6 million, 73.0% above the prior year, assisted by increased investment property valuations. Our primary measure for cash earnings is Funds from Operations (FFO), which was 14.70 cents per unit, 6.9% above the prior year. Our distribution paid to unitholders for the financial year was 13.1 cents per unit, 7.4% above the prior year, comprised of 6.4 cents per unit for the first-half distribution and 6.7 cents per unit for the final distribution.

Some other points to note in relation to our profit and loss and FFO:

- Anchor rental income declined due to the sale of our New Zealand assets (which were primarily freestanding anchor tenant stores), but specialty rental income increased due to acquisitions and specialty rental increases;
- Property operating expenses remain below relevant benchmarks;
- Corporate costs of $12.0 million equate to a Management Expense Ratio (MER) of 45 basis points;
- Distribution payout ratio is within our target bands of 85–95% of FFO and less than 100% of AFFO;
- Tax deferred ratio was around 11%, lower than normal due to the capital gain realised on the sale of our New Zealand portfolio.

$m	FY17	FY16	% Change
Anchor rental income	106.3	113.8	(6.6%)
Specialty rental income	85.4	77.3	10.5%
Straight lining & amortisation of incentives	(3.1)	1.3	(338.5%)
Other income	8.8	7.1	23.9%
Insurance income	7.1	5.0	42.0%
Gross property income	**204.5**	**204.5**	**0.0%**
Property expenses	(61.9)	(58.1)	6.5%
Property expenses / Gross property income (%)[1]	30.7%	29.3%	4.9%
Net property income	**142.6**	**146.4**	**(2.6%)**
Distribution income	5.6	-	nm
Funds management income	1.3	1.2	8.3%
Net operating income	**149.5**	**147.6**	**1.3%**
Corporate costs	(12.0)	(11.9)	0.8%
Fair value of investment properties	211.6	54.9	285.4%
Fair value of derivatives and financial assets	(24.4)	31.2	(178.2%)
Unrealised foreign exchange gain	6.6	(7.5)	(188.0%)
Share of net profit from investments	1.3	0.6	116.7%
Transaction costs	-	(0.1)	nm
Realised foreign exchange gain	17.0	-	nm
EBIT	**349.6**	**214.8**	**62.8%**
Net interest expense	(29.4)	(27.6)	6.5%
Tax expense	(0.6)	(2.5)	(76.0%)
Net profit after tax	**319.6**	**184.7**	**73.0%**

1. Excluded insurance proceeds not related to loss of income ($5.9m in FY17 and $4.7m in FY16) and straight lining and amortisation.

FINANCIAL HIGHLIGHTS CONTINUED

$m	FY17	FY16	% Change
Net profit after tax (statutory)	**319.6**	**184.7**	**73.0%**
Adjustment for non cash items			
Reverse: Straight lining & amortisation	3.1	(1.3)	(338.5%)
Reverse: Fair value adjustments			
– Investment properties	(211.6)	(54.9)	285.4%
– Derivatives	24.4	(31.2)	(178.2%)
– Foreign exchange	(6.6)	7.5	(188.0%)
Other adjustments			
– Net unrealised profit from SURF 1	(0.6)	(0.1)	500.0%
– Net insurance proceeds	(5.9)	(4.7)	25.5%
– Realised foreign exchange gain	(17.0)	-	nm
– Debt restructure costs	3.0	-	nm
– Transaction costs	-	0.1	nm
Funds From Operations (“FFO”)	**108.4**	**100.1**	**8.3%**
Number of units (weighted average)(m)	737.6	727.9	1.3%
FFO per unit (cents) ("EPU")	14.70	13.75	6.9%
Distribution ($m)	96.8	89.0	8.8%
Distribution per unit (cents) ("DPU")	13.10	12.20	7.4%
Payout ratio (%)	89%	89%	0.5%
Estimated tax deferred ratio (%)	11%	14%	(21.4%)
Less: Maintenance capex	(3.1)	(3.7)	(16.2%)
Less: Leasing costs and fitout incentives	(5.2)	(4.1)	26.8%
Adjusted FFO (“AFFO”)	**100.1**	**92.3**	**8.5%**
Distribution / AFFO (%)	96.7%	96.4%	0.3%

Balance Sheet

As at 30 June 2017, we have net tangible assets of $1,633.7 million (up from $1,408.9 million as at 30 June 2016). Net tangible assets per unit has increased to $2.20 (up from $1.92 as at 30 June 2016).

- Some other points to note in relation to our balance sheet:
- New Zealand investment properties were reclassified as "Discontinued operation" with assets of $254.0 million and liabilities of $140.2 million as at 30 June 2016;
- Value of Australian investment properties increased by $476.6 million, predominately due to acquisitions and positive revaluations. During the year the weighted average cap rate on our Australian investment properties reduced from 7.13% to 6.47%;
- Investment available for sale is the CQR stake valued at $81.0 million;
- Other assets includes the mark-to-market value of derivative financial instruments;
- Debt increased primarily due to acquisitions during the year;
- NTA per unit increased by 14.6% primarily due to property revaluations;
- Management Expense Ratio has reduced due to cost control and increased asset base.

$m	30 June 2017	30 June 2016	% Change
Cash	3.6	3.8	(5.3%)
Investment properties	2,364.6	1,888.0	25.2%
Investment - available for sale	81.0	-	nm
Other assets	97.9	112.9	(13.3%)
Assets of discontinued operation	-	254.0	nm
Total assets	**2,547.1**	**2,258.7**	**12.8%**
Debt	817.4	634.7	28.8%
Accrued distribution	49.8	45.5	9.5%
Other liabilities	46.2	29.4	57.1%
Liabilities of discontinued operation	-	140.2	nm
Total liabilities	**913.4**	**849.8**	**7.5%**
Net tangible assets	**1,633.7**	**1,408.9**	**16.0%**
Number of units (year-end)(m)	**742.8**	**733.4**	**1.3%**
NTA per unit ($)	**2.20**	**1.92**	**14.6%**
Corporate costs	12.0	11.9	0.8%
External funds under management			
– SURF 1 & 2 total assets	122.4	64.0	91.3%
– Less: SURF 1 & 2 co-investment	(17.2)	(8.1)	112.3%
Assets under management	**2,652.3**	**2,314.6**	**14.6%**
MER[1] (%)	0.452%	0.514%	(12.0%)

1. MER stands for "Management Expense Ratio" and is calculated as Corporate Costs divided by Total Assets including SURF 1 and SURF 2. Bps stands for basis points.

FINANCIAL HIGHLIGHTS CONTINUED

SCP Group Metrics	30 June 2014	30 June 2015	30 June 2016	30 June 2017
Earnings/ Profit and Loss				
Total Revenue (billed) ($m)	150.9	171.4	204.4	214.5
Net Profit after Tax ($m)	111.6	150.5	184.7	319.6
Funds from Operations ($m)	80.4	84.3	100.1	108.4
FFO per unit (cents per unit)	12.44	12.81	13.75	14.70
Distribution ($m)	71.3	78.1	89.0	96.8
Distribution (cents per unit)	11.00	11.40	12.20	13.10
Payout Ratio (%)	88%	89%	89%	89%
Adjusted Funds from Operations ($m)	79.4	73.7	92.3	100.1
Distribution/AFFO (%)	90%	106%	96%	97%
Management Expense Ratio (%)	0.65%	0.55%	0.51%	0.45%
Balance Sheet				
Net Tangible Assets (cents per unit)	$1.64	$1.77	$1.92	$2.20
Net Tangible Assets ($m)	1,065.6	1,276.8	1,408.9	1,633.7
Share Price as at 30 June ($ per unit)	$1.72	$2.13	$2.28	$2.19
Closing Units on Issue (million)	648.6	721.5	733.4	742.8
Market Capitalisation ($m)	$1,116	$1,537	$1,672	$1,627
Acquisitions ($m)	145.7	233.0	145.3	274.9
Disposals ($m)	75.7	16.2	60.9	311.0
Debt Metrics				
Gearing (%)	32.6%	33.3%	34.0%	31.8%
Average Cost of Debt (%)	4.9%	4.0%	3.7%	3.8%
Interest Bearing Liabilties ($m)	535.8	680.1	634.7	817.4
Average Debt Maturity (years)	3.5	6.3	5.7	5.0
% of Debt Fixed/Hedged	85.6%	65.0%	68.4%	86.1%
Average Hedge Maturity (years)	2.8	3.8	4.2	4.6
Portfolio Metrics				
Number of Properties	75	82	83	75
Weighted Average Cap Rate (%)	7.83%	7.49%	7.13%	6.47%
Portfolio Occupancy (%)	97.8%	98.9%	98.6%	98.4%
Specialty Vacancy (%)	8.6%	3.9%	4.3%	4.8%
– Portfolio WALE (by GLA) Years	13.5	12.6	10.9	9.8
– Anchor WALE (by GLA) Years	16.9	15.6	14.0	12.8
Comparable NOI Growth (%)	ND	3.9%	3.4%	3.0%
Supermarket MAT Growth (AUS) (%)	8.4%	2.1%	0.2%	2.2%
Anchors in Turnover Rent	8	14	13	16
Specialty MAT Growth (AUS) (%)	5.6%	5.6%	5.6%	3.8%
Specialty Occupancy Cost (%)	10.4%	9.7%	9.3%	9.7%
Specialty Rent psm ($)	ND	$651	$676	$700
Specialty Productivity ($)	ND	$6,711	$7,269	$7,801
Number of Specialty Renewals	ND	50	69	81
Specialty Renewals GLA	ND	4,305	7,208	9,267
Specialty Re-leasing Spreads (renewals) (%)	ND	7.3%	7.5%	7.0%
Average Incentives on Renewals (months)	-	-	-	-
Number of Specialty New Leases	58	114	58	68
Specialty New Leases GLA	6,810	10,107	7,131	8,468
Average Incentives on New Deals (months)	ND	13.3	11.9	10.0

OUR COMMITMENT TO SUSTAINABILITY

Sustainability

Sustainability represents the preparation of our business for long-term performance, our responsibility as an organisation to respond to environmental, social and governance (ESG) issues, the way in which we engage with our stakeholders and the management of ESG risks to investment value.

Our Strategy

SCP's Sustainability Strategy was launched in 2015 and provides a clear, achievable and solid platform that will support strong sustainability performance over the long-term. The strategy focuses on three core objectives, complementing existing programs in our business that enhance employment, work, health and safety, governance and ethical operations.

Objectives		
Stronger Communities	**Environmentally efficient centres**	**Responsible investment**
Strengthen the relationships between our shopping centres and their local communities, and help improve the wellbeing and prosperity of those communities.	Reduce the environmental footprint of our shopping centres, particularly greenhouse gas emissions through energy consumption.	Manage ESG risks that are material to investment value and communicate our performance on this.
Outcomes		
– Improved services and facilities for our local community. – Increased engagement and goodwill with our customers and communities. – Improved standing of our shopping centres as community hubs. – Increased footfall for tenants.	– Reduced environmental impacts. – Reduced operating costs. – Improved quality of environment at shopping centres.	– Reduced risk to asset and investment performance. – Enhanced corporate transparency and reputation.

To enable the implementation of this strategy we operate a Sustainability Steering Committee that focuses on our corporate level approach and performance, including our Responsible Investment objective. In addition, we have set-up an Asset Performance Working Group which includes representatives from our outsourced facilities and property managers which focuses on the practical implementation of our Stronger Communities and Environmental Efficient Centres objectives. SCP also engages with a property sector sustainability specialist on an ongoing basis to supplement internal expertise and ensure best practice is achieved in our approach.

OUR COMMITMENT TO SUSTAINABILITY CONTINUED

Our progress and commitment

Through 2016 we have made good progress across our three strategic pillars, as well as our employment and WH&S practices. The most notable progress being energy performance benchmarking and the improvement planning completed across our portfolio.

Going forward, our focus in 2017 will continue to be implementation, in particular supporting our communities, energy efficiency upgrade projects across our portfolio and solar deployment. We continue to recognise the long-term sustainability responsibilities of our business and look forward to reporting on our progress next year.

Commitment for FY16	Status as at 30 June 2017 Completed / Advanced	Commitment for FY18
Stronger communities		
Commence implementation of the Stronger Communities approach	Stronger Communities approach developed and being progressively implemented. (Advanced)	Complete roll-out of Stronger Communities to most neighbourhood and all sub-regional shopping centres.
Environmentally Efficient centres		
Complete benchmarking and development of improvement plan for building environmental performance	Benchmarking with Green Star Performance, energy auditing of portfolio and planning for performance improvement complete. (Completed)	Implement the program of performance improvement measures in centres.
Set energy and GHG reduction targets	Three year targets set. (Completed)	Achieve set targets.
Continue piloting and commence implementation of solar installation	Contract for installation of solar on 1 centre let. (Completed)	Deploy solar on 3 centres.
Deploy LED lighting in centres	Pilot of LED lighting deployment completed in 1 centre. Priority sites for rollout selected and funding program commencing. (Advanced)	Deploy LED lighting in 8 centres.
Responsible investment		
Review Sustainability Policy	Policy review in progress (Advanced)	Complete policy review.
Review and improve Sustainability Report	2017 Sustainability Report produced and available on our website. (Completed)	Ongoing commitment to improving our sustainability reporting.
Review and improve Global Real Estate Sustainability Benchmark (GRESB) survey result	Several measures taken to improve SCP's capacity with sustainability and GRESB score. (Completed)	Review GRESB participation and value proposition to ensure relevancy and appropriately assess improvements.
Conduct a formal materiality assessment of environmental, social and governance risks and opportunities	Completed (Completed)	Review and update materiality assessment every 3 years.

Safety

In FY17 SCP initiated the sharing of safety data across the shopping centre industry in order to understand trends and take appropriate remedial action where feasible.

The Board and senior Management of SCP are committed to ensuring the ongoing safety and wellbeing of our customers, employees, tenants, visitors and contractors. Safety is a core value across the Group and a key focus for us at all times. We are constantly striving to improve our health and safety performance across the Group and it will continue to be a focus for us.

The safety performance of the Group is an important agenda item of every Board meeting. The Board receives monthly reports on safety performance from SCP's Management team and is informed of key safety risks facing the business. Driving improvements in workplace safety standards and performance has been a major focus of SCP since listing. We have a robust WHS framework and governance platform in place and we continue to refine and enhance how it operates to ensure it remains fit for purpose.

In FY17 the following initiatives were undertaken:

- Our data collection of safety incidents is now sufficiently mature in order to enable us to take preventative action where there is a recurrence of safety incidents;
- We developed a Strategic Vision for safety across the Group which, when launched, will include a commitment to a unified set of standard safety leadership behaviours and commitments endorsed by our Board and we are actively seeking to drive this approach across the shopping centre industry;
- Our retail property management teams and externally engaged consultants conducted monthly, quarterly and annual safety and property risk audits; and
- Our retail property management teams developed remote contractor management programs and checklists.

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REMUNERATION REPORT

Dear Unitholders

On behalf of the Board, I am pleased to present the SCP Remuneration Report for the year ended 30 June 2017.

The purpose of this Report is to outline SCP's approach to remuneration for Executives and Non-Executive Directors, and in particular, the links between SCP's Remuneration Framework and business strategy, and performance and reward.

The format for the Remuneration Report was significantly updated in 2016 and we have welcomed the positive feedback received from unitholders. We remain committed to ensuring our Remuneration Report represents clear and informative disclosure.

Remuneration Framework

SCP's Remuneration Framework has been designed to attract and retain appropriately qualified people and ensure they focus on the strategic priorities set by the Board. We review performance metrics and hurdles each year to test that they remain appropriate for our strategy, while providing meaningful and robust stretch year on year for Executives within SCP's stated risk parameters. We use these incentives to ensure that the Executives remain focused on the achievement of our core strategic objectives.

The Board is committed to upholding a Remuneration Framework that is aligned to business strategy, is based on performance, focuses Executives, meets unitholders' expectations and requirements, and encourages Executives to deliver sustainable performance. There were no adjustments made to the structure of the Remuneration Framework in FY17, following the re-balancing of at-risk remuneration that was undertaken in FY16 (as detailed in the 2016 Annual Report). A total fixed remuneration increase of 2% was applied to each of the three Key Management Personnel (KMP) in 2017. Full details of this change are set out in this report.

Remuneration review and performance for the year ended 30 June 2017

Full details of SCP's achievements are described elsewhere in this Annual Report. Set out below are some highlights:

- Statutory net profit after tax of $319.6 million, an increase of 73.0% on FY16;
- Distribution of 13.1 cents per unit, up by 7.4% on the FY16 distribution;
- Investment property portfolio value of $2,364.6 million, up by $476.6 million since 30 June 2016; and
- A reduction in SCP's management expense ratio (MER) to 0.45%, down from 0.51% in FY16.

The remuneration outcomes for Executives detailed in this report reflect the Framework's alignment with SCP's relative performance and total unitholder returns for FY17. As such, the FY17 short term incentive (STI) has been paid to Executives at 80.7% of the maximum award reflecting excellent performance against key financial measures and hurdles, in particular, solid Funds From Operations (FFO) growth and a reduction in SCP's MER.

Aside from tranche one of the FY14 long term incentive (LTI) rights which vested in FY17 (as detailed in the 2016 Annual Report), no additional LTI rights vested in FY17 as a result of changes made to the LTI structure in 2014, where the three year performance period was extended to a three year performance and one year deferral period, in order to emphasise the longer term nature of the LTI rights granted to Executives. The second tranche of the FY14 LTI rights vested in July 2017.

On behalf of the Board, we recommend this report to you.

Dr Kirstin Ferguson
Chair, Remuneration Committee

The Remuneration Report has been audited.

REMUNERATION REPORT

Key points to note in relation to this report are:

- *The disclosures in this report have been prepared in accordance with the provisions of section 300A of the Corporations Act, even though, as stapled trusts, there is no obligation for SCP to comply with section 300A of the Corporations Act.*
- *The term '**remuneration**' has been used in this Report as having the same meaning as '**compensation**' as defined by AASB 124 '**Related Party Disclosures**'.*
- *For the purposes of this report, the term '**Executives**' means KMP who are executives and therefore excludes Non-Executive Directors (NEDs).*

1. REMUNERATION SNAPSHOT

1.1 Remuneration Overview

Key questions	Our approach	Further information
1. Were any changes made to the remuneration structure in FY17?	2% increases in Executive total fixed remuneration (TFR) were awarded following an internal benchmarking exercise against market median undertaken during the period. The STI and LTI weightings for Executives remained unchanged for FY17. The FY17 STI and LTI metrics for Executives were largely based on those developed in FY16 and updated for the strategic objectives set for the business in FY17 and also to provide Executives with meaningful and robust stretch targets.	Section 3.3
2. What is the FY17 STI payout to Executives and why?	The STI performance pool awarded to Executives for FY17 was $900,809, representing an 80.7% payout of the total STI maximum opportunity for Executives. In respect of the CEO and CFO, 50% of the STI award will be granted by way of deferred equity (subject to unitholder approval). The payout ratio is a direct function of SCP's strong relative performance in FY17, which saw Executives execute key strategic objectives and deliver the following: – FFO of $108.4 million - an increase of 8.3% on FY16; – Adjusted FFO of $100.1 million – an increase of 8.5% on FY16; and – A reduction in SCP's MER to 0.45%, down from 0.51% in FY16.	Section 3.2
3. Did any LTI awards vest in FY17?	The performance period for the FY14 LTI ended on 30 June 2016, and half of the rights awarded to Executives vested on 24 August 2016. The remaining half of the FY14 LTI rights vested on 3 July 2017. Details of the FY14 LTI performance period and hurdles were set out in section 3.3 of the FY16 Remuneration Report. No additional LTI rights vested in FY17 as a result of changes made to the LTI structure in 2014, where the three year performance period was extended to a three year performance and one year deferral period, in order to emphasise the longer term nature of the LTI rights granted to Executives.	
4. Did the Board exercise discretion when considering Executive awards in FY17?	Where a formulaic application of the relevant remuneration metrics is likely to produce a material and perverse remuneration outcome, or where it is in the best interests of unitholders for the Board to do so, the Board may exercise its discretion in determining awards. The Board adopted a 'look-through' approach to assessment of the 4.9% stake in CQR, so as to ensure that a pure formulaic approach of the STI remuneration metrics did not produce a material and perverse remuneration outcome. The application of the 'look-through' methodology did not have a material impact on remuneration outcomes for Executives.	
5. Were there any changes made to NED fees in FY17?	Total NED remuneration payable in FY17 was $1,095,825, up from $1,044,292 in FY16. The increase in overall NED remuneration in FY17 is attributable to: – 2% increase in NED fees effective 1 January 2017; – Ms Belinda Robson joined the Audit, Risk Management and Compliance Committee in December 2016; and – FY16 NED fees reflected the establishment of the Investment Committee on 1 April 2016. FY17 NED fees reflect the annual fees payable to the Investment Committee.	Section 4.1

Key questions	Our approach	Further information
Remuneration Framework		
6. How does the Board set remuneration hurdles?	The Board focuses the STI and LTI performance conditions and hurdles on those areas where it believes the Executives can create the best value for unitholders, while at the same time ensuring that the hurdles build on prior year performance, and provide Executives with meaningful and robust stretch within SCP's stated risk parameters. These areas include – Securing sustainable Funds from Operations per Unit (FFOPU) and earnings growth within SCP's stated risk parameters; – Driving NOI at the portfolio level, focusing on the underlying cashflow quality for the current period and for future periods; – Appropriately managing corporate cost relative to the scale of funds managed, measured by the MER; – Ensuring SCP has a competitive cost of capital through appropriate capital management practices ensuring medium and long-term competitiveness in the market; and – Demonstrating the personal characteristics and qualities expected of high-quality management personnel.	Section 2.1
7. How and when does the Board determine if it uses discretion?	Refer to key question 4.	
8. What portion of remuneration is at-risk?	STI and LTI awards are based on performance and are therefore considered at-risk. – 60% of the CEO's TRO is at-risk; – 50% of the CFO's TRO is at-risk; and – 31% of the GC/CS's TRO is at-risk.	Section 3.1
9. Are there any clawback provisions for incentives?	All incentives contain 'malus' provisions allowing for the forfeiture of unvested rights in certain circumstances including in the event of termination for cause or for failing to meet prescribed minimum business and individual performance standards.	
10. Do all Board members, including Executive Directors, hold units in SCP?	Yes, all members of the SCP Board, including both Executive Directors, hold units in SCP.	
Short-Term Incentives ("STI")		
11. What are the STI performance measures that determine if the STI vests?	The FY17 performance measures are: – FFOPU; – MER; – Cash NOI; and – Personal component. These performance measures were chosen as they are directly linked to SCP's strategic objectives.	Sections 3.2 and 3.3
12. Are any STI payments deferred?	Yes, 50% of STIs for the CEO and CFO are in the form of deferred rights, with a two-year deferral period.	Section 3.3
13. Are STI payments capped?	Yes, the total maximum STI opportunity as a percentage of TFR is as follows: – CEO – 75% of TFR; – CFO – 50% of TFR; and – GC/CS – 25% of TFR.	Section 3.3
14. Are distributions paid on unvested STI awards?	On vesting, each STI right awarded entitles the relevant Executive to receive one stapled unit in SCP plus an additional number of stapled units calculated on the basis of the distributions that would have been paid in respect of those stapled units over the two year STI deferral period.	Section 3.3

Key questions	Our approach	Further information
15. Have any adjustments, positive or negative, been made to the STI payments?	The Board adopted a 'look-through' approach to assessment of the 4.9% stake in CQR, so as to ensure that a pure formulaic approach of the STI remuneration metrics did not produce a material and perverse remuneration outcome. The application of the 'look-through' methodology did not have a material impact on remuneration outcomes for Executives.	Section 3.2
Long-Term Incentives ("LTI")		
16. What are the performance measures that determine if the LTI awards vest?	FY17 LTI rights will be tested against three performance hurdles over a three-year performance period followed by a one year deferral (total vesting period is four years). The performance hurdles are weighted as follows: – Relative TSR against the S & P/ASX 200 A-REIT Accumulation Index (33.33% of grant) – Specified FFOPU growth (33.33% of grant); and – Specified return on equity (ROE) (33.33% of grant). These performance conditions were chosen as they are directly linked to SCP's strategic objectives.	Sections 3.3 and 3.5
17. Does the LTI have re-testing?	No, there is no re-testing.	
18. Are distributions paid on unvested LTI awards?	On vesting, each LTI right awarded entitles the relevant Executive to receive one stapled unit in SCP plus an additional number of stapled units calculated on the basis of the distributions that would have been paid in respect of those stapled units over the four year LTI deferral period.	Section 3.3
19. Is LTI grant quantum based on "fair value" or "face value"?	In the year of issue, LTI grant quantum is determined based on the face value of SCP units, calculated by dividing the intended LTI grant value by the volume weighted average price for the five trading days following the release of the prior period's full year results.	
20. Can LTI participants hedge their unvested rights?	No. LTI participants must not use any hedging strategy that has the effect of reducing or eliminating the impact of market movements on any unvested rights that are still subject to disposal restrictions.	Section 3.3
21. Does SCP buy securities or issue new securities to satisfy unit-based awards?	SCP has issued new units to satisfy unit-based awards to date, however SCP may elect to buy units in certain circumstances.	
Executive agreements		
22. What is the maximum an Executive can receive on termination?	Termination payments will be managed differently in various termination scenarios, depending upon whether the Executive ceases employment with or without cause.	Section 3.7
Board structure		
23. How is the Board assessing the skills of NEDs to ensure appropriate and rigorous performance review?	An external Board performance review commenced at the end of FY17. Please refer to section 1.6 of SCP's Corporate Governance Statement for further information. A more detailed review of the skills of Board members is included in the Directors' Report.	

1.2 SCP'S Key Management Personnel

KMP, as defined by AASB 124, refers to those people having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any Director of an entity (whether Executive or otherwise) of the consolidated entity. KMP includes Directors of SCPRE and other Executives of SCP.

Name	Position as at 30 June 2017	Board appointment date
Non-Executive Directors (NEDs)		
Philip Marcus Clark AM	Chairman - Board Member - Nomination Committee	19 September 2012
Dr Kirstin Ferguson	Chair - Remuneration Committee	1 January 2015
James Hodgkinson OAM	Chairman - Nomination Committee Member - Audit, Risk Management and Compliance Committee Member - Remuneration Committee Member - Investment Committee	26 September 2012
Dr Ian Pollard	Chairman - Audit, Risk and Compliance Committee Member - Nomination Committee	26 September 2012
Philip Redmond	Chairman - Investment Committee Member - Remuneration Committee Member - Audit, Risk Management and Compliance Committee	26 September 2012
Belinda Robson	Member - Remuneration Committee Member - Investment Committee Member - Audit, Risk and Compliance Committee (from December 2016)	27 September 2012
Executive Directors		
Anthony Mellowes	Chief Executive Officer Member - Investment Committee	Appointed as Director: 2 October 2012 Appointed as Chief Executive Officer from 1 July 2013
Mark Fleming	Chief Financial Officer Member - Investment Committee	Appointed as Chief Financial Officer from 20 August 2013 Appointed as Director: 26 May 2015
Other Executives		
Mark Lamb	General Counsel and Company Secretary	26 September 2012

There have been no changes to the KMP after the reporting date and before the date of signing this report.

1.3 Actual cash remuneration earned in respect of FY17

The table below sets out the actual value of remuneration earned by each Executive during FY17. The reason the figures in this table are different from those shown in the statutory remuneration table in section 3.6 is because the latter table includes an apportioned accounting value for all STI and LTI equity grants (some of which remain subject to satisfaction of performance and service conditions and so may not ultimately vest).

The table below represents:

- Fixed remuneration including superannuation; and
- Cash STI – the non-deferred portion of STI payments to be made in September 2017 in recognition of performance during FY17.

ACTUAL CASH REMUNERATION EARNED IN FY17

Executive KMP	Year	Fixed remuneration $	Cash STI $	Total $	LTI, STI, & SPR Securities Issued (number)
Anthony Mellowes	**2017**	**888,125**	**269,063**	**1,157,188**	**552,728**
	2016	862,250	265,032	1,127,282	100,000
Mark Fleming	**2017**	**609,000**	**123,000**	**732,000**	**139,692**
	2016	593,750	119,658	713,408	-
Mark Lamb	**2017**	**556,092**	**116,684**	**672,776**	**41,672**
	2016	545,500	111,311	656,811	-
Total	**2017**	**2,053,217**	**508,747**	**2,561,964**	**734,092**
	2016	2,001,500	496,001	2,497,501	100,000

2. REMUNERATION POLICY

2.1 SCP's remuneration principles, policy and philosophy

The Board believes that the structure, design and mix of remuneration should, through the alignment of unitholder interests with those of a motivated and talented Executive, provide unitholders with the best value. At the same time, the Board recognises that it is important to have programs and policies that may be adjusted, as appropriate, to address:

- Industry trends and developments, as well as evolving Executive remuneration and good governance practices; and
- Feedback from engagement with unitholders and other stakeholders.

In support of this philosophy, SCP's remuneration policies are framed around two key remuneration principles:

1. Fairly reward and motivate Executives having regard to the external market, individual contributions to SCP, and overall performance of SCP.

- TRO (including fixed component) is regularly independently benchmarked against a peer group of comparable entities (reflecting size, complexity and structure) to ensure that Executive remuneration is aligned over time to market levels.
- The quantum and mix of each Executive's TRO takes into account a range of factors including that Executive's position and responsibilities, ability to impact achievement of SCP's strategic objectives, SCP's overall performance, and the desire to secure tenure of Executive talent.
- Fixed remuneration rewards Executives for performing their key responsibilities that are aligned to the Board endorsed strategy to a high standard. This high standard includes stretch above core business performance.

2. Appropriately align the interests of Executive and unitholders.

- A meaningful portion of an Executive's TRO is at-risk through performance-contingent incentive awards.
- The structure and metrics of incentive awards are tied directly to the achievement of an appropriate balance of short and long term goals and objectives agreed in advance that provide Executives with appropriate stretch. Actual performance drives what Executives are paid.
- The threshold, target and maximum hurdles within each key performance indicator (KPI) are set each financial year and are designed to encourage strong to exceptional performance within SCP's stated risk parameters.
- For the CEO and the CFO, the majority of their at-risk pay is delivered through conditional and deferred rights to SCP securities.
- To encourage Management to secure the long-term future of SCP, unvested incentive opportunities are retained by the Executive upon resignation or retirement unless the Board determines they should be forfeited.
- Performance-based remuneration opportunities are designed to ensure they do not encourage excessive risk taking or breaches of workplace health and safety, environmental or other regulations that may compromise SCP's value and/or reputation. SCP considers key risk parameters to include maintaining levels of gearing within the preferred range of 30% - 40% and remaining focused on owning and operating neighbourhood shopping centres predominantly tenanted by non-discretionary retail.
- All incentives contain 'malus' provisions permitting the Board to exercise its discretion to forfeit some or all of an Executive's unvested STI rights where FFO is not maintained in the deferral period following the performance period.

This philosophy is substantially the same as for FY16. The Committee continues to benefit from discussions with key stakeholders and where appropriate will take these views into account in formulating SCP's remuneration strategy.

2.2 Remuneration governance

Role of the Remuneration Committee

The Board of SCP (Board) has adopted a Board Charter which sets out the objectives, responsibilities and framework for the operation of the Board. A copy of the Board Charter is available at www.scaproperty.com.au/about/governance.

The Board Charter underlines that the Board is accountable to unitholders for SCP's performance and for the proper management of SCP's business and affairs.

To assist the Board in carrying out its responsibilities, the Board has established the Remuneration Committee which has responsibility for reviewing, making recommendations to the Board and, where relevant, approving the remuneration arrangements in place for the Non-Executive Directors, the CEO and other Executives.

The charter for the Remuneration Committee is reviewed by the Board annually and can be found at www.scaproperty.com.au/about/governance.

How remuneration decisions are made

Remuneration of all KMP is determined by the Board, acting on recommendations made by the Remuneration Committee.

The Board and the Remuneration Committee have absolute discretion when considering the awarding and vesting of STI and LTI opportunities to Executives. The purpose of preserving this discretion is to allow the Board to ensure remuneration amounts and structure are at all times appropriate and to prevent any unintended vesting of awards that would arise from a purely formulaic application of the metrics included as part of the STI and LTI opportunities. Where a formulaic application of the metrics is likely to produce a material and perverse remuneration outcome, or where it is in the best interests of unitholders for the Board to do so, the Board may exercise its discretion in determining awards. The Board, Remuneration Committee and Management progressively monitor corporate actions throughout the year that may produce a material and perverse remuneration outcome.

The Board is ultimately responsible for recommendations and decisions made by the Remuneration Committee.

When determining awards for Executives, the Committee seeks to acknowledge material performance improvement in the period it was achieved where the Committee believes that Executives' interests are aligned with unitholders. The Committee will make appropriate adjustments to hurdles set for subsequent periods to reflect the award given, to ensure the same performance is not rewarded twice. Individual Executives do not participate in meetings where their own remuneration is being discussed by the Committee or Board. The CEO provided the Committee with his perspectives on fixed remuneration and STI and LTI performance outcomes for his direct and functional reports.

External advisers and independence

The Committee may seek external professional advice on any matter within its terms of reference.

During the year, the Committee engaged the services of Guerdon Associates to advise on various aspects of remuneration including:

- Remuneration Framework;
- Market trends;
- Compliance and disclosure; and
- Stakeholder engagement.

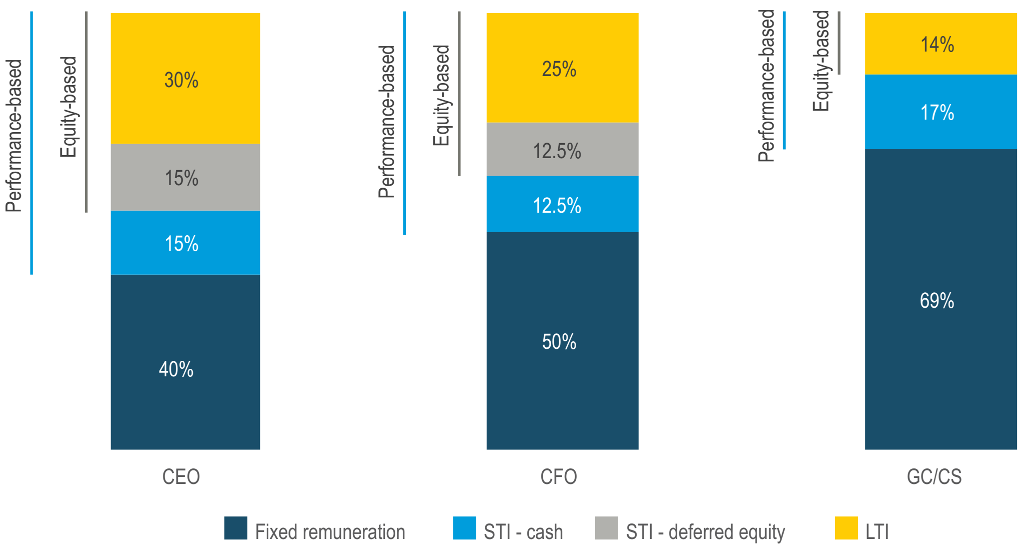
Guerdon Associates did not make any 'remuneration recommendations' (as defined in the Corporations Act) in relation to any KMP during FY17.

3. EXECUTIVE REMUNERATION

3.1 Executive remuneration at SCP

The Board believes that SCP's remuneration structure, design and mix should align and motivate a talented Executive team with unitholder interests, providing unitholders with the best value.

SCP's Executive remuneration is performance based, equity linked, and multi-year focused. The graph below sets out the remuneration structure and mix for each Executive for FY17.



3.2 FY17 STI Outcomes

SCP's financial performance directly affects STI award outcomes, as 80% of the maximum STI opportunity for the CEO and CFO, and 70% for the GC/CS, are based on the achievement of financial performance conditions: FFOPU, MER, and cash NOI.

STI is awarded annually based on the achievement of the relevant performance conditions. The weighting of these performance conditions reflects SCP's FY17 strategic drivers around maximising cash NOI, lowering the MER to competitive levels through managing costs relative to the size of SCP's portfolio of assets, while maintaining a competitive and conservative capital structure. Building on SCP's achievements in the prior financial year, each performance condition comprises stretch for Executives so to ensure that 'at-risk' pay is genuinely 'at-risk'. The degree of stretch is carefully balanced with SCP's stated risk appetite.

As noted in section 1.1, the Board adopted a 'look-through' approach to treatment of the CQR stake for the purposes of assessing STI remuneration outcomes. The Board adopted this approach as a matter of good governance, so as to ensure that a pure formulaic approach of the STI remuneration metrics did not produce a material and perverse remuneration outcome.

The adoption of the 'look-through' involved the incorporation of CQR's financial and operational measures into SCP's financial and operational measures, thereby ensuring that the Board could compare SCP's operational performance from one period to the next (and therefore properly assess performance against STI performance hurdles for the purposes of determining Executive remuneration) as if the CQR stake was an investment in direct property.

If the case of MER, for example, if SCP had invested in the direct property underlying the CQR investment, an additional management expense would have been incurred which could in turn impact on remuneration outcomes for Executives. In assessing MER using the 'look-through approach', CQR's MER was weighted in with SCP's MER, and performance was assessed accordingly.

In respect of each STI performance measure, however, the 'look-through' did not produce a materially different remuneration outcome than a pure formulaic application of the remuneration metrics, due to the size of the investment in CQR.

The Remuneration Committee has assessed performance against each performance condition to determine STI vesting outcomes for FY17. The table below sets out SCP's performance highlights and the resulting STI outcomes:

Weighting of total STIP Award	Measure	FY17 performance highlights
40% for CEO, CFO and GC/CS	**FFOPU** This condition rewards performance where FFOPU as shown in SCP's FY17 audited Financial Statements exceeds specified levels. The KPI was selected to focus Executives on active portfolio and operational management in the context of SCP's adopted risk profile. The hurdles were set having regard to the mix and characteristics of SCP's portfolio of assets and the Board's expectations of earnings performance.	FFOPU was 14.70 cents, which is a 6.9% increase over FY16. Performance was Maximum (as detailed in section 3.3).
15% for CEO, CFO and GC/CS	**MER** This condition rewards performance where SCP's MER, as at 30 June 2017, is less than specified levels. The KPI was selected to focus Executives on efficiently resourcing the operations of SCP. Threshold, target and maximum levels were set considering SCP's budget and referencing its A-REIT peers.	MER was 0.47%*, down from 0.51% in FY16. Performance was above Target but below Maximum (as detailed in section 3.3). *MER for remuneration purposes only includes total funds under management. This is the sum of investment properties, assets held for sale and other assets. Market reported MER was lower at 0.45% due to total assets used for funds under management.

Weighting of total STIP Award	Measure	FY17 performance highlights
25% for CEO and CFO 15% for CG/CS	**Cash NOI** This condition rewards performance where the FY17 cash NOI from shopping centres owned by SCP for at least one year as at 30 June 2016 (but excluding assets subject to development and assets sold and acquired during FY17) is greater than specified levels. The KPI was selected to focus Executives on improving occupancy levels, maximising rental receipts and managing expenses. This metric looks through to the underlying quality of the cashflows with a focus on recurring income from stabilised assets.	FY17 cash NOI was $107.1m. Performance was slightly below 50% of Maximum (as detailed in section 3.3).
20% for CEO and CFO 30% for GC/CS	**Personal performance** The personal performance component assesses individual contributions based on factors judged as important for adding value. While the factors assessed are common to Executives, the expectations of each person will vary depending on the focus and accountabilities of their position. Therefore the weighting of these factors may vary for each Executive. These factors include: – (**People**) Maintain an effective team of people through recruitment, performance management, retention and promote the development and engagement of SCP's staff through a positive collaborative culture, with good communication and high levels of employee engagement. – (**Strategy**) Further develop and progress SCP's corporate strategy including developing and executing strategic initiatives outside the current portfolio or corporate structure. – (**Stakeholder**) Maintain strong stakeholder relations measured by receiving positive feedback from investors and analysts, promoting strong and positive relationships with major tenants balancing commercial parameters and potential future opportunities and ensuring positive and productive relationships with external contractors, service providers and regulatory bodies (property management companies, auditors, lawyers, banks, etc.). – (**Operational Performance**) including optimising the performance of SCP's centres, successfully completing Board-approved development projects (e.g. Kwinana) and identifying and commencing other development opportunities. Ensure appropriate policies are in place and followed and a sound and effective system of risk management and internal controls are in place.	Performance was slightly above Target. 6-monthly reviews are held with each Executive to evaluate and monitor performance against personal objectives.

The following table shows the actual STI outcomes for each of the Executive KMP for FY17:

FY17 STI Outcomes

	STI target (% of Fixed Remuneration)	STI max (% of Fixed Remuneration)	Actual STI (% max)	STI forfeited (% max)	Actual STI (total)
Anthony Mellowes	56.25%	75%	80.40%	19.60%	$538,125
Mark Fleming	37.50%	50%	80.40%	19.60%	$246,000
Mark Lamb	18.75%	25%	83.20%	16.80%	$116,684

3.3 How remuneration was structured in FY17

The SCP Executive remuneration structure comprised a combination of fixed remuneration plus performance or 'at-risk' remuneration. The performance remuneration comprises STIs and LTIs.

TFR – how does it work?

TFR provides a fixed level of income to recognise Executives for their level of responsibility, relative expertise and experience. It includes the fully costed value of salary, superannuation, motor vehicle and other short term benefits including Fringe Benefit Tax (FBT). The TFR package is paid in cash, superannuation contributions as well as motor vehicle and other employee benefits provided on salary sacrifice.

The opportunity value for the at-risk components of remuneration is determined by reference to TFR, so SCP is conscious that any adjustments to TFR have flow-on impacts on potential STI and LTI awards. TFR is reviewed annually on 1 October each year, with no obligation to adjust.

An internal benchmarking exercise was undertaken during the period, which benchmarked Executive remuneration to comparable entities. The increases in TFR detailed in section 3.6 were awarded following the benchmarking review and consideration of a number of other factors, including the maturing of the Group and portfolio since listing in 2012, and the experience and talent each Executive provides to SCP and the delivery of its strategy.

The Board believes the increase in TFR, combined with the STI and LTI award structures and weightings will ensure that the remuneration structure at SCP remains aligned with business strategy and appropriate to ensure Executive retention.

STIs – how does it work?

Purpose	The STI is designed to motivate and reward Executives for achieving or exceeding annual strategic objectives set for SCP over the short term and is aligned with value creation. STI recognises individual contributions to SCP's performance.
Eligibility	The eligible Executives for FY17 are the CEO, Anthony Mellowes, the CFO, Mark Fleming and the General Counsel / Company Secretary, Mark Lamb.
Instrument	For the CEO and CFO, 50% of the actual STI award is delivered in cash, and 50% in the form of deferred rights to units in SCP. All other Executives receive their STI award in cash only. For the CEO and CFO, each vested STI right entitles the relevant Executive to receive one stapled unit in SCP plus an additional number of stapled units calculated on the basis of the distributions that would have been paid in respect of those stapled units had they been on issue over the two-year deferral period. The additional units are calculated as the number of units that would have been acquired if distributions as announced to the ASX during the vesting period had been paid and reinvested in units, applying the formula set out in clause 3.3 of SCA Property Group's Distribution Reinvestment Plan (DRP) (whether or not that plan is operative at the relevant time) assuming no discount. Fractions of stapled units will be rounded down to the nearest whole number and no residual positive balance carried forward. No distributions accrue in respect of STI rights that lapse.

Awards	Specific quantifiable performance measures have been determined by the Board, based upon recommendations made by the Remuneration Committee. These performance criteria, and their weighting, reflect the FY17 strategic priorities for SCP as detailed in this report. Award payout levels have been calibrated between threshold (minimum expected performance), target and maximum (exceptional performance, which is significantly above agreed targets and guidance). Target is set at 75% of maximum for all STI financial and operational management performance conditions. Maximum STI opportunities for each Executive are as follows: CEO – 75% of TFR; CFO – 50% of TFR; and CG/CS – 25% of TFR. Awards can range from zero up to the maximum percentage stated above, based upon the level of performance against STI performance measures.			
Performance measures	For each performance measure, a threshold, target and maximum performance target is set. Award payouts reflect the level of performance achieved during the relevant financial year.			
	Category	**Measure**	**Weighting of total STIP Award**	**Rationale for using measure**
	Financial	FFOPU	40% for CEO, CFO and GC/CS	Focuses Management on active portfolio and operational management in the context of SCP's adopted risk profile
	Financial	MER	15% for CEO, CFO and GC/CS	To ensure Management sufficiently and efficiently resource the operations of SCP
	Financial	Cash NOI	25% for CEO and CFO 15% for CG/CS	Focuses Management on improving occupancy levels, maximising rental receipts and managing expenses
	Non-financial	Personal (factors include people management, strategy, stakeholder relations and operational performance)	20% for CEO and CFO 30% for GC/CS	Management are assessed on factors judged as important for adding security holder value

Performance schedule – FFOPU (All Executives)		**% of relevant STI award that vests**
	Threshold	0%
	50% of max	50%
	Target	75%
	Maximum	100%
Performance schedule – MER (All Executives)		**% of relevant STI award that vests**
	Threshold	0%
	50% of max	50%
	Target	75%
	Maximum	100%

Performance schedule – Cash NOI (CEO and CFO)		**% of relevant STI award that vests**
	Threshold	0%
	50% of max	50%
	Target	75%
	Maximum	100%
Adjustments	Where a formulaic application of the metrics is likely to produce a material and perverse remuneration outcome, or where it is in the best interests of unitholders for the Board to do so, the Board may exercise its discretion in determining awards. The purpose of preserving this discretion is to allow the Board to ensure remuneration amounts and structure are at all times appropriate and to prevent any unintended vesting of awards that would arise from a purely formulaic application of the STI metrics. Refer to section 3.2 for further information on the 'look-through' approach adopted by the Board in respect of the 4.9% stake in CQR acquired during the period.	
Deferral	FY17 STI rights awarded to the CEO and the CFO vest on or about 1 July 2019.	
Termination/ Forfeiture	If an Executive ceases employment by way of termination by SCP without cause, redundancy, diminution of responsibility, retirement, death or disability or other circumstances approved by the Board, the STI is tested based upon full year performance and paid in cash in the normal course, based on the pro rata period of the financial year worked by the Executive. In the event of the Executive's resignation or termination by SCP for cause prior to the end of the performance period, all STI unpaid cash entitlements are forfeited.	
Clawback	Consistent with good governance and to reinforce the importance of integrity and risk management in SCP's Remuneration Framework, SCP's incentive plan contains broadly framed malus provisions that allow the Board in its sole discretion to determine that all, or part, of any unvested incentive awards be forfeited in certain circumstances. These circumstances include, but are not limited to: – A material misstatement or omission in the financial statements of SCP; – If actions or inactions seriously damage SCP's reputation or put SCP at significant risk; – If FFO is not maintained in the deferral; and/or – A material abnormal occurrence results in an unintended increase in the award.	
Hedging	Participants are prohibited from hedging their unvested deferred rights.	

LTIs – how does it work?

Purpose	The LTI is aimed at aligning Executive and unitholder value while also providing a retention tool, as the LTI is intended to vest over time.
Eligibility	The eligible Executives for the current period are the CEO, Anthony Mellowes, the CFO, Mark Fleming and the GC/CS, Mark Lamb.
Instrument	Each vested LTI right entitles the relevant Executive (or participant) to receive one stapled unit in SCP plus an additional number of stapled units calculated on the basis of the distributions that would have been paid in respect of those stapled units over the four-year performance period. The additional units are calculated as the number of units that would have been acquired if distributions as announced to the ASX during the vesting period had been paid and reinvested in units, applying the formula set out in clause 3.3 of SCA Property Group's DRP (whether nor not that plan is operative at the relevant time) assuming no discount. Fractions of stapled units will be rounded down to the nearest whole number and no residual positive balance carried forward. No distributions accrue in respect of LTI rights that lapse.
LTI performance rights granted in FY17	The number of performance rights granted to Executives in FY17 is as follows: – Anthony Mellowes – 294,230 LTI rights; – Mark Fleming – 134,505 LTI rights; and – Mark Lamb – 49,318 LTI rights.
Grant price	The grant price has been calculated by dividing the relevant award opportunity by the volume weighted average price of SCP units on ASX for the 5 trading days following the release of SCP's 2016 full year results, being $2.2750.

Performance hurdles (each apply to one third of the LTI grant)	**Relative TSR (Tranche 1)**	**FFOPU (Tranche 2)**	**ROE (Tranche 3)**
	Measures SCP's total security holder return performance over the Tranche 1 performance period (being from 1 October 2016 to 30 September 2019) relative to the change in the S&P/ASX 200 A-REIT Accumulation Index over that same period	This condition requires the growth in SCP's FFOPU over the Tranche 2 performance period (being from 1 July 2016 to 30 June 2019) above the Base Point to exceed a certain level as detailed below. The FY17 "Base Point" for measuring the rate of FFOPU growth is 13.75 cents per unit.	This condition requires SCP's total return on equity over the Tranche 3 performance period (being from 1 July 2016 to 30 June 2019) to exceed a certain level, as detailed below.
Vesting schedule – Relative TSR		**Position of SCP relative to S&P/ASX 200 A-REIT Accumulation Index**	**% of Tranche 1 LTI rights that vest**
	At or below threshold	Less than or equal to Index return	0%
	Between threshold and maximum	Between Index return and Index return plus 4.0% p.a. compound	Vest on a straight line basis between 0% at Threshold and 100% at Maximum
	Maximum	At or above Index return plus 4.0% p.a. compound	100%
Vesting Schedule - FFOPU		**Growth in FFOPU over performance period above Base Point**	**% of Tranche 2 LTI rights that vest**
	At or below Threshold	Less than or equal to 3.0% p.a.	0%
	Between Threshold and Maximum	Between 3.0% and 5.5% p.a	Vest on a straight line basis between 0% at Threshold and 100% at Maximum
	Maximum	At or above 5.5% p.a.	100%
Vesting Schedule - ROE		**ROE over performance period**	**% of Tranche 3 LTI rights that vest**
	At or below Threshold	Less than 9.0% p.a.	0%
	Between Threshold and Maximum	Between 9.0% p.a. and 11.5% p.a.	Vest on a straight line basis between 0% at Threshold and 100% at Maximum
	Maximum	At or above 11.5% p.a.	100%
Vesting/delivery	The performance rights can only be exercised if and when the performance conditions are achieved. The performance period is a three-year period, ending on the dates specified above. Any rights awarded then vest at the end of a further one-year deferral period ending on 30 June 2020, unless the Board exercises its discretion to forfeit the awarded rights under the malus provisions of the SCA Property Group Executive Incentive Plan Rules. Any rights which do not vest following testing of the performance conditions are forfeited.		
Adjustments	Where a formulaic application of the metrics is likely to produce a material and perverse remuneration outcome, or where it is in the best interests of unitholders for the Board to do so, the Board may exercise its discretion in determining awards. The purpose of preserving this discretion is to allow the Board to ensure remuneration amounts and structure are at all times appropriate and to prevent any unintended vesting of awards that would arise from a purely formulaic application of the LTI metrics.		

Termination/ forfeiture	If an Executive ceases employment prior to the end of the performance period by way of termination by SCP without cause, redundancy, diminution of responsibility, retirement, death or disability or other circumstances approved by the Board, in general, a pro rata number of LTI rights will be determined from the date of award to the date of termination (including any period of notice paid in lieu). This pro rata portion will continue on foot under the same terms and performance conditions. All unvested LTI rights will lapse if the Executive is terminated by SCP for cause.
Clawback	Consistent with good governance and to reinforce the importance of integrity and risk management in SCP's reward framework, each of SCP's incentive plans contains broadly framed malus provisions that allow the Board in its sole discretion to determine that all, or part, of any unvested incentive awards be forfeited in certain circumstances. These circumstances include, but are not limited to: – A material misstatement or omission in the financial statements of SCP; – If actions or inactions seriously damage SCP's reputation or put SCP at significant risk; – If FFO is not maintained; and/or – A material abnormal occurrence results in an unintended increase in the award.
Hedging	Participants are prohibited from hedging their unvested performance rights.

3.4 Past financial performance

The tables below set out summary information about the Group's earnings and FFO, stapled security ("unit") NTA and ASX price for the last four complete financial years. Results from FY13 are not included as these were in respect of a part year only and included one-off transaction costs associated with the initial public offering (IPO) in 2012 prior to the Group commencing trading on 11 December 2012.

Past financial performance

	FY17 Results	FY16 Results	FY15 Results	FY14 Results
Statutory profit (after tax)	$319.6m	$184.7m	$150.5m	$111.6m
Statutory profit cents per unit	43.3	25.4	22.9	17.3
FFO	$108.4m	$100.1m	$84.3m	$80.4m
FFOPU	14.70	13.75	12.81	12.44
Distributions paid and payable (cents per unit)	13.10	12.20	11.40	11.00

FFO and FFOPU and sustainable growth in FFOPU are also a significant input in reviewing the Group's performance and may impact incentives. FFO and FFOPU for the 2017 financial year exceeded the 2016 financial year.

Operational	FY17 Results	FY16 Results	FY15 Results	FY14 Results	FY17 v FY16
Net tangible assets per unit	$2.20	$1.92	$1.77	$1.64	$0.28
Unit price (as at 30 June)	$2.19	$2.28	$2.13	$1.72	($0.09)
Management Expense Ratio (MER) %	0.45%	0.51%	0.55%	0.65%	(0.06%)

In addition over the financial year ended 30 June 2017, the total securityholder return, including the distribution declared on 16 June 2017 of 6.7 cents per unit and paid on 31 August 2017, was 1.8%.

This compares to the S&P/ASX 200 A-REIT Accumulation Index total return for the same period of -6.3%.

3.5 LTI grants in FY17

The table below presents the LTI grants to Executives made during FY17 that are due to vest on 1 July 2020, subject to performance conditions. The maximum total value of the LTI grants is based on the estimated fair value calculated at the time of the grant and amortised in accordance with the accounting standard requirements.

LTI grants in FY17

2017	LTI max as % of fixed remuneration	Performance measure	Number of performance rights granted	Fair value per performance right ($)	Maximum total value of grant ($)
Anthony Mellowes	75%	Relative TSR	98,077	1.18	115,730
		FFOPU	98,077	2.31	226,557
		ROE	98,077	2.31	226,557
Total			**294,230**		**568,844**
Mark Fleming	50%	Relative TSR	44,835	1.18	52,905
		FFOPU	44,835	2.31	103,569
		ROE	44,835	2.31	103,569
Total			**134,505**		**260,043**
Mark Lamb	20%	Relative TSR	16,439	1.18	19,398
		FFOPU	16,439	2.31	37,975
		ROE	16,439	2.31	37,975
Total			**49,318**		**95,348**

Performance right movements during the year

Type and eligibility	Vesting conditions[1]	Share price at grant date	Grant date	Testing date	Vesting date	Maximum number of stapled securities or maximum value of securities to be issued	Fair value at grant date	
STIP (FY17) (Mr Mellowes)	Non-market	$2.31	Aug-16	Jun-17	Jul-19	$334,688	$0.99	per $1.00
STIP (FY17) (Mr Fleming)	Non-market	$2.31	Aug-16	Jun-17	Jul-19	$153,000	$0.99	per $1.00
LTIP (FY17 - FY19) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR[2]	$2.31	Aug-16	Sep-19	Jul-20	159,351	$1.18	per unit
LTIP (FY17 - FY19) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.31	Aug-16	Jun-19	Jul-20	159,351	$2.31	per unit
LTIP (FY17 - FY19) (tranche 3) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.31	Aug-16	Jun-19	Jul-20	159,351	$2.31	per unit

1. Service and non-market conditions include financial and non-financial targets along with a deferred vesting period.
2. Relative TSR is Relative Total Securityholder Return measured against the S&P/ASX 200 A-REIT Accumulation Index.

The Group recognises the fair value at the grant date of equity settled securities above as an employee benefit expense proportionally over the vesting period with a corresponding increase in equity. Fair value is measured at grant date using Monte-Carlo simulation and Binomial option pricing models where applicable, performed by an independent valuer, and models the future unit price of the Group's stapled units.

Non-market vesting conditions are determined with reference to the underlying financial or non-financial performance measures to which they relate.

Key inputs to the pricing models include:

	30 June 2017
Volatility	18%
Dividend yield	5.4%
Risk-free interest rate	1.45% - 1.50%

3.6 Total remuneration earned in FY17 Table of executive remuneration paid or accrued

Potential remuneration granted in FY17

	Maximum Potential Cash STI			Maximum Potential Equity STI			Maximum Potential Equity LTI		
Executive	% of TFR	$[1]	% of total potential rem	% of TFR	$[1]	% of total potential rem	% of TFR	$[3]	% of total potential rem
Anthony Mellowes	37.5%[2]	334,688	16%	37.5%[2]	331,341	16%	75%	568,845	27%
Mark Fleming	25%[2]	153,000	13%	25%[2]	151,470	13%	50%	260,043	22%
Mark Lamb	25%	140,250	18%	-	-	-	20%	95,348	12%

1. STI incentives for Mr Mellows and Mr Fleming are payable 50% in cash and 50% in equity. The difference between the cash and equity components is due to the fair valuation of the equity granted under AASB 2 Share based payments (AASB2).
2. In FY17 Mr Mellowes' STI opportunity was 75% of his TFR and Mr Flemings' STI opportunity was 50% of his TFR. STI incentives for Mr Mellows and Mr Fleming are payable 50% in cash and 50% in equity and the percentage maximum has been equally allocated between cash and equity.
3. For Mr Mellows the LTI maximum incentive is $669,375, for Mr Fleming $306,000 and for Mr Lamb is $112,200. All of the LTI awarded in equity and the dollar values shown here represent the fair value under AASB 2 of equity instruments granted.

The following is the actual remuneration paid or accrued during the financial year to 30 June 2017[1]:

Table of Executive remuneration paid or accrued

Executive		Salary & fees[2] $	Cash bonus[3] $	Total $	Super $	Long service leave $	Share based payments[4] $	Total $
Anthony Mellowes, CEO	**2017**	**853,125**	**269,063**	**1,122,188**	**35,000**	**19,785**	**670,590**	**1,847,563**
	2016	837,250	265,032	1,102,282	25,000	14,583	626,613	1,768,478
Mark Fleming, CFO	**2017**	**579,000**	**123,000**	**702,000**	**30,000**	**13,563**	**277,832**	**1,023,395**
	2016	568,750	119,658	688,408	25,000	10,000	214,976	938,384
Mark Lamb, GC/CS	**2017**	**531,188**	**116,684**	**647,872**	**24,904**	**12,765**	**64,710**	**750,251**
	2016	520,500	111,311	631,811	25,000	9,167	52,328	718,306
Total	**2017**	**1,963,313**	**508,747**	**2,472,060**	**89,904**	**46,113**	**1,013,132**	**3,621,209**
	2016	1,926,500	496,001	2,422,501	75,000	33,750	893,917	3,425,168

1. Amounts recognised above were determined subsequent to the release of the financial statements on 7th August 2017. Accordingly, they differ to the provisional estimates recognised in Note 20 to the Financial Statements.
2. Salary reviews take effect from 1 October.
3. The amount shown under 'Cash bonus' refers to the amount which will be paid to Executives in September 2017 under the Short Term Incentive Plan for performance over the 2017 financial year.
4. The values for equity based remuneration have been determined in accordance with AASB2 and represent the current year amortisation of the fair value of rights over the vesting period adjusted for service and non-market vesting conditions. The share based payments are made up of special performance rights (SPRs) (Tranche 2), STI equity and LTI equity. Please refer to the following table for additional details of the share based payments.

The break-up of the amounts recognised for performance based compensation relevant for the financial year ended 30 June 2017, including details of the share based payments accrued, are presented below:

Performance based component of actual remuneration in 2017

	Actual cash STI		Actual Equity STI		Actual Equity LTI		
Executive	**$**	**% of total remuneration**	**$**	**% of total remuneration**	**$**	**% of total remuneration**	**Total equity STI and LTI $**
Anthony Mellowes	269,063	15%	218,568	12%	452,022	24%	670,590
Mark Fleming	123,000	12%	105,452	10%	172,380	17%	277,832
Mark Lamb	116,684	16%	-	-	64,710	9%	64,710

Equity holdings of Executives

Executives	Held at 1 July 2016	Vested during year	Other changes during the period	Held at 30 June 2017	Number of unvested rights as at 30 June 2017	Total interest in SCP units
Anthony Mellowes, CEO	106,069	552,728	3,223	662,020	1,591,728	2,253,748
Mark Fleming, CFO	20,000	139,692	(89,692)	70,000	645,826	715,826
Mark Lamb, GC/CS	-	41,672	1,223	42,895	204,839	247,734

3.7 Service agreements for Executive KMP

There were no changes to the service agreements for Executives in FY17.

Each Executive has a formal contract, known as a service agreement. These agreements are of a continuing nature and have no set term of service (subject to the termination provisions).

The key terms of the service agreements for the Executive are summarised below:

Executive Director, Chief Executive Officer: Anthony Mellowes

Contract duration	Commenced 1 July 2013, open ended.
TFR as at 30 June 2017	$892,500. Includes salary, superannuation, motor vehicle and other salary sacrifice employee benefits.
Review of TFR	Reviewed annually effective from 1 October with no obligation to adjust.
Variable remuneration eligibility	The CEO is eligible to participate in SCP's plans for performance based remuneration and in FY17 that included: **FY17 STI: Maximum opportunity:** 75% of TFR. **FY17 LTI: Maximum opportunity:** 75% of TFR.
Non-compete period	Up to 12 months
Non-solicitation period	Up to 12 months
Notice by SCP	9 months
Notice by Executive	9 months
Termination payments to compensate for non-solicitation / non-compete clause in certain circumstances	Maximum benefit from termination payment and payment in lieu of notice is twelve months based on prior year fixed and variable remuneration.

Executive Director, Chief Financial Officer: Mark Fleming

Contract duration	Commenced 20 August 2013, open ended.
TFR as at 30 June 2017	$612,000. Includes salary, superannuation, motor vehicle and other salary sacrifice employee benefits and other short-term benefits.
Review of TFR	Reviewed annually effective from 1 October with no obligation to adjust.
Variable remuneration eligibility	The CFO is eligible to participate in SCP's plans for performance based remuneration and in FY17 that included: **FY17 STIP: Maximum opportunity:** 50% of TFR **FY17 LTI: Maximum opportunity:** 50% of TFR
Non-compete period	6 months
Non-solicitation period	6 months
Notice by SCP	6 months
Notice by Executive	3 months
Termination payments to compensate for non-solicitation/non-compete clause in certain circumstances	Maximum benefit from termination payment and payment in lieu of notice is 6 months based on prior year fixed and variable remuneration.

General Counsel and Company Secretary: Mark Lamb

Contract duration	Commenced 26 September 2012, open ended.
TFR as at 30 June 2017	$561,000. Includes salary, superannuation, motor vehicle and other salary sacrifice employee benefits.
Review of TFR	Reviewed annually effective from 1 October with no obligation to adjust.
Variable remuneration eligibility	The GC/CS is eligible to participate in SCP's plans for performance based remuneration and in FY17 that included: **FY17 STI: Maximum opportunity:** 25% of TFR **FY17 LTI: Maximum opportunity:** 20% of TFR
Non-compete period	Up to 12 months.
Non-solicitation period	Up to 12 months.
Notice by SCP	6 months
Notice by executive	3 months.
Termination Payments to compensate for non-solicitation/non-compete clause in certain circumstances	TFR for 6 months

Termination provisions

The following illustrates how termination payments will be managed in various termination scenarios.

Notice period, non-compete / non-solicitation	SCP can elect to make a payment of TFR in lieu of the notice period by SCP or the Executive, as applicable. At the Board's discretion an additional termination benefit may be made to acknowledge any post-termination non-compete/non-solicitation agreements made with the Executive. The combined total cash benefit arising from these termination payments (excluding statutory entitlements) is capped at 12 months based on prior year fixed and variable remuneration, subject to the provisions of sections 200B – 200E of the Corporations Act to the extent those provisions apply in the relevant circumstances.
STI (cash)	If an Executive ceases employment by way of termination by SCP without cause, redundancy, diminution of responsibility, retirement, death or disability or other circumstances approved by the Board, the STI is tested based upon full year performance and paid in cash in the normal course, based on the pro rata period of the financial year worked by the Executive. In the event of the Executive's resignation or termination by SCP for cause prior to the end of the performance period, all STI unpaid cash entitlements are forfeited.
STI rights	If an Executive ceases employment by way of termination by SCP without cause, redundancy, diminution of responsibility, retirement, death or disability or other circumstances approved by the Board, then any unvested STI rights (that have been granted based on performance in prior financial years or in the financial year of such termination) will vest in the normal course. Where only a partial year is served, unvested STI rights will be pro-rated to the time served. The Board may exercise its discretion to forfeit these unvested rights. All unvested STI rights will lapse if the Executive is terminated by SCP for cause.
LTI rights	If an Executive ceases employment prior to the end of the performance period by way of termination by SCP without cause, redundancy, diminution of responsibility, retirement, death or disability or other circumstances approved by the Board, in general, a pro rata number of LTI rights will be determined from the date of award to the date of termination (including any period of notice paid in lieu). This pro rata portion will continue on foot under the same terms and performance conditions. All unvested LTI rights will lapse if the Executive is terminated by SCP for cause.
Board discretion	The Board has full discretion to amend any of the above termination arrangements to acknowledge exceptional circumstances and determine appropriate alternative vesting outcomes that are consistent, fair and reasonable, and balance multiple stakeholder interests. The Board acknowledges that, consistent with its approach to voluntarily adopt certain corporate governance obligations not otherwise applicable to SCP given its structure, unitholder approval will be sought where termination payments exceed the limits prescribed by the Corporations' Act.
Change of control	In the event of a change of control in SCP before the vesting date of any equity, the Board reserves the right to exercise its discretion for early vesting of the equity. In exercising its discretion, the Board may take account of the extent to which performance conditions have or have not been met and the portion of the vesting period that has elapsed at the relevant date.

4. NON-EXECUTIVE DIRECTOR REMUNERATION

4.1 Board remuneration strategy

SCP aims to attract and retain a high calibre of Non-Executive Directors (NEDs) who are equipped with diverse skills to govern the organisation and oversee Management so as to return value for SCP unitholders. SCP aims to fairly remunerate Directors for their responsibilities relative to organisations of similar size and complexity.

The maximum aggregate fee pool available to NEDs has not been increased from the level set when SCP listed in 2012, being $1,300,000 p.a.

A review of NED remuneration was undertaken by the Committee in October 2016. In recognising the varying commitments of each NED and in line with current market practice, the base and Committee fees paid to NEDs were increased by 2%. This increase took effect from 1 January 2017.

Total NED remuneration payable in FY17 was $1,095,825 up from the $1,044,292 in FY16. The increase in overall NED fees payable in FY17 is attributable to:

- 2% increase in NED fees effective 1 January 2017;
- Appointment of Ms Belinda Robson to the Audit, Risk Management and Compliance Committee in December 2016; and
- FY16 NED fees reflected the establishment of the Investment Committee on 1 April 2016. FY17 NED fees reflect the annual fees payable to the Investment Committee.

4.2 Total remuneration for Non-Executive Directors

The schedule of fees for NEDs during FY17 is as set out in table below and fees are annual fees, unless otherwise stated.

Non-Executive Director Board and Committee fees

	Board		ARMCC		Remuneration		Investment		Nomination	
	2016[1]	**2017[1]**	2016[1]	**2017[1]**	2016[1]	**2017[1]**	2016[1]	**2017[1]**	2016[1]	**2017[1]**
Chairman	$327,308	**$333,854**	$20,600	**$21,012**	$20,600	**$21,012**	$15,000	**$15,300**	$5,150	**$5,253**
Member	$123,600	**$126,072**	$10,300	**$10,506**	$10,300	**$10,506**	$10,000	**$10,200**	-	**-**

1 Refers to calendar years and where applicable fees have been increased by 2% from 1 January 2017.

NEDs receive their fees in cash. They receive a flat fee and do not receive incentive options or bonus payments or incentive payments of any type. NEDs are not entitled to any special payment on retirement, removal or resignation from the Board.

Total remuneration for Non-Executive Directors

Non-Executive Director	Year	Director fees $	Committee fees $	Superannuation $	Total $
Philip Clark AM	**2017**	**311,798**	**-**	**18,835**	**330,633**
	2016	303,759	-	18,783	322,542
Dr Kirstin Ferguson	**2017**	**114,006**	**19,001**	**12,636**	**145,642**
	2016	111,233	20,890	12,552	144,675
James Hodgkinson OAM	**2017**	**114,284**	**32,975**	**13,990**	**161,249**
	2016	111,233	25,457	12,985	149,675
Dr Ian Pollard	**2017**	**114,006**	**19,001**	**12,636**	**145,642**
	2016	111,233	18,539	12,328	142,100
Philip Redmond	**2017**	**114,422**	**32,837**	**13,990**	**161,249**
	2016	111,233	21,963	12,654	145,850
Belinda Robson	**2017**	**114,323**	**23,951**	**13,136**	**151,410**
	2016	111,233	16,119	12,098	139,450
Total	**2017**	**882,839**	**127,765**	**85,223**	**1,095,825**
	2016	859,924	102,968	81,401	1,044,292

4.3 Non-Executive Director unitholding

Non-Executive Director Unitholdings

Non-Executive Director	Held as at 30 June 2016	Changes during the period	Held as at 30 June 2017
Philip Clark AM	52,000	-	52,000
Dr Kirstin Ferguson	10,000	-	10,000
James Hodgkinson OAM	184,285	-	184,285
Dr Ian Pollard	103,571	-	103,571
Philip Redmond	67,500	-	67,500
Belinda Robson	7,142	10,000	17,142

5. ADDITIONAL INFORMATION

5.1 Events subsequent

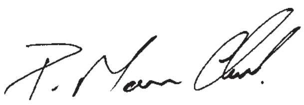
FY18 STI (unaudited)

As SCP's objectives remain substantially the same as for FY17, the FY18 short term performance conditions and weightings are the same as set for FY17, however the metrics and hurdles have been adjusted in line with FY18 strategic objectives.

FY18 LTI (unaudited)

Again, the FY18 long term performance conditions and weightings are substantially the same as set for FY17. High-level changes have been made to the hurdles for FY18 designed as stretch targets for strong to exceptional performance.

Signed pursuant to a resolution of Directors.



Philip Marcus Clark AM

Chairman, SCA Property Group

5.2 Defined terms

Cash NOI means cash property net operating income

CEO means Chief Executive Officer

CFO means Chief Financial Officer

DRP Distribution Reinvestment Plan

FBT means Fringe Benefits Tax

FFO means Funds from Operations

FFOPU means Funds from Operations per Unit

GC/CS means General Counsel/Company Secretary

IPO means Initial Public Offering

KMP means Key Management Personnel

KPI means key performance indicator

LTI means Long-Term Incentive

MER means Management Expense Ratio

NEDs means Non-Executive Directors

NOI means net operating income

NTA means net tangible assets

TFR means total fixed remuneration

TRO means total remuneration opportunity

TSR means total securityholder return

ROE means return on equity

SPR means special performance rights

STI means Short-Term Incentive

INDEPENDENT AUDITOR'S REPORT

Deloitte.

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Independent Auditor's Report
to the Board of Directors of Shopping Centres Australasia Property Group RE Limited as responsible entity for Shopping Centres Australasia Property Retail Trust and Shopping Centres Australasia Property Management Trust

We have audited the accompanying remuneration report of Shopping Centres Australasia Property Group ("SCA Property Group") comprising Shopping Centres Australasia Property Retail Trust and Shopping Centres Australasia Property Management Trust and their controlled entities as set out on pages 31 to 52 of the annual report of SCA Property Group for the year ended 30 June 2017.

In our opinion, the remuneration report of SCA Property Group, for the year ended 30 June 2017, has been prepared in material respects in accordance with section 300A of the Corporations Act 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. We are independent of the SCA Property Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the "Code") that are relevant to our audit of the Remuneration Report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Board of Directors for the remuneration report

The Directors of Shopping Centres Australasia Property Group RE Limited as responsible entity of the SCA Property Group ("the Directors") have voluntarily presented the Remuneration Report which has been prepared in accordance with section 300A of the Corporations Act 2001.

The Director's responsibility also includes such internal control as they determine is necessary to enable the preparation and fair presentation of the Remuneration Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the remuneration 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 remuneration report.

INDEPENDENT AUDITOR'S REPORT

Deloitte.

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 remuneration 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 SCA Property Group's internal control.

- Evaluate the overall presentation, structure and content of the remuneration report, including the disclosures, and whether the remuneration report represents the underlying transactions and events in a manner that achieves fair presentation.

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.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

AG Collinson
Partner
Chartered Accountants
Sydney, 8 September 2017

DIRECTORS' AND FINANCIAL REPORT

Directors' Report

Shopping Centres Australasia Property Group (SCA Property Group (SCP) or the Group) comprises the stapled units in two Trusts, Shopping Centres Australasia Property Management Trust (Management Trust) and Shopping Centres Australasia Property Retail Trust (Retail Trust) (collectively the Trusts) and their controlled entities.

The Responsible Entity for the Trusts is Shopping Centres Australasia Property Group RE Limited, which now presents its report together with the Trusts' Financial Reports for the year ended 30 June 2017 and the auditor's report thereon.

The Trusts' Financial Report for the year ended 30 June 2017 includes, where required, comparatives to the prior period.

In accordance with Accounting Standard AASB 3 *Business Combinations*, the stapling arrangement discussed above is regarded as a business combination and the Management Trust has been identified as the Parent for preparing Consolidated Financial Reports.

The Directors' report is a combined Directors' report that covers both Trusts. The financial information for the Group is taken from the Consolidated Financial Reports and notes.

1. Directors

The Directors of the Responsible Entity at any time during or since the end of the financial year are:

Mr Philip Marcus Clark AM (appointed 19 September 2012)

Non Executive Director and Chair

Independent: Yes.

Other listed Directorships held in last 3 years: Non-Executive Director of Ingenia Communities Group and Chair of Remuneration and Nomination Committee (June 2012 to date) and Chair and Non-Executive Director of Hunter Hall Global Value Limited (July 2013 to December 2015).

Special responsibilities and other positions held: Other Group positions held during the year include member of the Nominations Committee.

Other positions held unrelated to the Group include member of the JP Morgan Australia Advisory Council. Chairs a number of Government and private company boards and advisory boards.

Other Experience: Mr Clark was formerly Managing Partner of the law firm Minter Ellison from 1995 to 2005. Prior to joining Minter Ellison, Mr Clark was a Director and Head of Corporate with ABN Amro Australia, and prior to that he was the Managing Partner of the law firm Mallesons Stephen Jaques for 16 years. Mr Clark was made a member of the Order of Australia in June 2007 for service to the legal profession and business. Mr Clark has been a Director of responsible entities of several listed AREITs, in addition to the Group and Ingenia Communities Group, and is an expert in university and research infrastructure and real estate.

Mr Clark brings specific skills in the following areas:

- M & A and capital markets;
- Audit, risk management and compliance;
- Corporate governance;
- Real estate, including property management, portfolio and investment management, asset management and funds management;
- Remuneration;
- Workplace health and safety; and
- Stakeholder engagement.

Qualifications: BA, LLB, and MBA (Columbia University).

Dr Kirstin Ferguson (appointed 1 January 2015)

Non Executive Director

Independent: Yes.

Other listed Directorships held in last 3 years: CIMIC Group Limited (July 2014 to November 2016).

Special responsibilities and other positions held: Other Group positions held during the year are member of the Audit, Risk Management and Compliance Committee (until 31 March 2016), member of the Remuneration Committee and appointed Chair of the Remuneration Committee from 1 January 2016.

Other positions currently held unrelated to the Group include as a Non-Executive Director of the Australian Broadcasting Corporation (November 2015 to date), Non-Executive Director of Hyne & Sons Pty Limited (August 2013 to date) and the Layne Beachley Aim for the Stars Foundation (November 2016 to date). Dr Ferguson is also the creator of the global, online #CelebratingWomen campaign.

Other experience: Dr Ferguson is an experienced Non-Executive Director on ASX100, ASX200 and private company and government boards. Dr Ferguson has a PhD in leadership and governance from QUT Business School where she is also an Adjunct Professor (April 2015 to date). Dr Ferguson was formerly the global CEO of the workplace health and safety organisation, Sentis, and Director Corporate Services at Deacons (now Norton Rose Fulbright). Dr Ferguson has listed company experience including roles as a Non-Executive Director of CIMIC Group Limited (July 2014 to November 2016) and Dart Energy Limited (November 2012 to March 2013), as well as board roles with SunWater Limited (October 2008 to August 2015), the Queensland Rugby Union (April 2011 to April 2013) and Queensland Theatre Company (May 2013 to May 2016). Dr Ferguson was also the Independent Chair of the Thiess Advisory Board (February 2013 to June 2014).

Dr Ferguson brings specific skills in the following areas:

- Remuneration;
- Organisational culture;
- Diversity;
- Risk and compliance;
- Workplace health and safety;
- Stakeholder engagement; and
- Social media.

Qualifications: PhD, LLB (Honours), BA (Honours) and FAICD.

Mr James Hodgkinson OAM (appointed 26 September 2012)

Non Executive Director

Independent: Yes.

Other listed Directorships held in last 3 years: None.

Special responsibilities and other positions held: Other Group positions held during the year are Chair of the Nominations Committee, member of the Remuneration Committee, and member of the Audit, Risk Management and Compliance Committee and from 1 April 2016 member of the Investment Committee.

Other positions held unrelated to the Group include a Founding Governor of the Cerebral Palsy Foundation and Founder and Chair of the Cerebral Palsy Alliance of New South Wales 20/Twenty Challenge. Also an advisor to the Ray White Group and the Blue Sky Funds Management Group.

Other experience: Formerly an Executive Director of the Macquarie Group and a division head within Macquarie's Real Estate Group. In his career at the Macquarie Group he gained broad real estate and funds management Executive and Senior Management experience as a business and transaction leader, Listed entity Executive Director and CEO.

Other real estate experience includes a Non-Executive Director of Goodman Group from February 2003 to September 2011. Additionally he has initiated and assisted in the fund raising initiatives and strategic support of a number of community based organisations. Formerly served as a member of the Advisory Committee of the Macquarie Foundation.

Mr Hodgkinson brings specific skills in the following areas:

- Real estate, including property and development management, portfolio and investment management, asset management and funds management;
- M & A and capital markets;
- Investment banking and corporate finance;
- Staff management;
- Marketing and investor relations; and
- Stakeholder engagement.

Qualifications: BEcon, CPA, FAPI, and FRICS.

Dr Ian Pollard (appointed 26 September 2012)

Non Executive Director

Independent: Yes.

Other listed Directorships held in last 3 years: Non-Executive Director and Chair of Billabong International Limited (October 2012 to date) and Director of Milton Corporation Limited (1998 to date).

Special responsibilities and other positions held: Other Group positions held during the year are Chair of the Audit, Risk Management and Compliance Committee and from 1 April 2016 member of the Nomination Committee.

Other experience: Dr Pollard has been a company Director for over 30 years and author of a number of books on both Corporate Finance and growth in human capital. In addition Dr Pollard is an actuary, Rhodes Scholar and an Adjunct Professor at UTS Business School.

Other positions held unrelated to the Group include Chair of RGA Reinsurance Company of Australia Limited, Director of the Wentworth Group of Concerned Scientists, and an Executive coach with Foresight's Global Coaching. Formerly a Director and Chair of a number of listed companies including: Corporate Express Australia (Chair) (listed until 2010), Just Group Limited (Chair) (listed until 2008), OPSM Group Limited (Director) (listed until 2003) and DCA Group Limited (Director) (listed until 2006).

Dr Pollard brings specific skills in the following areas:

- Listed company CEO experience;
- Investment banking and corporate finance;
- Strategic investment;
- Retail experience with over 20 years experience as a director of substantial listed retail companies;
- M &A and capital markets;
- Audit, risk management and compliance;
- Capital management; and
- Corporate governance.

Qualifications: BA, MA (First Class Honours) (Oxon), DPhil, D.Bus (Hon) (Macq), FIAA, FAICD.

Mr Philip Redmond (appointed 26 September 2012)

Non Executive Director

Independent: Yes.

Other listed Directorships held in last 3 years: Non-Executive Director Galileo Funds Management Limited the Responsible Entity for Galileo Japan Trust (2006 to date).

Special responsibilities and other positions held: Other Group positions held during the year are member of the Audit, Risk Management and Compliance Committee and Remuneration Committee and from 1 April 2016 Chair of the Investment Committee.

Other experience: Mr Redmond has over 30 years of experience in the real estate industry including over five years with AMP's real estate team and over 12 years with the investment bank UBS in various roles including as Managing Director - Head of Real Estate Australasia.

Mr Redmond brings specific skills in the following areas:

- Real estate, including property and development management, portfolio and investment management, asset management and funds management;
- M&A and capital markets;
- Equity placements and entitlement offers;
- Valuations;
- Development of strategy and policy for real estate investment funds; and
- Risk management.

Qualifications: Bachelor of Applied Science (Valuation), Master of Business Administration (AGSM) and MAICD.

Ms Belinda Robson (appointed 27 September 2012)

Non Executive Director

Independent: Yes.

Other listed Directorships held in last 3 years: None.

Special responsibilities and other positions held: Member of Remuneration Committee from 1 January 2016, member of the Investment Committee from 1 April 2016 and member of the Audit, Risk Management and Compliance Committee from December 2016.

Other positions held unrelated to the Group include Non-Executive Director of several Lendlease Asian Retail Investment Funds and a Non-Executive Director of GPT Funds Management Limited.

Other experience: Ms Robson is an experienced real estate executive and people leader, having previously worked with Lendlease for over 22 years. At Australian Prime Property Retail Fund, Ms Robson was responsible for portfolio and fund management and the development and implementation of the fund strategy, as well as reporting to the Fund Board and its Investor Advisory Board. Ms Robson's previous roles with Lendlease included Head of Operations, Australian Prime Fund Series, and Portfolio Manager, Australian Prime Property Fund Retail as well as multiple senior roles in the retail management business.

Ms Robson brings specific skills in the following areas:

- Real estate, in particular retail assets, spanning all aspects of real estate including property and development management, portfolio and investment management, asset management and funds management;
- Retail industry, investor and consumer sentiment experience and the way in which retail formats should and can evolve to capitalise on sector opportunities;
- M & A and capital markets;
- Corporate governance;
- Remuneration; and
- Secured international experience.

Qualifications: BComm (Honours).

Mr Anthony Mellowes (appointed Director 2 October 2012) Executive Director and CEO

Independent: No.

Other listed Directorships held in last 3 years: None.

Special responsibilities and other positions held: In addition to be being an Executive Director and CEO, Mr Mellowes is also a member of the Investment Committee.

Other experience: Mr Mellowes is an experienced property executive. Prior to joining SCA Property Group as an Executive Director, Mr Mellowes worked at Woolworths Limited from 2002 to 2012 and held a number of senior property related roles including Head of Asset Management and Group Property Operations Manager. Prior to Woolworths Limited, Mr Mellowes worked for Lend Lease Group and Westfield Limited.

Mr Mellowes was appointed Chief Executive Officer of SCA Property Group on 16 May 2013 after previously acting as interim Chief Executive Officer since the Group's listing on 26 November 2012. Mr Mellowes was a key member of the Woolworths Limited team which created SCA Property Group.

Mr Mellowes brings specific skills in the following areas:

- Real estate, in particular retail assets, spanning all aspects of real estate including property and development management, portfolio and investment management and funds management;
- Retail experience spanning all retail asset classes;
- M&A and capital markets; and
- Equity placements.

Qualifications: Bachelor of Financial Administration and completion of Macquarie Graduate School of Management's Strategic Management Program.

Mr Mark Fleming (appointed CFO 20 August 2013, appointed Executive Director 26 May 2015)

Executive Director and CFO

Independent: No.

Other listed Directorships held in last 3 years: None.

Special responsibilities and other positions held: In addition to be being an Executive Director and CFO, Mr Fleming is also a member of the Investment Committee.

Other experience: Mr Fleming worked at Woolworths Limited from 2003 to 2011, firstly as General Manager Corporate Finance, and then as General Manager Supermarket Finance. After Woolworths Limited, Mr Fleming was CFO of Treasury Wine Estates from 2011 to 2013. Prior to Woolworths Limited, Mr Fleming worked in investment banking at UBS, Goldman Sachs and Bankers Trust.

Mr Fleming was appointed Chief Financial Officer of SCA Property Group on 20 August 2013 and as an Executive Director of SCA Property Group on 26 May 2015.

Mr Fleming brings specific skills in the following areas:

- Investment banking, M&A, capital markets, strategy, law and corporate finance;
- Capital management, including debt, derivatives and equity raising
- Retail industry expertise across a range of retail categories including supermarkets and experience in fast moving consumer goods
- Real estate expertise, particularly in retail asset classes, including valuations and funds management
- Listed company CFO experience, including treasury, tax, accounting/financial control/audit, corporate governance/risk management/compliance, stakeholder engagement/investor relations.

Qualifications: LLB, B.Econ (First Class Honours), CPA.

Company Secretary

Mr Mark Lamb (appointed 26 September 2012)

General Counsel and Company Secretary

Experience: Mr Lamb is an experienced transaction lawyer with over 25 years experience in private practice as a Partner of Corrs Chambers Westgarth (and subsequently Herbert Geer) and in the listed sector as General Counsel and Company Secretary of ING Real Estate.

Mr Lamb has extensive experience in retail shopping centre developments, acquisitions, sales and major leasing transactions having acted for various REITs and public companies during his career.

Qualifications: LLB.

Directors' relevant interests

The relevant interest of each Director in ordinary stapled units (or securities) in the Group as at the date of signing this report are shown below.

Director	Number of stapled units at 30 June 2016	Net Movement increase / (decrease)	Number of vested stapled units at date of this report	Number of unvested performance rights at date of this report
P Clark AM	52,000	-	52,000	-
K Ferguson	10,000	-	10,000	-
J Hodgkinson OAM	184,285	-	184,285	-
I Pollard	103,571	-	103,571	-
P Redmond	67,500	-	67,500	-
B Robson	7,142	10,000	17,142	-
A Mellowes	106,069	878,873	984,942	1,268,805
M Fleming	20,000	156,564	176,564	539,261

Directors' attendance at meetings

The number of Directors' meetings, including meetings of committees of the Board of Directors, held during the year and the number of those meetings attended by each of the Directors at the time they held office are shown below.

Number of meetings held	Number
Board of Directors (Board)	15
Audit, Risk Management and Compliance Committee (ARMCC)	5
Remuneration Committee (Remuneration)	5
Nomination Committee (Nomination)	3
Investment Committee (Investment)	8

	Board			ARMCC			Remuneration			Nomination			Investment		
Director	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
P Clark AM	15	15	-	-	-	3	-	-	2	3	3	-	-	-	1
K Ferguson	15	15	-	-	-	1	5	5	-	-	-	1	-	-	-
J Hodgkinson OAM	15	13	-	5	5	-	5	5	-	3	2	-	8	8	-
I Pollard	15	14	-	5	5	-	-	-	1	3	3	-	-	-	-
P Redmond	15	15	-	5	5	-	5	5	-	-	-	1	8	8	-
B Robson	15	15	-	2	2	2	5	5	-	-	-	1	8	8	-
A Mellowes	15	15	-	-	-	5	-	-	4	-	-	-	8	8	-
M Fleming	15	15	-	-	-	5	-	-	4	-	-	-	8	8	-

Note: During the year there was a restructure of the sub committees of the Board such that some Directors were not members of the relevant committee for the whole year.

A: Number of meetings held while a member of the Board or a member of the committee during the financial year.

B: Number of meetings attended while a member of the Board or a member of the committee during the financial year.

C: Number of meetings attended as a guest. No Executive Director attended the part or all of a Remuneration Committee meeting or Board meeting where their own remuneration was discussed.

2. Principal activities

The principal activity of the Group during the year was investment in, and management of, shopping centres.

3. Property portfolio

The investment portfolio as at 30 June 2017 consisted of 75 shopping centres in Australia (30 June 2016: 69 shopping centres in Australia and 14 in New Zealand). All 14 shopping centres in New Zealand were sold during the period. The investment portfolio consists of sub-regional and neighbourhood retail shopping centres, with around half the portfolio located in new growth corridors and regions, and a strong weighting toward non-discretionary retail segments.

Additionally the Group has a funds management business comprising the management of SCA Unlisted Retail Fund No 1 (SURF 1) and SCA Unlisted Retail Fund No 2 (SURF 2). As a result the Group manages 5 properties for SURF 1 valued at $67.3 million and 2 properties for SURF 2 valued at $55.1m at 30 June 2017.

Investment properties - acquisitions

During the year the Group completed 8 property acquisitions for $274.9 million. Details of these properties include:

Property	Type	State	Settlement Date	Cost[1] $m	Value at 30 Jun 17 $m
Muswellbrook Fair	Neighbourhood	NSW	Jul-16	29.3	29.3
Jimboomba Junction	Neighbourhood	QLD	Jul-16	27.5	27.5
Belmont Central	Neighbourhood	NSW	Jul-16	28.5	28.5
Lillybrook Shopping Village	Neighbourhood	QLD	Oct-16	25.5	26.5
Annandale Central	Neighbourhood	QLD	Dec-16	33.5	33.5
Clemton Park Village	Neighbourhood	NSW	Mar-17	48.5	55.5
Mudgeeraba Market	Neighbourhood	QLD	May-17	35.8	35.8
Worongary Town Centre	Neighbourhood	QLD	Jun-17	46.3	46.3
				274.9	282.9

1. Cost excludes transaction costs.

Investment properties - disposals

New Zealand – On 10 June 2016 the Group announced it entered into a sale contract with Stride Property Group (NZX: STR) for the sale of SCP's New Zealand properties. This sale was completed during the year ended 30 June 2017. The sale is consistent with the Group's strategy of divesting freestanding properties, as 9 of the 14 New Zealand centres were freestanding.

Funds management **–** On 2 June 2017 the Group sold Katoomba Marketplace and Mittagong Shopping Village for $55.1 million to SCA Unlisted Fund No 2 (SURF 2). The Group provided a rental guarantee of $0.2 million and the amount of $54.9 million has been recognised as the net disposal proceeds after disposal costs. The Group considers freestanding stores or stores with relatively few specialities to be "non-core". Katoomba Marketplace is a freestanding property and Mittagong Shopping Village has only 6 specialities and as such are regarded as "non-core". SURF 2 is the second fund managed by the Group. The Group has an interest of 28.6% in SURF 2.

Revaluations

During the year a number of properties were independently valued including 22 investment properties as at 30 June 2017. All of the remaining investment properties were internally valued. The weighted average capitalisation rate as at 30 June 2017 was 6.47% (30 June 2016: 7.07%).

Australian property

The total value of Australian investment properties as at 30 June 2017 was $2,364.6 million (30 June 2016: $1,888.0 million). The change in value during the year of the Australian investment properties was due principally to:

- The acquisition of the properties discussed above (refer **Investment properties - acquisitions**) less the properties disposed (refer **Investment properties – disposals**); and
- Firming of the Australian portfolio capitalisation rate by 66bps to 6.47% (30 June 2016: 7.13%) which resulted in a $211.6 million favourable unrealised fair value movement (30 June 2016: $26.9 million).

4. Operational and financial review

Operational review

The Group remains focused on:

- **Specialty tenant management:** this includes maximising specialty occupancy while ensuring that the retail shopping properties secure the right tenant for the right location in order to create a sustainable and long-term tenant mix to optimise the performance of the portfolio.
- **Property management:** this includes appropriate capital expenditure programs to maximise sales turnover and occupancy.
- **Portfolio management:** this includes the acquisition of suitable properties that will add to the Group's ability to provide a solid income base to support distributions, selective developments to provide an opportunity for greater growth of earnings and divestments of properties that are considered non-core.
- **Capital management:** investment returns are managed and where applicable maximised through prudent and disciplined capital management. This includes consideration of:
    - **Debt management:** maintaining diversified debt maturity and sources of debt including appropriate management of exposure to changes in interest rates; and
    - **Equity management:** maintaining the ability to raise equity from retail and institutional investors, or to buy back equity where appropriate.

Financial review

A summary of the Group and Retail Trust's results for the year is set out below:

	SCA Property Group		Retail Trust	
	30 Jun 2017 $m	30 Jun 2016 $m	**30 Jun 2017 $m**	30 Jun 2016 $m
Net profit after tax including discontinued operations[1] ($m)	**319.6**	184.7	**319.4**	184.2
Basic earnings per security (weighted for securities on issue durig the year) for net profit after tax including discontinued operation[1] (cents per security)	**43.3**	25.4	**43.3**	25.3
Diluted earnings per security for net profit after tax including discontinued operation[1] (cents per unit)	**43.2**	25.3	**43.1**	25.2
Funds from operations ($m)	**108.4**	100.1	**108.2**	99.6
Funds from operations per security (weighted for securities on issue during the year) (cents per security)	**14.70**	13.75	**14.67**	13.68
Distributions paid and payable to security holders ($m)	**96.8**	89.0	**96.8**	89.0
Distributions (cents per security)	**13.1**	12.2	**13.1**	12.2
Net tangible assets ($ per security)	**2.20**	1.92	**2.19**	1.91

[1] On 10 June 2016 the Group announced it entered into a sale contract with Stride Property Group (NZX: STR) for the sale of SCP's New Zealand properties. Consequently the New Zealand contribution to net profit and loss has been shown as a disposal group and discontinued operation for 30 June 2017 and 30 June 2016.

Funds from Operations and Adjusted Funds from Operations
The Group reports net profit after tax (statutory) attributable to unitholders in accordance with Australian Accounting Standards (AAS). The Responsible Entity considers the non-AAS measure, Funds from Operations (FFO) an important indicator of the underlying earnings of the Group. Regard is also given to Adjusted Funds from Operations (AFFO).

For the year ended 30 June 2017 adjustments to determine FFO have included:

- **Whitsunday (insurance)** – In March 2016 the Whitsunday shopping centre was partially destroyed by fire. A total of $12.1 million has been recovered from the insurers of which $7.1 million was received during the year ended 30 June 2017. Of this amount $1.2 million represents loss of income for the year ended 30 June 2017. For financial reporting purposes the receipt of the $7.1 million is treated as part of profit. The amount of $1.2 million which is that part that relates to the loss of income for the year ended 30 June 2017 has been included in FFO and AFFO.
- **Realised foreign exchange gain** – As discussed above at **Disposals - Investment properties – New Zealand**, the properties previously owned by the Group in New Zealand were sold and settled during the period. Prior to this time exchange differences arising on translation of the Group's interest in the New Zealand properties were taken directly to the foreign currency translation reserve. As a result of the sale and settlement, the foreign currency translation reserve gain of $17.0 million has been recognised in profit but excluded from FFO and AFFO.

- **Debt restructure costs** – The proceeds from the settlement of the sale of the New Zealand properties in July 2016 and September 2016 were used to reduce New Zealand $ denominated debt to nil, with the remainder used to reduce Australian $ denominated debt. As a consequence $3.0 million was incurred to terminate certain fixed interest rate swaps. This amount has been excluded from FFO and AFFO.

	SCA Property Group		Retail Trust	
	30 Jun 2017 $m	30 Jun 2016 $m	**30 Jun 2017 $m**	30 Jun 2016 $m
Net profit after tax (statutory) including discontinued operation	**319.6**	184.7	**319.4**	184.2
Adjustments for non cash items included in statutory profit				
Reverse: Straight-lining of rental income and amortisation of incentives	**3.1**	(0.9)	**3.1**	(0.9)
Reverse: Fair value unrealised adjustments				
- Investment properties	**(211.6)**	(26.9)	**(211.6)**	(26.9)
- Derivatives	**24.4**	(31.2)	**24.4**	(31.2)
- Share of net profit from associate (SURF)	**(1.3)**	(0.6)	**(1.3)**	(0.6)
- Foreign exchange	**(6.6)**	7.5	**(6.6)**	7.5
Other Adjustments				
Whitsunday Insurance Funds				
- Reverse amount received included in statutory profit	**(7.1)**	(5.0)	**(7.1)**	(5.0)
- Add: insurance for loss of income	**1.2**	0.3	**1.2**	0.3
Reverse: Realised foreign exchange gain	**(17.0)**	-	**(17.0)**	-
Discontinued operation:				
- Reverse: Straight-lining of rental income and amortisation of incentives of discontinued operation	**-**	(0.4)	**-**	(0.4)
- Reverse: Fair value unrealised adjustments investment properties of discontinued operation	**-**	(28.0)	**-**	(28.0)
- Reverse: Debt restructure costs	**3.0**	-	**3.0**	-
Add: Distribution received / receivable from associate (SURF 1)	**0.7**	0.5	**0.7**	0.5
Reverse: Transaction costs	**-**	0.1	**-**	0.1
Funds from Operations	**108.4**	100.1	**108.2**	99.6
Less: Maintenance capital expenditure	**(3.1)**	(3.7)	**(3.1)**	(3.7)
Less: Incentives (including fit-out incentives) and leasing costs provided	**(5.2)**	(4.1)	**(5.2)**	(4.1)
Adjusted Funds from Operations	**100.1**	92.3	**99.9**	91.8

5. Contributed equity

Distribution Reinvestment Plan (DRP): The Group has a DRP under which security holders may elect to have their distribution entitlements satisfied by the issue of new securities at the time of the payment of the distribution rather than being paid in cash. The DRP was in place for the distribution declared in December 2016 (paid in January 2017) but was suspended for the distribution declared in June 2016 (paid in August 2016). The DRP will be in operation for the distribution declared on 16 June 2017 (payable on 31 August 2017).

Equity issued during the year was as follows:

- **August 2016 - Executive security based compensation:** On 24 August 2016, the Group issued 734,092 securities at nil consideration to Executives.
- **December 2016 – Staff security based compensation:** On 20 December 2016, the Group issued 11,112 securities at nil consideration to Staff.
- **January 2017 - Distribution Reinvestment Plan (DRP):** The DRP applied to the distribution declared on 14 December 2016 and paid on 30 January 2017. Under this DRP, which was partially underwritten, $18.8 million was raised from the issue of 8,616,851 securities at a price of $2.18.

6. Significant changes and developments during the year

Investment properties - acquisitions and disposals

During the year ended 30 June 2017, SCP completed the acquisition of 8 properties and the disposal of 2 properties in Australia and 14 properties in New Zealand. Details of these are above under the **Property Portfolio** section.

Funds management

The Group started its funds management business with the commencement of SURF 1 in October 2015. On 2 June 2017 SURF 2 commenced operations by purchasing Katoomba Marketplace and Mittagong Shopping Village from the Group for $55.1 million. The Group has an interest of 28.6% in SURF 2. Additional details are above under the **Property Portfolio** section.

Investment properties – other

Masters - On 24 August 2016 Woolworths Limited (ASX: WOW) (Woolworths) announced that it had agreed terms to facilitate its exit from Home Improvement (Masters) and that Masters would cease trading at all stores on or before 11 December 2016. The Group's only lease to a Masters was in its subregional centre at Mt Gambier (South Australia). The Group has signed an Agreement for Lease with Bunnings to occupy the former Masters premises at Mount Gambier for an initial term of 12 years at a commencing annual net rental of $0.3 million less than Masters. Additionally the Group has also entered into separate agreements with Home Consortium and with Woolworths Limited which provide for a rental top up for the shortfall in base rent until expiry of the original Masters lease in 2035 or sale of the centre by the Group (whichever occurs first), irrespective of whether Bunnings exercises its options to renew.

The premises are currently being converted to a Bunnings store and the Masters lease will be terminated on the date of commencement of the new Bunnings lease.

Whitsunday – In March 2016 the Whitsunday shopping centre was partially destroyed by fire. The final insurance proceeds have been received and a total of $12.1 million has been recovered from the insurers of which $7.1 million was received during the year ended 30 June 2017 (30 June 2016: $5.0 million).

Kwinana - During the year the Group commenced the redevelopment of Kwinana to establish a third anchor (Coles). Coles is due to commence trading in late October 2017.

Acquisition – 4.9% interest in Charter Hall Retail Trust (ASX: CQR)

During the year the Group also acquired 19.9 million units (which is equivalent to a 4.9% interest) in CQR for $83.8 million. This interest is valued at $81.0 million as at 30 June 2017 (based on the ASX closing share price of CQR on the last trading day in June 2017 of $4.07). Additionally during the year ended 30 June 2017 the Group has received a distribution of $2.8 million in January 2017 and the Group is entitled to a further distribution on its investment of 14.0 cents per unit or $2.8 million in respect of the period ended 30 June 2017. At 30 June 2017 for financial reporting purposes this investment is treated in the balance sheet as an Investment – available for sale.

Capital management - debt

A$ medium term notes (A$MTN) – During the year the Group issued AUD denominated unsecured medium term notes with aggregate face value of $225.0 million (A$ MTN). These notes were part of two separate series. The first series notes are fixed rate notes with a coupon of 3.75% and expire in April 2021. With respect to these notes $50.0 million was issued. The second series are fixed rate notes with a coupon of 3.90% and expire in June 2024. With respect to these notes $175.0 million was issued.

Swap termination costs – The proceeds from the settlement of the sale of the New Zealand properties in July 2016 and September 2016 were used to repay New Zealand $ denominated debt, with the remainder converted to Australian $ and repatriated to Australia where it was initially used to reduce Australian $ denominated debt. As a consequence $3.0 million was incurred to terminate certain fixed interest rate swaps.

Gearing - The Group's gearing ratio is determined by:

- Finance debt, where the US$ denominated debt is recorded as the A$ amount received and economically hedged in A$, net of cash, divided by;
- Total tangible assets net of cash and derivatives.

The Group maintains a prudent approach to managing the balance sheet with gearing of 31.8% as at 30 June 2017 (30 June 2016: 34.0%). The Group's target gearing range is 30% to 40%, however the Group has a preference for gearing to remain below 35% at this point in the cycle.

Facility limit and undrawn facilities

The total undrawn debt and cash available to the Group at 30 June 2017 was $264.6 million (30 June 2016: $93.2 million).

The average debt maturity at 30 June 2017 was 5.0 years (30 June 2016: 5.7 years).

7. Major business risk profile

Risk	Description	Mitigation
Anchor tenant concentration	A decline in credit quality of anchor tenants; change in anchor tenants' network plans e.g. store closures, rate of new store rollouts; and/or reduction in anchor tenant sales growth may lead to decrease in earnings stability.	Actively manage concentration risk within the portfolio with a targeted acquisition and divestment program. Adapt to changing market dynamics, including: online shopping; and click & collect, with directed asset refurbishment and/or re-development plans.
Speciality leasing	Negative impact on rental income from increase in lease vacancies, defaults or non-renewals.	Actively manage the portfolio by: continuing to remix tenancies towards non-discretionary categories; continuing to ensure diversified sources of specialty tenant income; building annual rental increases into leases; and utilising technological developments eg data analytics to support centre marketing strategies
Capital and value management	Lack of availability of capital or debt to fund acquisitions, inability to refinance debt and/or material increase in costs associated with debt funding may negatively impact on financial performance. Decrease in property valuations may impact on financing covenants.	The availability of capital for acquisitions and refinancing is managed by: a conservative gearing policy; diversification of funding sources eg bank debt, corporate note program; maintain and build new equity relationships; development of key banking relationships; staggered debt maturities across multiple years; and actively managed debt maturities to ensure debt maturities can be funded. Interest rate exposures are managed via the Group's hedging policy and strategy. Risk of breaching financing covenants is managed via forecasting of compliance with covenants including scenario testing for expected changes in key covenant inputs. Debt markets are also monitored including for current debt pricing and availability.
Poor performing acquisitions	Acquisitions to grow the portfolio do not fit with core strategy and/or are not value accretive.	A highly experienced management team ensures that acquisitions of new retail centres fit with the core business strategy and are value accretive. The Board's Investment Committee oversees the rigorous due diligence and valuation process which is undertaken for each proposed acquisition. All acquisitions are approved by the Board.

8. Business strategies and prospects for future financial years

The Group's core strategy is to invest in, manage, and develop, a geographically diverse portfolio of quality neighbourhood and sub-regional retail assets, anchored by long-term leases to quality tenants with a strong bias towards the non-discretionary retail sector.

The Group is focused on achieving growing and resilient cash flows from non-discretionary and defensive retailing sectors. This is to support, secure and grow distributions to the Group's securitiesholders. It intends to achieve this by:

- Maximising the net operating income from its existing properties. This will include increasing the average rent per square metre from specialty tenants over time.
- Pursuing selected property refurbishment, development and acquisition opportunities, consistent with its core strategy.
- Diversifying and developing other sustainable income streams such as from funds management. (The second managed fund (SURF 2) commenced on 2 June 2017.)
- Maintaining an appropriate capital structure to balance cost of capital and risk profile.

It is noted that property valuation changes, movements in the fair value of derivative financial instruments and in foreign exchange, availability of funding and changes in interest rates may have a material impact on the Group's results in future years, however, these cannot be reliably measured at the date of this report.

9. Environmental regulations

The Directors of the Responsible Entity are satisfied that adequate systems are in place for the management of the Group's environmental responsibility and compliance with various licence requirements and regulations. Further, the Directors of the Responsible Entity are not aware of any material breaches to these requirements and, to the best of their knowledge, all activities have been undertaken in compliance with environmental requirements.

10. Indemnification and insurance of Directors, Officers and Auditor

The Trusts have paid premiums for Directors' and Officers' liability insurance in respect of all Directors, Secretaries and Officers. In accordance with usual commercial practice, the insurance contract prohibits disclosure of details relating to the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premiums paid under the policy.

The Trusts' constitutions provide that in addition to any indemnity under any law, but subject to the Corporations Act 2001, the Responsible Entity has a right of indemnity out of the assets of the Trusts on a full indemnity basis in respect of any liability incurred by the Responsible Entity in properly performing any of its powers or duties in relation to the Trusts.

The auditor of the Group is not indemnified out of the assets of the Group.

11. Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 68.

12. Audit and non-audit fees

Details of the amounts paid or payable to the auditor (Deloitte Touche Tohmatsu) for audit and non-audit services provided are detailed in note 30 of the Financial Reports.

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

The Directors are of the opinion that the services disclosed in note 30 of the Financial Report do not compromise the external auditor's independence, based on the following reasons:

- All non-audit services have been reviewed and appropriately approved to ensure that they do not impact the integrity and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional & Ethics Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as advocate for the Group or jointly sharing risks and rewards.

13. Subsequent events

Since the end of the period, the Directors of the Responsibility Entity are not aware of any matter or circumstance not otherwise dealt with in this report or the consolidated financial statements that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

14. Rounding of amounts

In accordance with Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the rounding off of amounts in the financial statements, amounts in the financial statements have been rounded to the nearest hundred thousand dollars in accordance with that Legislative Instrument, unless otherwise indicated.

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

Chair
Sydney
7 August 2017

Deloitte.

Deloitte Touche Tohmatsu
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7 August 2017

The Board of Directors
Shopping Centres Australasia Property Group RE Limited as Responsible Entity for
Shopping Centres Australasia Property Management Trust and
Shopping Centres Australasia Property Retail Trust
Level 5, 50 Pitt Street
Sydney NSW 2000

Dear Directors

Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Shopping Centres Australasia Property Group RE Limited as Responsible Entity for Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust.

As lead audit partner for the audit of the financial statements of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust for the year ended 30 June 2017, 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 sincerely

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

AG Collinson
Partner
Chartered Accountants

Consolidated Statements of Profit or Loss

For the year ended 30 June 2017

	Notes	SCA Property Group 30 Jun 2017 $m	SCA Property Group 30 Jun 2016 $m	Retail Trust 30 Jun 2017 $m	Retail Trust 30 Jun 2016 $m
Continuing operations					
Revenue					
Rental income		**194.0**	180.7	**194.0**	180.7
Other income		**3.4**	-	**3.4**	-
Fund management revenue		**1.3**	1.2	**-**	-
Insurance income	5	**7.1**	5.0	**7.1**	5.0
Distribution income	29	**5.6**	-	**5.6**	-
		211.4	186.9	**210.1**	185.7
Expenses					
Property expenses		**(61.7)**	(56.0)	**(61.7)**	(56.0)
Corporate costs		**(12.0)**	(9.9)	**(11.5)**	(9.6)
		137.7	121.0	**136.9**	120.1
Unrealised gain/(loss) including change in fair value through profit or loss					
- Investment properties	10	**211.6**	26.9	**211.6**	26.9
- Derivatives		**(24.4)**	31.2	**(24.4)**	31.2
- Foreign exchange		**6.6**	(7.5)	**6.6**	(7.5)
- Share of net profit from associate	27	**1.3**	0.6	**1.3**	0.6
Realised Gain - Foreign Exchange		**17.0**	-	**17.0**	-
Transaction costs		**-**	(0.1)	**-**	(0.1)
Earnings before interest and tax (EBIT)		**349.8**	172.1	**349.0**	171.2
Interest income		**0.3**	0.2	**0.3**	0.2
Finance costs	6	**(28.6)**	(22.7)	**(28.6)**	(22.7)
Net profit before tax		**321.5**	149.6	**320.7**	148.7
Tax	7	**(0.6)**	(0.4)	**-**	-
Net profit after tax from continuing operations		**320.9**	149.2	**320.7**	148.7
Discontinued operations					
Net profit after tax from discontinued operation	8	**(1.3)**	35.5	**(1.3)**	35.5
Net profit after tax		**319.6**	**184.7**	**319.4**	184.2
Net profit after tax attributable to security holders of:					
SCA Property Management Trust		**0.2**	0.5		
SCA Property Retail Trust (non-controlling interest)		**319.4**	184.2		
		319.6	184.7		
Distributions per stapled security (cents)					
Distributions per unit	3	**13.1**	12.2	**13.1**	12.2
Basic earnings per stapled security (cents)	4				
Continuing operations		**43.5**	20.5	**43.5**	20.4
Discontinued operation		**(0.2)**	4.9	**(0.2)**	4.9
Continuing and discontinuing		**43.3**	25.4	**43.3**	25.3
Diluted earnings per stapled security (cents)	4				
Continuing operations		**43.3**	20.4	**43.3**	20.3
Discontinued operation		**(0.2)**	4.9	**(0.2)**	4.9
Continuing and discontinuing		**43.2**	25.3	**43.1**	25.2
Basic earnings per security (cents)	4				
SCA Property Management Trust		**-**	0.1		
Diluted earnings per unit of (cents)	4				
SCA Property Management Trust		**-**	0.1		

Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

	Notes	SCA Property Group		Retail Trust	
		30 Jun 2017	30 Jun 2016	**30 Jun 2017**	30 Jun 2016
		$m	$m	**$m**	$m
Net profit after tax for the year		**319.6**	184.7	**319.4**	184.2
Other comprehensive income					
Items that may be classified subsequently to profit or loss					
Movement in foreign currency translation reserves:					
Net exchange differences on translation of foreign operations up to date of disposal		**1.7**	11.5	**1.7**	11.5
Reclassification of foreign currency translation reserve		**(17.0)**	-	**(17.0)**	-
Movement on revaluation of Investment - available for sale	14	**(2.8)**	-	**(2.8)**	-
Total comprehensive income		**301.5**	196.2	**301.3**	195.7
Total comprehensive income for the period attributable to unitholders of:					
SCA Property Management Trust		**0.2**	0.5		
SCA Property Retail Trust (non-controlling interest)		**301.3**	195.7		
Total comprehensive income		**301.5**	196.2		

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

Consolidated Balance Sheets

As at 30 June 2017

		SCA Property Group		Retail Trust	
	Notes	**30 Jun 2017**	30 Jun 2016	**30 Jun 2017**	30 Jun 2016
		$m	$m	**$m**	$m
Current assets					
Cash and cash equivalents	28	**3.6**	3.8	**2.0**	2.4
Receivables	9	**22.4**	13.3	**21.4**	13.2
Derivative financial instruments	25	**0.3**	3.3	**0.3**	3.3
Other assets	26	**1.5**	5.7	**1.5**	5.5
		27.8	26.1	**25.2**	24.4
Assets of disposal group held for sale	8	**-**	254.0	**-**	254.0
Total current assets		**27.8**	280.1	**25.2**	278.4
Non-current assets					
Investment properties	10	**2,364.6**	1,888.0	**2,364.6**	1,888.0
Derivative financial instruments	25	**56.5**	82.5	**56.5**	82.5
Investment in associates	27	**17.2**	8.1	**17.2**	8.1
Investment - available for sale	29	**81.0**	-	**81.0**	-
Total non-current assets		**2,519.3**	1,978.6	**2,519.3**	1,978.6
Total assets		**2,547.1**	2,258.7	**2,544.5**	2,257.0
Current liabilities					
Payables	11	**43.4**	23.0	**50.0**	29.2
Distribution payable	3	**49.8**	45.5	**49.8**	45.5
Derivative financial instruments	25	**0.1**	1.2	**0.1**	1.2
Provisions		**2.4**	1.5	**-**	-
Liabilities of disposal group held for sale	8	**-**	140.2	**-**	140.2
Total current liabilities		**95.7**	211.4	**99.9**	216.1
Non-current liabilities					
Derivative financial instruments	25	**-**	3.5	**-**	3.5
Interest bearing liabilities	12	**817.4**	634.7	**817.4**	634.7
Provisions		**0.3**	0.2	**-**	-
Total non-current liabilities		**817.7**	638.4	**817.4**	638.2
Total liabilities		**913.4**	849.8	**917.3**	854.3
Net assets		**1,633.7**	1,408.9	**1,627.2**	1,402.7
Equity					
Contributed Equity	13	**7.5**	7.4	**1,235.3**	1,216.6
Reserves	14	**-**	-	**0.2**	17.0
Accumulated profit/(loss)	15	**(1.0)**	(1.2)	**391.7**	169.1
Non-controlling interest		**1,627.2**	1,402.7	**-**	-
Total Equity		**1,633.7**	1,408.9	**1,627.2**	1,402.7

The above Consolidated Balance Sheets should be read in conjunction with the accompanying notes.

		SCA Property Group				
		Contributed equity[1]	Accumulated profit/(loss)	Attributable to owners of parent	Non-controlling interests	Total
	Notes	$m	$m	$m	$m	$m
Balance at 1 July 2016		**7.4**	**(1.2)**	**6.2**	**1,402.7**	**1,408.9**
Net profit after tax		**-**	**0.2**	**0.2**	**319.4**	**319.6**
Other comprehensive income for the period, net of tax		**-**	**-**	**-**	**(18.1)**	**(18.1)**
Total comprehensive income		**-**	**0.2**	**0.2**	**301.3**	**301.5**
Transactions with unitholders in their capacity as equity holders:						
Employee share based payments	14	**-**	**-**	**-**	**1.3**	**1.3**
Equity issued	13	**0.1**	**-**	**0.1**	**18.7**	**18.8**
Distributions paid and payable	3	**-**	**-**	**-**	**(96.8)**	**(96.8)**
		0.1	**-**	**0.1**	**(76.8)**	**(76.7)**
Balance at 30 June 2017		**7.5**	**(1.0)**	**6.5**	**1,627.2**	**1,633.7**
Balance at 1 July 2015		7.3	(1.7)	5.6	1,271.2	1,276.8
Net profit after tax for the period		-	0.5	0.5	184.2	184.7
Other comprehensive income for the period, net of tax		-	-	-	11.5	11.5
Total comprehensive income for the period		-	0.5	0.5	195.7	196.2
Transactions with unitholders in their capacity as equity holders:						
Employee share based payments	14	-	-	-	0.7	0.7
Equity issued	13	0.1	-	0.1	24.2	24.3
Distributions payable	3	-	-	-	(89.0)	(89.0)
		0.1	-	0.1	(64.1)	(64.0)
Balance at 30 June 2016		7.4	(1.2)	6.2	1,402.7	1,408.9

		Retail Trust					
		Contributed equity[1]	Reserves			Accumulated profit/(loss)	Total
			Availble for sale	Foreign currency	Share based		
	Notes	$m	$m	$m	$m	$m	$m
Balance at 1 July 2016		**1,216.6**	**-**	**15.3**	**1.7**	**169.1**	**1,402.7**
Net profit after tax		**-**	**-**	**-**	**-**	**319.4**	**319.4**
Other comprehensive income for the period, net of tax		**-**	**(2.8)**	**(15.3)**	**-**	**-**	**(18.1)**
Total comprehensive income/ (loss)		**-**	**(2.8)**	**(15.3)**	**-**	**319.4**	**301.3**
Transactions with unitholders in their capacity as equity holders:							
Employee share based payments	14	**-**	**-**	**-**	**1.3**	**-**	**1.3**
Equity issued	13	**18.7**	**-**	**-**	**-**	**-**	**18.7**
Distributions paid and payable	3	-	-	-	-	**(96.8)**	**(96.8)**
		18.7	**-**	**-**	**1.3**	**(96.8)**	**(76.8)**
Balance at 30 June 2017		**1,235.3**	**(2.8)**	**-**	**3.0**	**391.7**	**1,627.2**
Balance at 1 July 2015		1,192.4	-	3.8	1.1	73.9	1,271.2
Net profit/ (loss) after tax for the period		-	-	-	-	184.2	184.2
Other comprehensive income for the period, net of tax		-	-	11.5	-	-	11.5
Total comprehensive income/ (loss) for the period		-	-	11.5	-	184.2	195.7
Transactions with unitholders in their capacity as equity holders:							
Employee share based payments	14	-	-	-	0.6	-	0.6
Equity issued	13	24.2	-	-	-	-	24.2
Distributions payable	3	-	-	-	-	(89.0)	(89.0)
		24.2	-	-	0.6	(89.0)	(64.2)
Balance at 30 June 2016		1,216.6	-	15.3	1.7	169.1	1,402.7

[1] Contributed equity is net of equity raising costs

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

Continuing and discontinued operation	Notes	SCA Property Group 30 Jun 2017 $m	SCA Property Group 30 Jun 2016 $m	Retail Trust 30 Jun 2017 $m	Retail Trust 30 Jun 2016 $m
Cash flows from operating activities					
Property and other income received (inclusive of GST)		**222.9**	215.7	**221.6**	214.4
Insurance proceeds		**7.1**	5.0	**7.1**	5.0
Property expenses paid (inclusive of GST)		**(64.5)**	(60.0)	**(64.5)**	(60.0)
Corporate costs paid (inclusive of GST)		**(11.8)**	(12.8)	**(10.8)**	(11.4)
Interest received		**0.3**	0.2	**0.3**	0.2
Finance costs paid		**(28.7)**	(29.8)	**(28.7)**	(29.8)
Transaction costs paid		**-**	(0.1)	**-**	(0.1)
Taxes paid including GST		**(12.9)**	(15.9)	**(12.7)**	(15.7)
Net cash flow from operating activities	16	**112.4**	102.3	**112.3**	102.6
Cash flows from investing activities					
Payments for investment properties purchased and capital expenditure		**(314.4)**	(172.3)	**(314.4)**	(172.3)
Net proceeds from investment properties sold		**311.0**	60.9	**311.0**	60.9
Payments for other assets		**(83.8)**	-	**(83.8)**	-
Distribution received from associate		**0.6**	0.3	**0.6**	0.3
Investments in associates		**(8.5)**	(8.0)	**(8.5)**	(8.0)
Distribution received from available for sale investment		**2.8**	-	**2.8**	
Net cash flow from investing activities		**(92.3)**	(119.1)	**(92.3)**	(119.1)
Cash flow from financing activities					
Proceeds from equity raising		**18.8**	24.3	**18.7**	24.2
Net proceeds from borrowings		**583.2**	93.2	**583.2**	93.2
Repayment of borrowings		**(530.1)**	(15.0)	**(530.1)**	(15.0)
Distributions paid		**(92.5)**	(85.3)	**(92.5)**	(85.3)
Net cash flow from financing activities		**(20.6)**	17.2	**(20.7)**	17.1
Net (decrease) / increase in cash and cash equivalents held		**(0.5)**	0.4	**(0.7)**	0.6
Cash and cash equivalents at the beginning of the year		**4.1**	3.7	**2.7**	2.1
Cash and cash equivalents at the end of the year		**3.6**	4.1	**2.0**	2.7

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

1. Corporate information

Shopping Centres Australasia Property Group (the Group) comprises the stapling of the units in two Australian managed investment schemes, Shopping Centres Australasia Property Management Trust (Management Trust) (ARSN 160 612 626) and Shopping Centres Australasia Property Retail Trust (Retail Trust) (ARSN 160 612 788) (collectively the Trusts).

The Responsible Entity of both Trusts is Shopping Centres Australasia Property Group RE Limited (ABN 47 158 809 851; AFSL 426603) (Responsible Entity).

The Financial Statements of the Group comprise the consolidated Financial Statements of the Management Trust and its controlled entities including the Retail Trust and its controlled entities. The Financial Statements of the Retail Trust comprise the consolidated Financial Statements of the Retail Trust and its controlled entities. The Directors of the Responsible Entity have authorised the Financial Report for issue on 7 August 2017.

2. Significant accounting policies

(a) Basis of preparation

In accordance with AASB 3 Business Combinations, the stapling arrangement discussed above is regarded as a business combination and Shopping Centres Australasia Management Trust has been identified as the Parent for preparing consolidated Financial Statements.

These Financial Statements are combined financial statements and accompanying notes of both Shopping Centres Australasia Property Group and the Shopping Centres Australasia Property Retail Trust Group. The Financial Statements have been presented in Australian dollars unless otherwise stated.

Historical cost convention

The Financial Statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at fair value.

Going concern

These consolidated financial statements are prepared on the going concern basis. In preparing these consolidated financial statements the Directors note that the Group and Retail Trust are in a net current asset deficiency position, due to minimal cash and cash equivalents, as it is the policy of the Group and Retail Trust to use surplus cash to repay debt. At 30 June 2017 the Group and Retail Trust have the ability to drawdown sufficient funds to pay the current liabilities and the capital commitments (refer note 18), having available cash and non-current undrawn debt facilities of $264.6 million.

Rounding

In accordance with Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the rounding off of amounts in the financial statements, amounts in the financial statements have been rounded to the nearest hundred thousand dollars in accordance with that Legislative Instrument, unless otherwise indicated.

i. Statement of compliance

The Financial Report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (the Board or AASB) and the Corporations Act 2001.

The Financial Report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

For the purposes of preparing the financial statements, the Group is a for-profit entity. The Financial Report has been presented in Australian dollars unless otherwise stated.

ii. New and amended accounting standards and interpretations

In the current year, the Group has applied amendments to AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2016, and therefore relevant for the current year end. These amendments are below. The application of these amendments does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

AASB 2015-3 ‘Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality’	The amendment completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn.

Application of new and revised Accounting Standards not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below. The Group does not intend to adopt any of these announcements before their effective dates.

Standard/Interpretation and nature of the change and impact	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments' (and the relevant amending standards) (AASB 9): The standard introduces a number of new and revised classifications of financial assets and liabilities compared to *AASB 139 'Financial Instruments: Recognition and Measurement'* and addresses the classification, measurement and de recognition of these financial assets and financial liabilities. *AASB 9* introduces new rules for hedge accounting and a new methodology for measurement of impairment of financial assets including accounting for expected credit loss. The Group does not apply hedge accounting, recognises financial assets and liabilities to which AASB 9 will apply at amortised cost under AASB 139, derivatives at fair value through profit or Loss, and investments - available for sale at fair value through Other Comprehensive Income. The Group has commenced an assessment of the impact of this change on the recognition and measurement of financial assets and liabilities and related disclosures in the financial statements. At the date of this report this assessment is not complete.	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective date of AASB 15' (AASB 15): AASB 15 will replace *AASB 118 'Revenue'* which covers revenue arising from the sale of goods and the rendering of services and *AASB 111 'Construction Contracts'* which covers construction contracts. The new standard introduces a five-step model to determine when and how much revenue should be recognised. The standard permits either a full retrospective or a modified retrospective approach for the adoption. The Group has commenced an assessment of the impact of this change on the recognition and measurement of revenues of the Group and related disclosures in the financial statements. At the date of this report this assessment is not yet complete. The preliminary assessment of the existing contractual arrangements that deal with revenue indicate that the changes from the new standard are not expected to have a material impact on the Group.	1 January 2018	30 June 2019
AASB 16 'Leases' (AASB 16): AASB 16 introduces new requirements in relation to lease classification and recognition, measurement and presentation and disclosures of leases for lessees and lessors. For lessees a (right-of-use) asset and a lease liability will be recognised on the balance sheet in respect of all leases subject to limited exceptions. The accounting for lessors will not significantly change. Given that the Group is not a party to any significant lease agreements (as lessee), and on the basis that this remains the same, the new standard is not expected to have a material impact on the recognition and measurement of lease-related revenues, assets or liabilities.	1 January 2019	30 June 2020

At the date of report, there are no pronouncements approved by the IASB/IFRIC that have yet to be issued by the AASB.

(b) Basis of consolidation

The consolidated Financial Statements of Shopping Centres Australasia Property Group incorporate the assets and liabilities of Shopping Centres Australasia Property Management Trust (the Parent) and all of its subsidiaries, including Shopping Centres Australasia Property Retail Trust and its subsidiaries. Shopping Centres Australasia Property Management Trust has been identified as the parent entity in relation to the stapling. The results and equity of Shopping Centres Australasia Property Retail Trust (which is not directly owned by Shopping Centres Australasia Property Management Trust) have been treated and disclosed as a non-controlling interest. Whilst the results and equity of Shopping Centres Australasia Property Retail Trust are disclosed as a non-controlling interest, the unit holders of Shopping Centres Australasia Management Trust are the same as the unit holders of Shopping Centres Australasia Property Retail Trust.

These Financial Statements also include a separate column representing the Financial Statements of Shopping Centres Australasia Property Retail Trust, incorporating the assets and liabilities of Shopping Centres Australasia Property Retail Trust and all of its subsidiaries.

Subsidiaries are all entities over which the Group has control. Control is defined as having rights to variable returns from involvement in the investee and having the ability to affect those returns through its power over the investee.

Where an entity began or ceased to be a controlled entity during the reporting year, the assets, liabilities and results are consolidated only from the date control commenced or up to the date control ceased.

In preparing the consolidated Financial Statements, all intra-group transactions and balances, including unrealised profits arising thereon, have been eliminated in full.

Investments in associates

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for in the consolidated balance sheet by using the equity method of accounting after initially being recognised at cost. Under the equity accounted method, the Group's share of the associates' post acquisition net profit after income tax expense is recognised in the consolidated statement of comprehensive income. Distributions received or receivable from associates are recognised in the consolidated financial report as a reduction of the carrying amount of the investment.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured. Rental income from investment properties is accounted for on a straight line basis over the lease term. Contingent rental income is recognised as income in the period in which it is earned. If not received at balance sheet date, revenue is reflected in the balance sheet as receivable and carried at its recoverable value. Recoveries from tenants are recognised as income in the year the applicable costs are accrued.

Certain tenant allowances that are classified as lease incentives are recorded as part of investment properties and amortised over the term of the lease. The amortisation is recorded against property income.

Where revenue is obtained from the sale of properties, it is recognised when the significant risks and rewards have transferred to the buyer. For conditional exchanges, sales are recognised when the conditions are satisfied.

All other revenues are recognised on an accruals basis.

(d) Finance costs

Finance costs include interest payable on bank overdrafts and short-term and long-term borrowings, payments on derivatives and amortisation of ancillary costs incurred in connection with arrangement of borrowings.

Finance costs are expensed as incurred except to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset. Qualifying assets are assets that necessarily take a substantial period of time to reach the stage of their intended use or sale.

In these circumstances, borrowing costs are capitalised to the cost of the assets until the assets are ready for their intended use or sale. Total interest capitalised within the Group must not exceed the net interest expense of the Group in any year, and project values, including all capitalised interest attributable to projects, must continue to be recoverable. In the event that development is suspended for an extended period of time, the capitalisation of borrowing costs is also suspended.

(e) Taxation

The Group comprises taxable and non-taxable entities. A liability for current and deferred taxation is only recognised in respect of taxable entities that are subject to income tax and potential capital gains tax as detailed below.

The Retail Trust is the property owning trust and is treated as a trust for Australian tax purposes. Under current Australian income tax legislation, the Retail Trust is not liable to Australian income tax, including capital gains tax, provided that members are presently entitled to the income of the Trust as determined in accordance with the Trust's constitution. The Retail Trust's New Zealand entities are subject to New Zealand tax on their earnings. Distributions paid by the New Zealand entity to the Retail Trust will not be subject to New Zealand withholding tax (or if there is any reduction in Australian receipts because of any withholding tax it will be reimbursed by way of a supplementary dividend) to the extent the distributions are paid out of earnings that have been subject to New Zealand tax.

Management Trust is treated as a company for Australian tax purposes.

Deferred tax is provided on all temporary differences on the difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

(f) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST (or equivalent tax in overseas locations) except where the GST incurred on purchases of goods and services is not recoverable from the tax authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amounts of GST included. The net amount of GST receivable 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.

(g) Discontinued operation and disposal group held for sale

The Group has classified the New Zealand business as a discontinued operation. A discontinued operation represents a separate major line of business, or geographical area of operations, which is a component of the entity that has been disposed of or is classified as held for sale. The New Zealand business was disposed of during the year. The results of the discontinued operation are presented separately on the face of the Income Statement.

(h) Foreign currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars. Australian dollars is the presentation currency for the consolidated financial statements.

Foreign currency transactions are converted to Australian dollars at the prevailing exchange rates at the date of those transactions. Amounts payable and receivable in foreign currency at balance sheet date are translated to Australian dollars at the prevailing exchange rates at that date. Exchange differences arising from amounts receivable and payable are recognised in profit and loss in the period in which they arise, except as noted below.

The balance sheets of foreign subsidiaries are translated at the prevailing exchange rates at balance sheet date and the income statement of foreign subsidiaries are translated at average exchange rates for the period. Exchange differences arising on translation of the interest in foreign operations are taken directly to the foreign currency translation reserve. On consolidation, exchange differences and the related tax effect on foreign currency loans denominated in foreign currency, which hedge net investments in foreign operations and equity accounted entities, are taken directly to the foreign currency translation reserve.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short term deposits with an original maturity of 90 days or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Trade and other receivables

Trade and other receivables are carried at original invoice amount, less provision for doubtful debts, and are usually due within 30 days. Collectability of trade and other receivables is reviewed on an ongoing basis. Individual debts that are determined to be uncollectable are written off when identified. An impairment provision for doubtful debts is recognised when there is evidence that the Group will not be able to collect the receivables.

(k) Investment properties

Investment properties comprise investment interest in land and buildings (including integral plant and equipment) held for the purpose of letting to produce rental income, including properties that are under construction for future use as investment properties.

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition, the investment properties are stated at fair value. Fair value of investment properties is the price at which the property could be exchanged between knowledgeable, willing parties in an arm’s length transaction. A “willing seller” is neither a forced seller nor one prepared to sell at a price not considered reasonable in the current market. The best evidence of fair value is given by current prices in an active market suitable for similar property in the same location and condition. Gains and losses arising from changes in the fair values of investment properties are recognised in profit and loss in the period in which they arise.

At each reporting date, the carrying values of the investment properties are assessed by the Directors and where the carrying value differs from the Directors’ assessment of fair value, an adjustment to the carrying value is recorded as appropriate.

The Directors’ assessment of fair value of each investment property takes into account latest independent valuations, with updates taking into account any changes in estimated yield, underlying income and valuations of comparable properties. In determining the fair value, the capitalisation of net income method and / or the discounting of future net cash flows to their present value have been used, which are based upon assumptions and judgements in relation to future rental income, property capitalisation rate or estimated yield and make reference to market evidence of transaction prices for similar properties.

Investment properties under development are classified as investment property and stated at fair value at each reporting date. Fair value is assessed with reference to reliable estimates of future cash flows, status of the development and the associated risk profile.

Land and buildings are considered as having the function of an investment and therefore are regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than by the reduction in value of the building content due to the passing of time. Accordingly, the buildings and all components thereof, including integral plant and equipment for the building, are not depreciated.

Incentives such as cash, rent-free periods, lessee or lessor owned fit outs may be provided to lessees to enter into an operating lease. Leasing fees may also be paid for the negotiation of leases. These incentives and lease fees are capitalised to the investment property and are amortised on a straight-line basis over the lesser of the term of the lease and the useful life of the fit out, as a reduction of rental income. The carrying amounts of the lease incentives and leasing fees are reflected in the fair value of investment properties.

(l) Recoverable amount of assets

At each reporting date, an assessment is made as to whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the recoverable amount is estimated and if the carrying amount of that asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(m) Payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted.

Distribution

Distributions payable are recognised in the reporting period in which they are declared, determined or publicly recommended by the Directors. Where such distributions have not been paid at reporting date they are recognised as a distribution payable.

All distributions will be paid out of retained earnings / accumulated losses, whether they are capital or income in nature from a tax perspective.

(n) Provisions

A provision is recognised when a present legal or constructive obligation exists as a result of a past event and it is probable that a future sacrifice of economic benefit will be required to settle the obligation, the timing or amount of which is uncertain.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

(o) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Equity based compensation arrangements

Equity based payments to employees are measured at the fair value of the equity instrument at the grant date. The fair value determined at the grant date is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest and adjusts for non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

(p) Interest bearing liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are deferred and expensed over the term of the respective agreement.

(q) Derivative and other financial instruments

The Group holds derivative financial instruments to hedge foreign currency and interest rate risk exposures arising from operational, financing and investing activities.

The Group has set defined policies and has implemented a comprehensive hedging program to manage interest and exchange rate risk. Derivative financial instruments are transacted to achieve the economic outcomes in line with the Group's treasury policy. Derivative instruments are not transacted for speculative purposes. Derivative financial instruments are recognised initially at cost and remeasured at fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group does not designate any derivative financial instrument as hedging instruments.

Where applicable, the fair value of currency and interest rate options and cross currency interest rate swaps are calculated by reference to relevant market rates for contracts with similar maturity profiles. The fair value of interest rate swaps are determined by reference to applicable market yield curves and include counterparty risk.

Changes in fair value of derivatives is recognised in the profit and loss.

(r) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received. Any transaction costs arising on the issue of ordinary units are recognised in equity as a reduction of the proceeds received.

(s) Earnings per security

Basic earnings per unit or stapled unit (or security) is calculated as profit after tax attributable to unit or security holders divided by the weighted average number of ordinary units or securities issued.

Diluted earnings per unit or security is calculated as profit after tax attributable to security holders divided by the weighted average number of ordinary securities and dilutive potential ordinary securities.

(t) Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes. The segments are reported in a manner that is consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors of the Responsible Entity.

(u) Investment – Available for sale

Investment Available-for-sale assets are initially measured at cost at date of acquisition, which include transaction costs, and subsequent to initial recognition, they are carried at fair value. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains and losses from the sale or impairment of investment securities.

(v) Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgements and estimates used in the preparation of these financial statements are outlined below.

Judgement – Classification and carrying value of investments

The SCA Property Group controls an entity when the Group 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 over the entity. Critical judgements are made in assessing whether an investee entity is controlled or subject to significant influence or joint control. These judgements include an assessment of the nature, extent and financial effects of the Group's interest in joint arrangements and associates, including the nature and effects of its contractual relationship with the entity or with other investors. Associates are entities over which the Group has significant influence but not control.

Judgement - Selection of parent entity

In determining the parent entity of the Shopping Centre Australasia Property Group, the Directors considered various factors including asset ownership, debt obligation, management and day to day responsibilities. The Directors concluded that management activities were more relevant in determining the parent.

Shopping Centres Australasia Property Management Trust has been determined as the parent of the Shopping Centres Australasia Property Group.

Estimate - Valuation of property investments

Critical judgements are made by the Directors in respect of the fair value of investment properties including properties under construction and those that are classified as assets held for sale. The fair value of these investments are reviewed regularly by management with reference to independent property valuations, recent transactions and market conditions existing at reporting date, using generally accepted market practices.

The major critical assumptions underlying estimates of fair values are those relating to the capitalisation rate and to a lesser extent the discount rate. Other assumptions of lesser importance include net passing rent, gross market rent, net market rent, average market rental growth, and terminal yield. If there is any change in these assumptions or economic conditions, the fair value of the investment properties may differ. See further disclosure regarding assumptions used in valuation of investment properties in note 10.

Estimate - Valuation of financial instruments

The fair value of derivatives assets and liabilities are based on assumptions of future events and involve significant estimates. The basis of valuation for the Group's derivatives are set out in note 25. The value of derivatives may differ in future reporting periods due to the passing of time and / or changes in market rates including interest rates, foreign exchange rates and market volatility.

Estimate – Valuation of investment – available for sale

In the case of quoted traded listed equity securities classified as available for sale, the fair values are based on the closing price. A significant or prolonged decline in fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for investment available-for-sale assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in profit or loss.

3. Distributions paid and payable

	Cents per unit	Total amount $m	Date of payment or expected date of payment
2017 SCA Property Group & Retail Trust			
Interim distribution[1]	**6.4**	**47.0**	30 January 2017
Final distribution[2]	**6.7**	**49.8**	31 August 2017
	13.1	**96.8**	
2016 SCA Property Group & Retail Trust			
Interim distribution	6.0	43.5	29 January 2016
Final distribution	6.2	45.5	31 August 2016
	12.2	89.0	

[1] The interim distribution of 6.4 cents per security was declared on 14 December 2016 and was paid on 30 January 2017.

[2] The 2017 final distribution of 6.7 cents per security was declared on 16 June 2017 and is expected to be paid on or about 31 August 2017. The tax components will be advised on or about that time.

The Management Trust has not declared or paid any distributions. The Group has a Distribution Reinvestment Plan (DRP) in place. The DRP was in place for the distribution declared in December 2016 (paid in January 2017) and for the distribution declared in June 2017 (expected to be paid on or about 31 August 2017).

Under the DRP Plan Rules the DRP issue price was determined at a discount of 1.0% to the arithmetic average of the daily volume weighted average market price of security traded on the ASX during the 10 business days commencing on the business day after the record date. The equity raised through the DRP on 30 January 2017 was $18.8 million by the issue of 8,616,851 securities at a price of $2.18.

4. Earnings per security

	SCA Property Group		Retail Trust		Management Trust	
	30 Jun 2017	30 Jun 2016	**30 Jun 2017**	30 Jun 2016	**30 Jun 2017**	30 Jun 2016
Per stapled unit (security) or unit						
Profit from continuing operations	**320.9**	149.2	**320.7**	148.7	**0.2**	0.5
Profit from discontinued operation	**(1.3)**	35.5	**(1.3)**	35.5	**-**	-
Net profit after tax for the period ($ million)	**319.6**	184.7	**319.4**	184.2	**0.2**	0.5
Weighted average number of securities or units used as the denominator in calculating basic earnings per security below	**737,609,884**	727,933,192	**737,609,884**	727,933,192	**737,609,884**	727,933,192
Basic earnings per security or unit for net profit after tax (cents per unit)						
Continuing operations	**43.5**	20.5	**43.5**	20.4	**-**	0.1
Discontinued operation	**(0.2)**	4.9	**(0.2)**	4.9	**-**	-
Continuing and discontinued earnings per security	**43.3**	25.4	**43.3**	25.3	**-**	0.1
Weighted average number of securities or units used as the denominator in calculating diluted earnings per security below	**740,245,731**	730,769,785	**740,245,731**	730,769,785	**740,245,731**	730,769,785
Diluted earnings per securitiy or unit for net profit after tax (cents)						
Continuing operations	**43.3**	20.4	**43.3**	20.3	**-**	0.1
Discontinued operation	**(0.2)**	4.9	**(0.2)**	4.9	**-**	-
Continuing and discontinued earnings per security or unit	**43.2**	25.3	**43.1**	25.2	**-**	0.1

5. Insurance income

	SCA Property Group		Retail Trust	
	30 Jun 2017	30 Jun 2016	**30 Jun 2017**	30 Jun 2016
	$m	$m	**$m**	$m
Insurance income	**7.1**	5.0	**7.1**	5.0

In March 2016 the Whitsunday shopping centre was partially destroyed by fire. A total of $12.1 million has been recovered from the insurers of which $7.1 million was received in the current year (30 June 2016: $5.0 million).

6. Finance costs

	SCA Property Group & Retail Trust	
	30 Jun 2017	30 Jun 2016
	$m	$m
Interest expense	**25.6**	22.7
Swap termination	**3.0**	-
	28.6	22.7

The proceeds from the sale of the New Zealand portfolio were used to extinguish the New Zealand dollar denominated debt with the remainder used to reduce Australian dollar denominated debt. Swap termination costs relate to terminating certain fixed interest rate swaps resulting from the sale of the New Zealand portfolio.

7. Taxation

	SCA Property Group		Retail Trust	
	30 Jun 2017	30 Jun 2016	**30 Jun 2017**	30 Jun 2016
	$m	$m	**$m**	$m
Profit before income tax - continuing operations	**321.5**	149.6	**320.7**	148.7
Profit before income tax - discontinued operation	**(1.3)**	37.6	**(1.3)**	37.6
	320.2	187.2	**319.4**	186.3
Prima facie tax (expense) at 30%	**(96.1)**	(56.2)	**(95.8)**	(55.8)
Tax effect of income that is not assessable/ deductible in determining taxable profit	**95.5**	53.5	**95.8**	53.5
Tax effect of difference between Australian and foreign tax rates	**-**	0.2	**-**	0.2
	(0.6)	(2.5)	**-**	(2.1)
Tax expense is attributable to:				
Profit from continuing operations	**(0.6)**	(0.4)	**-**	-
Profit from discontinued operation	**-**	(2.1)	**-**	(2.1)
	(0.6)	(2.5)	**-**	(2.1)

8. Discontinued operation and disposal group held for sale

On 10 June 2016 the Group announced it entered into a sale contract with Stride Property Group (NZX: STR) for the sale of SCP's New Zealand properties. This sale was completed during the year ended 30 June 2017 such that there were no NZ$ assets (including NZ$ cash) or NZ$ liabilities (including NZ$ debt) at 30 June 2017. At 30 June 2016 the assets of the disposal group held for sale totalled $254.0 million (made up of $253.1 million recognised in respect of the New Zealand investment properties and $0.9 million in respect of other assets), and the liabilities of the disposal group held for sale totalled $140.2 million (made up of $135.9 million of interest bearing liabilities and $4.3 million in respect of other liabilities).

Financial performance

The financial performance of the component of the Group classified as a discontinued operation at 30 June 2017 was:

	SCA Property Group & Retail Trust	
	30 Jun 2017	30 Jun 2016
	$m	$m
Revenue	**2.9**	18.6
Other Income	**-**	0.2
Property expenses	**(0.2)**	(2.1)
NZ Management Fee	**(2.9)**	(2.0)
Fair value adjustments on investment properties	**-**	28.0
Earnings before interest and tax (EBIT)	**(0.2)**	42.7
Finance costs	**(1.1)**	(5.1)
Net profit before tax	**(1.3)**	37.6
Tax	**-**	(2.1)
Net (loss)/profit after tax from discontinued operation	**(1.3)**	35.5
Cash flows from discontinued operation		
Net cash flows from operating activities	**(1.3)**	7.5
Net cash flows from investing activities	**0.1**	0.1
Net cash flows from financing activities	**1.2**	(7.2)
Net cash flows	**-**	0.4

9. Receivables

	SCA Property Group		Retail Trust	
	30 Jun 2017	30 Jun 2016	**30 Jun 2017**	30 Jun 2016
	$m	$m	**$m**	$m
Current				
Rental receivable	**2.7**	5.4	**2.7**	5.4
Provision for doubtful debts	**(0.7)**	(0.5)	**(0.7)**	(0.5)
	2.0	4.9	**2.0**	4.9
Other receivables	**20.4**	8.4	**19.4**	8.3
Total receivables	**22.4**	13.3	**21.4**	13.2

Ageing of rental receivable[1]

	SCA Property Group		Retail Trust	
	30 Jun 2017	30 Jun 2016	**30 Jun 2017**	30 Jun 2016
	$m	$m	**$m**	$m
Current	**1.2**	2.8	**1.2**	2.8
30 days	**0.7**	1.1	**0.7**	1.1
60 days	**0.3**	0.6	**0.3**	0.6
90 days	**0.2**	0.3	**0.2**	0.3
120 days	**0.3**	0.6	**0.3**	0.6
Rental receivable	**2.7**	5.4	**2.7**	5.4

[1] Rental and other amounts due are receivable within 30 days.

There is no interest charged on any receivables. All receivables are current other than the receivables past due included in ageing above.

10. Investment properties

	SCA Property Group & Retail Trust	
	30 Jun 2017	30 Jun 2016
	$m	$m
Movement in total investment properties		
Opening balance	**1,888.0**	1,895.4
Acquisitions, and development expenditure [1]	**313.7**	164.4
Disposals [2]	**(54.9)**	-
Additions including tenant incentives, leasing fees and straight-lining of rental income net of amortisation	**6.2**	9.3
Unrealised movement recognised in Profit or Loss on property valuations	**211.6**	26.9
Discontinued Operation	**-**	
- Additions including tenant incentives, leasing fees and straight-lining of rental income net of amortisation on discontinued operation	**-**	1.5
- Unrealised movement recognised in Profit or Loss on property valuations of disposal group held for sale	**-**	28.0
- Effect of foreign currency exchange differences	**-**	15.6
- Assets classified as discontinued operation	**-**	(253.1)
Closing balance	**2,364.6**	1,888.0

[1] Development expenditure for the year ended 30 June 2017 includes capitalised interest of $0.1 million based on the capitalisation interest rate of 3.7% and on qualifying assets (30 June 2016: nil).

[2] On 2 June 2017 the Group sold Katoomba Marketplace and Mittagong Shopping Village for $55.1 million to SCA Unlisted Fund No 2 (SURF 2). The Group provided a rental guarantee of $0.2 million and the amount of $54.9 million has been recognised as the net disposal proceeds after disposal costs. $54.9 million was equal to the book value in December 2016 and the external valuation in March 2017.

Investment properties - Australia						
Property	**State**	**Property Type**	**Book value cap rate[1] 30 Jun 2017**	**Book value discount rate 30 Jun 2017**	**Book value 30 Jun 2017 $m**	**Book value 30 June 2016 $m**
Sub-Regional						
Lilydale	VIC	Sub-Regional	6.00%	7.00%	**109.0**	90.0
Pakenham	VIC	Sub-Regional	6.00%	7.00%	**89.0**	72.5
Central Highlands	QLD	Sub-Regional	7.00%	7.50%	**66.0**	61.7
Mt Gambier	SA	Sub-Regional	6.47%	7.68%	**73.3**	63.7
Murray Bridge	SA	Sub-Regional	6.75%	8.25%	**70.5**	61.0
Kwinana Marketplace	WA	Sub-Regional	n/a	n/a	**129.7**	98.0
Total Sub-Regional					**537.5**	446.9
Neighbourhood						
Belmont[2]	NSW	Neighbourhood	7.25%	8.25%	**28.5**	-
Berala	NSW	Neighbourhood	5.75%	6.75%	**24.7**	23.0
Cabarita	NSW	Neighbourhood	6.25%	7.50%	**21.8**	19.5
Cardiff	NSW	Neighbourhood	6.25%	7.00%	**24.0**	20.0
Clemton Park[2]	NSW	Neighbourhood	6.00%	7.25%	**55.5**	-
Goonellabah	NSW	Neighbourhood	6.75%	7.50%	**21.4**	19.3
Greystanes	NSW	Neighbourhood	6.00%	7.50%	**52.6**	48.0
Griffin Plaza	NSW	Neighbourhood	6.75%	7.75%	**26.0**	23.5
Lane Cove	NSW	Neighbourhood	5.75%	7.50%	**58.5**	48.5
Leura	NSW	Neighbourhood	5.75%	7.00%	**18.0**	15.1
Lismore	NSW	Neighbourhood	6.75%	7.25%	**34.6**	31.5
Macksville	NSW	Neighbourhood	6.00%	7.00%	**13.0**	11.8
Merimbula	NSW	Neighbourhood	6.50%	7.25%	**18.7**	15.7
Mittagong Village[3]	NSW	Neighbourhood	-	-	**-**	9.1
Moama Marketplace	NSW	Neighbourhood	7.00%	7.50%	**13.8**	11.6
Morisset	NSW	Neighbourhood	7.00%	7.25%	**18.8**	16.2
Muswellbrook[2]	NSW	Neighbourhood	6.75%	7.75%	**29.3**	-
Northgate	NSW	Neighbourhood	6.50%	7.25%	**16.5**	14.8
North Orange	NSW	Neighbourhood	6.50%	7.25%	**29.5**	27.0
Swansea	NSW	Neighbourhood	6.25%	6.75%	**14.5**	13.5
Ulladulla	NSW	Neighbourhood	6.50%	7.25%	**20.3**	19.0
West Dubbo	NSW	Neighbourhood	6.50%	7.25%	**16.9**	14.6
Albury	VIC	Neighbourhood	6.75%	7.00%	**22.0**	20.4
Ballarat	VIC	Neighbourhood	7.00%	6.50%	**18.4**	18.0
Cowes	VIC	Neighbourhood	6.75%	7.50%	**19.2**	17.5
Drouin	VIC	Neighbourhood	5.75%	5.25%	**14.9**	13.4
Epping North	VIC	Neighbourhood	5.50%	6.25%	**30.4**	26.0
Highett	VIC	Neighbourhood	5.50%	6.00%	**30.0**	25.0
Langwarrin	VIC	Neighbourhood	5.50%	6.50%	**25.0**	21.0
Ocean Grove	VIC	Neighbourhood	6.50%	7.00%	**35.3**	33.5
Warrnambool East	VIC	Neighbourhood	6.25%	6.75%	**14.8**	12.5
Warrnambool Target	VIC	Neighbourhood	7.75%	7.75%	**18.2**	18.6
Wonthaggi	VIC	Neighbourhood	6.75%	8.00%	**45.4**	45.4
Wyndham Vale	VIC	Neighbourhood	6.00%	7.00%	**22.6**	21.0
Annandale[2]	QLD	Neighbourhood	7.25%	8.50%	**33.5**	-
Ayr	QLD	Neighbourhood	7.00%	8.25%	**19.4**	18.0
Brookwater Village	QLD	Neighbourhood	6.25%	7.25%	**35.2**	32.0
Bushland Beach	QLD	Neighbourhood	6.75%	7.50%	**12.8**	7.1
Carrara	QLD	Neighbourhood	6.50%	7.50%	**18.1**	17.0
Chancellor Park Marketplace	QLD	Neighbourhood	6.25%	6.50%	**44.4**	38.5
Collingwood Park	QLD	Neighbourhood	6.50%	7.75%	**11.2**	10.5
Coorparoo	QLD	Neighbourhood	6.00%	7.00%	**26.0**	24.5
Gladstone	QLD	Neighbourhood	6.75%	7.00%	**27.5**	25.5
Greenbank	QLD	Neighbourhood	6.25%	7.75%	**23.7**	23.0
Jimboomba[2]	QLD	Neighbourhood	7.00%	8.00%	**27.5**	-
Lillybrook[2]	QLD	Neighbourhood	6.50%	7.50%	**26.5**	-
Mackay	QLD	Neighbourhood	7.00%	7.00%	**23.6**	23.0
Marian Town Centre	QLD	Neighbourhood	7.00%	8.00%	**33.0**	32.0
Mission Beach	QLD	Neighbourhood	6.75%	8.00%	**11.4**	10.4

Property	State	Property Type	Book value cap rate[1] 30 Jun 2017	Book value discount rate 30 Jun 2017	Book value 30 Jun 2017 $m	Book value 30 June 2016 $m
Investment properties - Australia (continued)						
Neighbourhood						
Mt Warren Park	QLD	Neighbourhood	6.25%	7.00%	**16.4**	14.7
Mudgeeraba[2]	QLD	Neighbourhood	6.00%	7.50%	**35.8**	-
The Markets	QLD	Neighbourhood	6.50%	8.25%	**33.0**	33.5
Whitsunday	QLD	Neighbourhood	7.00%	8.25%	**38.3**	33.6
Woodford	QLD	Neighbourhood	6.25%	7.00%	**12.3**	10.8
Worongary[2]	QLD	Neighbourhood	6.00%	7.00%	**46.3**	-
Blakes Crossing	SA	Neighbourhood	7.00%	7.75%	**22.1**	20.0
Walkerville	SA	Neighbourhood	6.00%	7.00%	**24.0**	20.7
Busselton	WA	Neighbourhood	6.25%	7.00%	**24.9**	22.5
Treendale	WA	Neighbourhood	6.50%	7.75%	**34.4**	30.9
Burnie	TAS	Neighbourhood	8.00%	8.00%	**21.0**	19.5
Claremont Plaza	TAS	Neighbourhood	6.78%	8.03%	**34.0**	31.2
Glenorchy Central	TAS	Neighbourhood	7.00%	7.50%	**25.8**	23.0
Greenpoint	TAS	Neighbourhood	7.50%	8.25%	**15.0**	13.5
Kingston	TAS	Neighbourhood	6.55%	8.27%	**26.6**	23.5
Meadow Mews	TAS	Neighbourhood	6.75%	8.00%	**55.0**	48.0
New Town Plaza	TAS	Neighbourhood	7.00%	7.50%	**37.0**	30.0
Prospect Vale	TAS	Neighbourhood	7.00%	8.50%	**27.7**	26.4
Riverside	TAS	Neighbourhood	7.50%	7.00%	**8.3**	7.6
Shoreline	TAS	Neighbourhood	6.50%	7.00%	**35.9**	30.5
Sorell	TAS	Neighbourhood	6.50%	7.75%	**26.4**	22.7
Total Neighbourhood					**1,827.1**	1,398.1
Freestanding						
Katoomba Marketplace[3]	NSW	Freestanding	-	-	**-**	43.0
Total Freestanding					**-**	43.0
Total investment properties Australia					**2,364.6**	1,888.0

¹ Capitalisation rate (or cap rate) is an approximation of the ratio between the net operating income produced by a property and its fair value.

² Properties acquired during the year ended 30 June 2017.

³ Properties sold during the year ended 30 June 2017 to SURF 2.

Valuation process

The aim of the valuation process is to ensure that assets are held at fair value and that the Group is compliant with applicable regulations (for example Corporations Act and ASIC regulations) and the Trusts' Constitution and Compliance Plan.

All properties are required to be internally valued every six months with the exception of those independently valued during the current reporting period. The internal valuations are performed on a basis consistent with the external valuations. This includes using appropriate capitalisation rates, terminal yields and discount rates based on comparable market evidence and recent external valuation parameters to produce a capitalisation based valuation and a discounted cash flow valuation.

The internal valuations are reviewed by management who recommends each property's valuation to the Audit, Risk Management and Compliance Committee and the Board in accordance with the Group's internal valuation protocol.

The Retail Trust's Compliance Plan requires that each property in the portfolio is valued by an independent valuer at least every three years and the independent valuer is expected to change after three years. In practice, properties may be independently valued more frequently than every three years primarily as a result of:

- A significant variation between book value and internal valuation
- A major development project
- A period where there is significant market movement
- A significant change in circumstances at the property including a significant change in the trading of the location

Independent valuations are performed by independent external valuers who hold a recognised relevant professional qualification and have specialised expertise in the types of investment properties valued.

Fair value measurement, valuation technique and inputs

The key inputs used to measure fair values of investment properties are disclosed below along with their sensitivity to an increase or decrease.

Category	Fair value hierarchy	Book value 30 June 2017 $m	Valuation technique	Key inputs used to measure fair value	Range of unobservable inputs
Completed portfolio	Level 3	2,364.6	Income capitalisation and DCF[1]	Capitalisation rate Discount rate	5.50% - 8.00% 5.25% - 8.50%
Category	**Fair value hierarchy**	**Book value 30 June 2016 $m**	**Valuation technique**	**Key inputs used to measure fair value**	**Range of unobservable inputs**
Completed portfolio	Level 3	1,888.0	Income capitalisation and DCF[1]	Capitalisation rate Discount rate	6.25% - 8.50% 7.00% - 9.25%

[1] Discounted cash flow.

The investment properties fair values presented are based on market values, which are derived using the capitalisation and the discounted cash flow methods. The Group's preferred or primary method is the capitalisation method.

Capitalisation method

Capitalisation rate (or cap rate) is an approximation of the ratio between the net operating income produced by an investment property and its fair value. The net operating income is determined considering the estimated gross passing income after adjustment for anticipated operating costs, potential future income from existing vacancies and an on-going vacancy and bad debt allowance. This produces a net income on a fully leased basis which is capitalised in perpetuity from the valuation date at an appropriate investment yield. The adopted investment yield reflects the capitalisation rate (cap rate) and includes consideration of the property type, location and tenancy profile together with market sales.

Discounted cash flows (DCF)

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 or terminal value. The DCF method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate discount rate is applied to establish the present value of the income stream associated with the real property. The discount rate is the rate of return used to convert a monetary sum, payable or receivable in the future, into a present value. The rate is determined with regards to market evidence.

Investment properties under development are classified as investment property and stated at fair value at each reporting date. Fair value is assessed with reference to reliable estimates of future cash flows, status of the development and the associated risk profile.

All property investments are categorised as level 3 in the fair value hierarchy (refer note 25(c) for additional information in relation to the fair value hierarchy). There were no transfers between hierarchies.

Sensitivity information

The key inputs to measure fair value of investment properties are disclosed below along with sensitivity to a significant increase or decrease. The following sensitivity to significant inputs applies to investment properties (refer note 2(v)).

Significant inputs	Fair value measurement sensitivity to significant increase in input	Fair value measurement sensitivity to significant decrease in input
Capitalisation rate	Decrease	Increase
Discount rate	Decrease	Increase

Sensitivity analysis

When calculating the income capitalisation approach, the net market rent has a strong interrelationship with the adopted capitalisation rate given the methodology involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value. The impact on the fair value of an increase in the net market rent could potentially offset the impact of an increase (softening) in the adopted capitalisation rate. The same can be said for a decrease in the net market rent and a decrease (tightening) in the adopted capitalisation rate. A directionally opposite change in the net market rent and the adopted capitalisation rate would magnify the impact to the fair value.

When assessing a discounted cash flow, the adopted discount rate and adopted terminal yield have a strong interrelationship in deriving a fair value given the discount rate will determine the rate at which the terminal value is discounted to the present value. The impact on the fair value of an increase (softening) in the adopted discount rate could potentially offset the impact of a decrease (tightening) in the adopted terminal yield. The same can be said for a decrease (tightening) in the discount rate and an increase (softening) in the adopted terminal yield. A directionally similar change in the adopted discount rate and the adopted terminal yield would magnify the impact to the fair value.

Other inputs or factors also impact a valuation. These factors are many and include: market rental reversion, current rental, property expenses, capital expenditure, and tenant incentives.

The Group has considered these factors and believes the most significant input to fair value of investment properties at balance date is the capitalisation rate as the capitalisation rate is in line with the Group's understanding of the market practice at which the price is determined for similar properties. Notwithstanding the Group's view that capitalisation rate is the most significant input, movements in one or more of other factors above may change the valuation.

Sensitivity analysis – capitalisation rate

A sensitivity analysis of the impact on the investment property valuations of movements in the capitalisation rate is disclosed below as the capitalisation rate method is the primary method for conducting the valuation. While other factors do also impact a valuation, at the current time, the Group considers that the valuations are most sensitive to movements in the capitalisation rate.

The following sensitivity analysis from the Australian investment properties (continuing operations and excluding the discontinued operation - refer note 8) shows the effect on profit/loss after tax and on equity of a 25 basis points (bps) increase/decrease in capitalisation rates at balance sheet date with all other variables held constant.

	Profit/loss after tax		**Equity**	
	25 bps increase $m	**25 bps decrease $m**	**25 bps increase $m**	**25 bps decrease $m**
30 June 2017				
SCA Property Group & Retail Trust				
Investment properties	**(84.2)**	**91.0**	**(84.2)**	**91.0**
30 June 2016				
SCA Property Group & Retail Trust				
Investment properties	(64.8)	69.5	(64.8)	69.5

11. Trade and other payables

	SCA Property Group		**Retail Trust**	
	30 Jun 2017 $m	30 Jun 2016 $m	**30 Jun 2017 $m**	30 Jun 2016 $m
Current				
Payables and other creditors[1]	**42.8**	22.6	**42.3**	21.6
Income tax payable	**0.6**	0.4	**0.2**	0.2
Payables to related parties	**-**	-	**7.5**	7.4
	43.4	23.0	**50.0**	29.2

[1] Payables and other creditors are generally payable within 30 days.

12. Interest bearing liabilities

	SCA Property Group & Retail Trust	
	30 Jun 2017	30 Jun 2016
	$m	$m
Unsecured Bank Bilateral Facilities[1]		
- A$ denominated	**174.0**	210.0
Unsecured A$ Medium term note		
- A$ denominated	**400.0**	175.0
Unsecured US Notes		
- A$ denominated	**50.0**	50.0
- US$ denominated (converted to A$)	**195.4**	202.0
Total unsecured debt outstanding	**819.4**	637.0
- Less: unamortised establishment fees	**(2.0)**	(2.3)
- Add: unamortised premium / (discount) on A$ MTN	**-**	-
Interest bearing liabilities	817.4	634.7
Add liabilities associated with disposal group held for sale [1]:		
- NZ$ denominated (converted to A$)	**-**	135.9
Total including liabilities associated with disposal group held for sale[1]	**817.4**	770.6

[1] During the year ended 30 June 2017 the Group completed the sale of SCP's New Zealand properties such that there were no NZ$ assets (including NZ$ cash) or NZ$ liabilities (including NZ$ debt) at 30 June 2017.

Financing facilities and financing resources

The debt facilities are made up of Bank bilateral facilities, A$ medium term notes and US notes. The financing capacity available to the Group is under the Bank bilateral facilities as the A$ medium term notes and US notes are fully drawn. Debt facilities are carried at amortised cost. Additional details of these debt facilities are in the following table.

Bank bilateral facilities

To reduce liquidity risk, the Group has in place unsecured bilateral facilities with multiple banks. The bilateral terms have been negotiated to achieve a balance between capital availability and the cost of debt including unused debt. The bilateral facilities are unsecured, revolving, multi-use, and can be used interchangeably.

One of the bilateral facilities can also be used for bank guarantees. As at 30 June 2017, in addition to the bilateral facilities drawn above, $10.0 million of a bilateral facility available was used to support a $10.0 million bank guarantee (30 June 2016: $10.0 million). The bank guarantee assists with the Group's obligations under the Australian Financial Services Licence which is held within the Group.

The financing capacity available to the Group under the bilateral facilities, including cash, is in the following table.

	SCA Property Group & Retail Trust	
	30 Jun 2017	30 Jun 2016
	$m	$m
Financing facilities and financing resources[1]		
Bilateral bank facilities		
Committed Bilateral financing facilities available	**445.0**	445.0
Less: amounts drawn down		
- Continuing operations (AUD)	**(174.0)**	(210.0)
- Discontinuing operations (NZD)	**-**	(135.9)
Less: amounts utilised for bank guarantee	**(10.0)**	(10.0)
Net Bilateral facilities available	**261.0**	89.1
Add: cash and cash equivalents		
- Continuing operations (AUD) [2]	**3.6**	3.8
- Discontinuing operations (NZD)	**-**	0.3
Financing resources available	**264.6**	93.2

[1] On 10 June 2016 the Group announced it entered into a sale contract with Stride Property Group (NZX: STR) for the sale of SCP's New Zealand properties. Consequently the New Zealand assets (including NZ$ cash) and liabilities (including NZ$ debt) have been treated as a disposal group with the total assets and total liabilities of the disposal group shown separately to the other assets and liabilities of the Group for 30 June 2016. During the year ended 30 June 2017 the Group completed the sale of SCP's New Zealand properties such that there were no NZ$ assets (including NZ$ cash) or NZ$ liabilities (including NZ$ debt) at 30 June 2017.

[2] SCA Property Group & Retail Trust financing resources available are the same except Cash and cash equivalents recognised by Retail Trust is $2.0 million. On this basis the Financing resources available to the Retail Trust is $263.0 million (30 June 2016: Cash and cash equivalents recognised by Retail Trust was $$2.6 million and Financing resources available were $91.7 million).

A$ medium term notes (A$ MTN)

The Group has issued A$ MTN with a face value of $400.0 million. Details of these notes are below.

A$ MTN	Tranche	Issue date	Maturity	Tenor at issue (yrs)	Coupon	Face value $m	Issue consideration $m	Discount / (premium) on issue $m
Series 1	Tranche 1	Apr-15	Apr-21	6.0	3.75%	**175.0**	174.8	**0.2**
	Tranche 2	Jul-16	Apr-21	4.8	3.75%	**50.0**	50.6	**(0.6)**
Series 2	Tranche 1	Jun-17	Jun-24	7.0	3.90%	**175.0**	174.5	**0.5**
						400.0		**0.1**

The discount or premium with respect to each Tranche is amortised from the issue date to the maturity.

US Notes

In August 2014 the Group issued unsecured notes with aggregate face value of US$150.0 million and A$50.0 million (equivalent at the date of issue in total to A$209.8 million) to US private investors (US Notes). The maturity profile of the notes is US$100.0 million expiring August 2027, and US$50.0 million and A$50.0 million expiring August 2029. The principal and coupon obligations have been fully economically swapped back to Australian dollars (floating interest rates) through cross currency interest rate swaps.

Debt covenants

The Group is required to comply with certain financial covenants or obligations in respect of the interest bearing liabilities. The major financial covenants or obligations which are common across all types of interest bearing liabilities are summarised as follows:

(a) Interest cover ratio (EBITDA to net interest expense) is more than 2.00 times;
(b) Gearing ratio (finance debt net of cash and cross currency swaps divided by total tangible assets net of cash and derivatives) does not exceed 50%;
(c) Priority indebtedness ratio (priority debt to total tangible assets) does not exceed 10%; and
(d) Aggregate of the total tangible assets held by the Obligors represents not less than 90% of the total tangible assets of the Group.

The Group was in compliance with all of the financial covenants and obligations for the period ended and as at 30 June 2017.

Capital Management – management gearing

The Group manages its capital, including its debt, by having regard to a number of factors including the gearing of the Group. The Group's definition of gearing for management purposes is:

- Net finance debt, where the US notes US$ denominated debt is recorded as the A$ amount received and economically hedged in A$, net of cash, divided by
- Net total assets, being total assets net of cash and derivatives.

As the US notes USD denominated debt has been fully economically hedged, for the purpose of the management determination of gearing US$ denominated debt of US$150.0 million is recorded at its economically hedged value of A$209.8 million. This also results in management gearing being based on a constant currency basis.

The Group's gearing was 31.8% as at 30 June 2017 (30 June 2016: 34.0%). The Group's target gearing range is 30% to 40%, however the Group has a preference for gearing to remain below 35% at this point in the cycle. The Group's gearing calculation is below.

Gearing (management)[1]	**Management 30 Jun 2017 $m**	Management 30 Jun 2016 $m
Bilateral and A$ notes		
Unsecured bilateral facilities drawn		
- Continuing operations (AUD)	**174.0**	210.0
- Discontinued operation (NZD)	**-**	135.9
Unsecured bilateral facilities used for bank guarantee	**10.0**	10.0
Unsecured A$ medium term notes	**400.0**	175.0
	584.0	530.9
US Notes		
US$ denominated notes - USD face value	**150.0**	150.0
Economically hedged exchange rate	**0.9387**	0.9387
US$ denominated notes - AUD equivalent	**159.8**	159.8
A$ denominated notes	**50.0**	50.0
Total US Notes	**209.8**	209.8
Total debt used and drawn AU$ equivalent	**793.8**	740.7
Less: cash and cash equivalents		
- Continuing operations (AUD)	**(3.6)**	(3.8)
- Discontinuing operation (NZD)	**-**	(0.3)
Net finance debt for gearing	**790.2**	736.6
Total assets	**2,547.1**	2,258.7
Less: cash and cash equivalents		
- Continuing operations (AUD)	**(3.6)**	(3.8)
- Discontinued operation (NZD)	**-**	(0.3)
Less: derivative value included in total assets	**(56.8)**	(85.8)
Net total assets for gearing	**2,486.7**	2,168.8
Gearing (management)	**31.8%**	34.0%

[1] Unsecured bilateral facilities drawn and cash and cash equivalents, includes balances within the discontinued operation and disposal group held for sale (refer note 8).

13. Contributed equity

	SCA Property Group		Retail Trust	
	30 Jun 2017 $m	30 Jun 2016 $m	**30 Jun 2017 $m**	30 Jun 2016 $m
Equity	**1,271.2**	1,252.4	**1,263.6**	1,244.9
Issue costs	**(28.4)**	(28.4)	**(28.3)**	(28.3)
	1,242.8	1,224.0	**1,235.3**	1,216.6
	Management Trust		**Retail Trust**	
Opening balance	**7.4**	7.3	**1,216.6**	1,192.4
Equity raised through Distribution Reinvestment Plan January 2017	**0.1**	-	**18.7**	-
Equity raised through Distribution Reinvestment Plan August 2015	**-**	-	**-**	6.9
Equity raised through Distribution Reinvestment Plan January 2016	**-**	0.1	**-**	17.4
Closing balance	**7.5**	7.4	**1,235.3**	1,216.6
Balance at the end of the period is attributable to unit holders of:				
Shopping Centres Australasia Property Management Trust	**7.5**	7.4		
Shopping Centres Australasia Property Retail Trust	**1,235.3**	1,216.6		
	1,242.8	1,224.0		

Units on Issue

	SCA Property Group & Retail Trust	
	30 Jun 2017 No. of units	30 Jun 2016 No. of units
Opening balance	**733,390,134**	721,488,543
Equity issued for executive security based compensation arrangements - 3 July 2015	**-**	100,000
Equity raised through Distribution Reinvestment Plan - 28 August 2015	**-**	3,278,549
Equity raised through Distribution Reinvestment Plan - 29 January 2016	**-**	8,523,042
Equity issued for executive security based compensation arrangements - 24 August 2016	**734,092**	-
Equity issued for staff security based compensation arrangements - 20 December 2016	**11,112**	-
Equity raised through Distribution Reinvestment Plan - 30 January 2017	**8,616,851**	-
Closing balance	**742,752,189**	733,390,134

As long as Shopping Centres Australasia Property Group remains jointly quoted, the number of units in each of the Trusts are equal and the unitholders identical. Holders of stapled units (or securities) are entitled to receive distributions as declared from time to time. SCA Property Group holds concurrent meetings of the Retail Trust and Management Trust. Subject to any voting restrictions imposed on a unitholder under the Corporations Act 2001 and the Australian Securities Exchange at a meeting of members, on a show of hands, each member has one vote. On a poll, each member has one vote for each dollar of the value of the total interest that they have in the relevant underlying Retail Trust or Management Trust respectively.

During the year new units were issued and equity raised as a result of the operation of the distribution reinvestment plan, and compensation arrangements. Additional information on the distribution reinvestment plan is below.

Issue of securities from distribution reinvestment plan (DRP)

The DRP was in place for the distribution declared in December 2016 (paid in January 2017) but was suspended for the distribution declared in June 2016 (paid in August 2016). The DRP is in operation for the distribution declared on 16 June 2017 (payable on 31 August 2017).

The DRP issue price was determined at a discount of 1.0% to the arithmetic average of the daily volume weighted average market price of securities traded on the ASX during the 10 business days commencing on the business day after the record date. The equity raised through the DRP on 30 January 2017 was $18.8 million by the issue of 8,616,851 securities at a price of $2.18.

14. Reserves (net of income tax)

	Retail Trust	
	30 Jun 2017	30 Jun 2016
	$m	$m
Share based payment reserve	**3.0**	1.7
Foreign currency translation reserve	**-**	15.3
Available for sale reserve	**(2.8)**	-
	0.2	17.0
Movements in reserves		
Share based payment reserve		
Balance at the beginning of the year	**1.7**	1.1
Employee share based payments	**1.3**	0.7
Transfer to share capital	**-**	(0.1)
Closing balance	**3.0**	1.7
Foreign currency translation reserve		
Opening balance	**15.3**	3.8
Translation differences arising during the year	**1.7**	11.5
Reclassification of foreign currency translation reserve	**(17.0)**	-
Closing balance	**-**	15.3
Available for sale reserve		
Opening balance	**-**	-
Revaluation of investment - available for sale	**(2.8)**	-
Closing balance	**(2.8)**	-

Share based payment reserve: Refer note 21.

Foreign currency translation reserve: The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operation. Following the sale of the New Zealand properties and the proceeds used for repayment of the New Zealand denominated debt with the remainder repatriated to Australia the foreign currency translation reserve has been reclassed to Consolidated Statements of Profit or Loss. Refer note 8.

Available for sale reserve: Refer note 29.

15. Accumulated profit and loss

	SCA Property Group		Retail Trust	
	30 Jun 17	30 Jun 16	**30 Jun 17**	30 Jun 16
	$m	$m	**$m**	$m
Opening balance	**167.9**	72.2	**169.1**	73.9
Net profit for the year	**319.6**	184.7	**319.4**	184.2
Distributions paid and payable (note 3)	**(96.8)**	(89.0)	**(96.8)**	(89.0)
Closing balance	**390.7**	167.9	**391.7**	169.1
Balance at the end of the year is attributable to unit holders of:				
Shopping Centres Australasia Property Management Trust	**(1.0)**	(1.2)		
Shopping Centres Australasia Property Retail Trust	**391.7**	169.1		
	390.7	167.9		

16. Notes to statements of cash flows

Reconciliation of profit to net cash flow from operating activities is below. Cash flow from continuing and discontinued operations have been treated collectively.

	SCA Property Group		Retail Trust	
	30 Jun 2017	30 Jun 2016	**30 Jun 2017**	30 Jun 2016
	$m	$m	**$m**	$m
Net profit after tax	**319.6**	184.7	**319.4**	184.2
Net unrealised (gain) / loss on change in fair value of investment properties	**(211.6)**	(54.9)	**(211.6)**	(54.9)
Net unrealised (gain) / loss on change in fair value of derivatives	**24.4**	(31.2)	**24.4**	(31.2)
Net unrealised (gain) / loss on change in foreign exchange	**(23.6)**	7.5	**(23.6)**	7.5
Straight-lining of rental income and amortisation of incentives	**(3.1)**	(1.3)	**(3.1)**	(1.3)
(Decrease) / increase in payables	**21.4**	6.4	**20.6**	5.8
Non-cash financing expenses	**0.3**	0.9	**0.3**	0.9
Other non-cash items and movements in other assets	**(5.9)**	(4.0)	**(5.9)**	(4.0)
(Increase) / decrease in receivables	**(9.1)**	(5.8)	**(8.2)**	(4.4)
Net cash flow from operating activities	**112.4**	102.3	**112.3**	102.6

17. Operating leases

All the investment properties (refer note 10) are subject to operating leases.

The investment properties are leased to tenants under long term operating leases with rentals payable monthly. Significant types of tenants include supermarkets, discount department stores, liquor stores and specialty stores. Lease terms can vary for each lease.

For supermarkets and discount department stores, lease terms for new leases are commonly from 15 to 20 years and are typically followed by a number of optional lease extensions exercisable by the tenant. The lease for these tenants also generally includes provision for additional rent in the form of sales turnover rent. Where sales turnover rent applies, it is payable annually in arrears where the sum of the initial rent and the turnover rent percentage amount for a year exceeds the amount of the base rent. Additionally the base rent for some of these tenants is subject to fixed periodic increases of up to 5% at the rent review date. The rent review date is typically every 5 years from the lease start or renewal.

For other tenants lease terms would commonly be for shorter periods such as five years with provisions for annual reviews which typically comprise either CPI based increases, fixed percentage increases or market reviews. Optional lease extensions exercisable by the tenant are also relatively common. Specialty leases incorporate provisions for reporting of sales turnover and may include payment of turnover rent percentage rental if appropriate.

Minimum lease payments receivable under non-cancellable operating leases of investment properties (excluding those properties held in the disposal group – refer to note 8) are as follows.

	SCA Property Group & Retail Trust	
	30 Jun 2017	30 Jun 2016
	$m	$m
Within one year	**173.4**	157.0
Between one and five years	**556.4**	512.2
After five years	**902.9**	895.1
	1,632.7	1,564.3

There was $1.3 million of percentage or turnover rent recognised as income in the current year (30 June 2016: $1.2 million).

18. Capital commitments

Estimated capital expenditure committed at balance sheet date but not provided for:

	SCA Property Group & Retail Trust	
	30 Jun 17 ($m)	30 Jun 16 ($m)
Within one year	**22.4**	133.2

The 30 June 2017 balance relates to:

- **Bushland Beach (QLD) ($12.4 million):** prior to 30 June 2016 the Group acquired a neighbourhood shopping centre and adjacent development land, known as Bushland Beach Plaza, for a purchase price of $7.1 million (excluding acquisition costs) and the Group entered into a development management agreement with a recognised developer to develop an expanded neighbourhood shopping centre anchored by a Coles supermarket for an additional $18.0 million. During the year ended 30 June 2017 $5.6 million was spent and the remaining $12.4 million is expected to be spent during the year to end 30 June 2018 (30 June 2016: $18.0 million).
- **Greenbank (QLD) ($10.0 million):** During the prior year the Group entered into a conditional agreement to acquire Greenbank neighbourhood shopping centre for $23.0 million (excluding transaction costs). This transaction settled in January 2016. This acquisition includes a call option for the Group to acquire ten hectares of adjacent development land for $10.0 million exercisable at any time within 5 years from the date of acquisition. This exercise amount has been treated as current as the Group may exercise this option at its sole discretion at any time although there is no immediate expectation of exercise (and the vendor has a put option which is exercisable in December 2020 if the call option is not exercised by that time) (30 June 2016: $10.0 million). Refer also note 25(c).

The amount recognised at 30 June 2016 also included the estimated purchase price related to property acquisitions that had been contracted but were pre settlement. These properties were Muswellbrook Fair (NSW), Clemton Park (NSW) and Annandale (QLD). The acquisition of these properties was completed during the year ended 30 June 2017.

19. Segment reporting – continuing operations and discontinued operation

The Group and Retail Trust invest in shopping centres located in Australia and, until the completion of the sale of the properties located in New Zealand (completed during the year ended 30 June 2017), New Zealand. The chief decision makers of the Group base their decisions on these segments. The Management Trust operates only within one segment, Australia.

	Australia		New Zealand		Total	
	30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016
	$m	$m	$m	$m	$m	$m
Revenue						
Rental income[1]	**194.0**	180.7	**2.9**	18.8	**196.9**	199.5
Other income	**0.5**	-	**-**	-	**0.5**	-
Funds management income	**1.3**	1.2	**-**	-	**1.3**	1.2
Insurance income	**7.1**	5.0	**-**	-	**7.1**	5.0
Distribution income	**5.6**	-	**-**	-	**5.6**	-
NZ management fee	**2.9**	-	**(2.9)**	-	**-**	-
	211.4	186.9	**-**	18.8	**211.4**	205.7
Expenses						
Property expenses	**(61.7)**	(56.0)	**(0.2)**	(2.1)	**(61.9)**	(58.1)
Corporate costs	**(12.0)**	(9.9)	**-**	(2.0)	**(12.0)**	(11.9)
	(73.7)	(65.9)	**(0.2)**	(4.1)	**(73.9)**	(70.0)
Segment result	**137.7**	121.0	**(0.2)**	14.7	**137.5**	135.7
Fair value adjustments on investment properties	**211.6**	26.9	**-**	28.0	**211.6**	54.9
Fair value adjustments on derivatives	**(24.4)**	31.2	**-**	-	**(24.4)**	31.2
Fair value adjustments from associate	**1.3**	0.6	**-**	-	**1.3**	0.6
Foreign exchange	**23.6**	(7.5)	**-**	-	**23.6**	(7.5)
Transaction costs	**-**	(0.1)	**-**	-	**-**	(0.1)
Interest income	**0.3**	0.2		-	**0.3**	0.2
Financing costs	**(28.6)**	(22.7)	**(1.1)**	(5.1)	**(29.7)**	(27.8)
Tax	**(0.6)**	(0.4)	**-**	(2.1)	**(0.6)**	(2.5)
Net profit/ (loss) after tax for the year attributable to unitholders	**320.9**	149.2	**(1.3)**	35.5	**319.6**	184.7
Assets and liabilities						
Segment assets	**2,547.1**	2,004.7	**-**	254.0	**2,547.1**	2,258.7
Segment liabilities	**(913.4)**	(709.6)	**-**	(140.2)	**(913.4)**	(849.8)

[1] For the purposes of segment reporting $84.7 million in rental income (30 June 2016: $96.9 million) was from a single customer.

20. Key management personnel compensation

The aggregate compensation made to the Directors and other key management personnel of the Group is set out below.

	30 Jun 2017 $	30 Jun 2016 $
Short term benefits	**3,495,471**	3,163,458
Post-employment benefits	**175,125**	190,279
Share-based payment	**979,813**	875,819
Long term benefits	**46,113**	33,750
	4,696,522	4,263,306

The key management personnel during the year were:
- Directors
- Mr Lamb (Company Secretary and General Counsel)

21. Share based payments

During 2013 the Group established a Group Executive Incentive Plan that entitles key management personnel, subject to criteria, to become entitled to acquire stapled securities at nil cost to the employee. The Group Executive Incentive Plan was approved at the Group's Annual General Meeting in November 2013.

Rights pursuant to the Group Executive Incentive Plan have been issued for:

- Special Performance Rights (SPRs)
- Short Term Incentive Plan Rights (STIP)
- Long Term Incentive Plan Rights (LTIP)

Under the Group Executive Incentive Plan grants of rights have been made to the following key management personnel:

- Mr Mellowes (Director and Chief Executive Officer)
- Mr Fleming (Director and Chief Financial Officer)
- Mr Lamb (Company Secretary and General Counsel)

In addition certain non-key management personnel have also been granted 222,856 rights during the year (30 June 2016: 74,508).

The table below summarises the rights issued to key management personnel. These rights have a nil exercise price and awards are subject to meeting performance criteria. Where the performance criteria are met, details of the stapled securities that may be issued are below. Under the Group Executive Incentive Plan during the year ended 30 June 2017 stapled securities were issued and vested to Mr Mellowes (number of securities: 552,728) (30 June 2016: 100,000), Mr Fleming (139,692) (30 June 2016: nil) and Mr Lamb (41,672) (30 June 2016: nil).

Type and eligibility	Vesting conditions[1]	Share price at grant date	Grant date	Testing date	Vesting date	Maximum number of stapled securities or maximum value of securities to be issued	Fair value at grant date
STIP (FY17)(Mr Mellowes)	Non-market	$2.31	Aug-16	Jun-17	Jul-19	$334,688	$0.99 per $1.00
STIP (FY17)(Mr Fleming)	Non-market	$2.31	Aug-16	Jun-17	Jul-19	$153,000	$0.99 per $1.00
LTIP (FY17 - FY19) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR[2]	$2.31	Aug-16	Sep-19	Jul-20	159,351	$1.18 per unit
LTIP (FY17 - FY19) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.31	Aug-16	Jun-19	Jul-20	159,351	$2.31 per unit
LTIP (FY17 - FY19) (tranche 3) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.31	Aug-16	Jun-19	Jul-20	159,351	$2.31 per unit
STIP (FY16) (Mr Mellowes)	Non-market	$2.00	Oct-15	Jun-16	Jul-18	$328,125	$1.00 per $1.00
STIP (FY16) (Mr Fleming)	Non-market	$2.00	Oct-15	Jun-16	Jul-18	$150,000	$1.00 per $1.00
LTIP (FY16 - FY18) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR[2]	$2.00	Oct-15	Sep-18	Jul-19	181,307	$1.00 per unit
LTIP (FY16 - FY18) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.00	Oct-15	Jun-18	Jul-19	181,307	$2.00 per unit
LTIP (FY16 - FY18) (tranche 3) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.00	Oct-15	Jun-18	Jul-19	181,307	$2.00 per unit

[1] Service and non-market conditions include financial and non-financial targets along with a deferred vesting period.
[2] TSR is Total Shareholder Return measured against a comparator group.

The Group recognises the fair value at the grant date of equity settled securities above as an employee benefit expense proportionally over the vesting period with a corresponding increase in equity. Fair value is measured at grant date using Monte-Carlo simulation and Binomial option pricing models where applicable, performed by an independent valuer, and models the future security price of the Group's securities.

Non-market vesting conditions are determined with reference to the underlying financial or non-financial performance measures to which they relate.

The total expense recognised during the year in relation to those eligible for equity settled share-based payments was $1.3 million (30 June 2016: $0.7 million).

Key inputs to the pricing models include:

	30 June 2017	30 June 2016
Volatility	**18%**	20%
Dividend yield	**5.4%**	6.0%
Risk-free interest rate	**1.45% - 1.50%**	1.79% – 1.94%

22. Other related party disclosures

The Retail Trust has a current payable of $7.5 million to the Management Trust (30 June 2016: $7.4 million). This is non-interest bearing and repayable at call. Additionally, Shopping Centres Australasia Property Group RE Limited (the Company), the Responsible Entity of the Retail Trust and a wholly owned subsidiary of Management Trust, makes payments on behalf of the Retail Trust from time to time. These payments are incurred by the Company in properly performing or exercising its powers or duties in relation to the Retail Trust. The Company has a right of indemnity from the Retail Trust, for any liability incurred by the Company in properly performing or exercising any of its powers or duties in relation to the Retail Trust. The amount reimbursed or reimbursable during the year under this agreement was $11.5 million (30 June 2016: $11.4 million).

23. Parent entity

	Management Trust[1]		Retail Trust[1, 2]	
	30 Jun 2017 $m	30 Jun 2016 $m	**30 Jun 2017 $m**	30 Jun 2016 $m
Current assets	**-**	-	**25.2**	24.4
Non-current assets	**7.5**	7.4	**2,519.3**	1,978.6
Total assets	**7.5**	7.4	**2,544.5**	2,003.0
Current liabilities	**-**	-	**99.9**	75.9
Non-current liabilities	**-**	-	**817.4**	638.2
Total liabilities	**-**	-	**917.3**	714.1
Contributed equity	**7.5**	7.4	**1,235.3**	1,216.6
Reserves	**-**	-	**0.2**	17.0
Accumulated profit / (loss)	**-**	-	**391.7**	53.4
Total equity	**7.5**	7.4	**1,627.2**	1,287.0
Net profit/ (loss) after tax	**-**	-	**436.9**	169.4
Other comprehensive income	**-**	-	**(2.8)**	-
Total comprehensive income	**-**	-	**434.1**	169.4
Commitments for the acquisition of property by the parent	**-**	-	**22.4**	133.2

1 Head Trusts only.

2 The Retail Trust financial statements have been prepared on a going concern basis. In preparing the Retail Trust financial statements the Directors note that the Retail Trust has a net current asset deficiency position due to the provision for distribution and minimal cash and cash equivalents, as it is the policy of the Group and Retail Trust to use surplus cash to repay debt. At 30 June 2017 the Group and Retail Trust have the ability to drawdown funds to pay the distribution on 31 August 2017, having sufficient excess cash and undrawn financing facilities (refer note 12).

24. Subsidiaries

Name of subsidiaries	Place of incorporation and operation	Ownership interest	
		30 June 2017	30 June 2016
Subsidiaries of Shopping Centres Australasia Property Management Trust			
Shopping Centres Australasia Property Operations Pty Ltd	Australia	**100.0%**	100.0%
Shopping Centres Australasia Property Holdings Pty Ltd	Australia	**100.0%**	100.0%
Shopping Centres Australasia Property Group RE Ltd	Australia	**100.0%**	100.0%
Shopping Centres Australasia Property Group Trustee NZ Ltd	New Zealand	**100.0%**	100.0%
Shopping Centres Australasia Property NZ Retail Trust[1]	New Zealand	**-**	0.1%
Shopping Centres Australasia Property Retail Trust	Australia	- [2]	- [2]
SCA Unlisted Retail Fund RE Limited	Australia	**100.0%**	100.0%
Subsidiaries of Shopping Centres Australasia Property Retail Trust			
Shopping Centres Australasia Property NZ Retail Trust [1]	New Zealand	**-**	99.9%

1 Shopping Centres Australasia Property NZ Retail Trust was wound up in June 2017.
2 Shopping Centres Australasia Property Retail Trust is considered a subsidiary of Shopping Centres Australasia Property Management Trust due to stapling even though there is no ownership or shareholding interest.

25. Financial instruments – continuing operations

(a) Capital management

The Group's objective when managing capital is to safeguard the ability to continue as a going concern, whilst providing returns for security holders and benefits for other stakeholders and maintaining a capital structure that will support a competitive overall cost of capital for the Group.

The capital structure of the Group consists of cash, interest bearing liabilities (including eight bilateral debt facilities with four banks and notes issued in the debt capital markets) and equity of the Group (comprising contributed equity, reserves and accumulated profit/loss).

The Group assesses the adequacy of its capital requirements, cost of capital and gearing (ie debt/equity mix) as part of its broader strategic plan. The Group continuously reviews its capital structure to ensure:

- Sufficient funds and financing facilities, on a cost effective basis, are available to assist the Group's property investment and management business;
- Sufficient liquid buffer is maintained; and
- Distributions to security holders are in line with the stated distribution policy.

The Group can alter its capital structure by issuing new stapled units (or securities), adjusting the amount of distributions paid to security holders, returning capital to security holders, buying back securities, selling assets to reduce debt, adjusting the timing of capital expenditure and through the operation of a distribution reinvestment plan. Additionally the Group can alter its capital structure by the use of debt facilities including repaying debt and issuing debt via debt capital markets and derivative financial instruments.

The Group's debt financial covenants are detailed in note 12.

Management monitors the capital structure by the gearing ratio. The gearing ratio is calculated in line with the debt covenants as:

- finance debt net of cash and excluding derivatives; divided by,
- total tangible assets net of cash and excluding derivatives.

The Group's target gearing range is 30% to 40%, however the Group has a preference for gearing to remain below 35% at this point in the cycle.

The gearing ratio at 30 June 2017 was 31.8% (30 June 2016: 34.0%). Refer note 12 for additional information.

(b) Financial risk management

The Group's activities expose it to a variety of financial risk, including:

(i) credit risk
(ii) liquidity risk
(iii) market risk (foreign exchange and interest rate)

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge or economically hedge certain risk exposures. The use of financial derivatives is governed by the Group's policies as approved by the Board. The Group does not enter or trade financial instruments including derivative financial instruments for speculative purposes.

(b)(i) Financial risk management - credit

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has exposure to credit risk on its financial assets included in its statement of financial position. This includes cash and cash equivalents, derivative financial instruments (hedging) as well as credit receivables due from tenants and managing agents.

For financial investments or market risk hedging the Group manages this risk by investing and transacting derivatives with multiple counterparties to minimise the Group's exposure to any one counterparty. Wherever possible, for financial investments and economic hedging the Group only deals with investment grade counterparties.

Exposure to customer credit risk is also monitored. A significant share of the Group's revenue for the current and prior year is from Woolworths Limited which has a BBB Standard and Poor's credit rating.

The Group reviews the aggregate exposure of tenancies across its portfolio on a regular basis.

Derivative counterparties and cash deposits are currently limited to financial institutions with an appropriate credit rating.

The Group and Retail Trust's exposure to credit risk is in the table below.

	SCA Property Group		Retail Trust	
	30 Jun 2017 $m	30 Jun 2016 $m	**30 Jun 2017 $m**	30 Jun 2016 $m
Cash and cash equivalents	**3.6**	3.8	**2.0**	2.4
Receivables	**22.4**	13.3	**21.4**	13.2
Derivative financial instruments	**56.8**	85.8	**56.8**	85.8
	82.8	102.9	**80.2**	101.4

The maximum exposure of the Group to credit risk as at 30 June 2017 and 30 June 2016 is the carrying amount of the financial assets in its statement of Consolidated Balance Sheets.

Receivables relate to tenant and managing agent receivables. Receivables are reviewed regularly throughout the year. A provision for doubtful debts is made where collection is deemed uncertain. Part of the Group's policy is to hold collateral as security for tenants via bank guarantees (or less frequently collateral such as deposits or cash and personal guarantees). There were no significant financial assets from major tenants that were past due at 30 June 2017 or 30 June 2016. Refer also note 9.

(b)(ii) Financial risk management - liquidity

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group aims at having flexibility in funding by keeping sufficient cash and/or committed credit lines available whilst maintaining a low cost of holding these facilities. Management prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow.

The Group manages liquidity risk through monitoring its net expected funding needs including the maturity of its debt portfolio. The Group also manages liquidity risk by maintaining a liquidity buffer of cash and undrawn debt facilities.

The debt facilities are made up of Bank bilateral facilities, A$ medium term notes and US notes. Details of these debt facilities, including finance facilities available, are at note 12.

Refinancing risk, also part of liquidity risk, is the risk that the maturity profile of the debt makes it difficult to refinance maturing debt, and/or that the cost of refinancing exposes the Group to potentially unfavourable market conditions at any given time. The Group is exposed to refinancing risks arising from the availability of finance as well as the interest rates and credit margins at which financing is available. The Group manages this risk, where appropriate, by refinancing borrowings in advance of the maturity of the borrowing and by securing longer term facilities.

Non-derivative financial instruments

The contractual maturities of the Group's and Retail Trust's non-derivative financial liabilities at reporting date are reflected in the following table. It shows the undiscounted contractual cash flows required to discharge the liabilities including principal, interest, margin, line fees and foreign exchange rates as at the reporting date. Foreign currencies have been converted at exchange rates at the reporting date. Interest rates are based on the interest rates as at the reporting date.

	1 year or less $m	2 - 3 years $m	4 - 5 years $m	More than 5 years $m	Total $m
30 June 2017					
SCA Property Group					
Payables	**43.4**	**-**	**-**	**-**	**43.4**
Distribution payable	**49.8**	**-**	**-**	**-**	**49.8**
Interest bearing liabilities	**32.6**	**246.2**	**268.1**	**503.2**	**1,050.1**
	125.8	**246.2**	**268.1**	**503.2**	**1,143.3**
Retail Trust					
Payables	**50.0**	**-**	**-**	**-**	**50.0**
Distribution payable	**49.8**	**-**	**-**	**-**	**49.8**
Interest bearing liabilities	**32.6**	**246.2**	**268.1**	**503.2**	**1,050.1**
	132.4	**246.2**	**268.1**	**503.2**	**1,149.9**
30 June 2016					
SCA Property Group					
Payables	23.0	-	-	-	23.0
Distribution payable	45.5	-	-	-	45.5
Interest bearing liabilities	25.5	85.3	399.2	332.6	842.6
	94.0	85.3	399.2	332.6	911.1
Retail Trust					
Payables	29.2	-	-	-	29.2
Distribution payable	45.5	-	-	-	45.5
Interest bearing liabilities	25.5	85.3	399.2	332.6	842.6
	100.2	85.3	399.2	332.6	917.3

Derivative financial instruments

The following tables show the undiscounted cash flows required to discharge the Group's and Retail Trust's derivative financial instruments in place at 30 June 2017 at the rates as at the reporting date. Foreign currencies have been converted at exchange rates at the reporting date.

	1 year or less $m	1 - 3 years $m	3 - 5 years $m	More than 5 years $m	Total $m
30 June 2017					
SCA Property Group & Retail Trust					
Interest rate swaps - net	**0.7**	**3.6**	**3.1**	**5.0**	**12.4**
Cross currency interest rate swaps - net	**2.9**	**4.4**	**2.9**	**46.6**	**56.8**
	3.6	**8.0**	**6.0**	**51.6**	**69.2**
30 June 2016					
SCA Property Group & Retail Trust					
Interest rate swaps - net	-	(0.3)	1.7	8.6	10.0
Cross currency interest rate swaps - net	2.8	5.9	5.4	57.0	71.1
	2.8	5.6	7.1	65.6	81.1

(b)(iii) Financial risk management – market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's financial performance or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk within acceptable parameters, while optimising the return.

Foreign exchange risk

Foreign exchange risk arises when anticipated transactions or recognised assets and liabilities are denominated in a currency that is not the Group's presentation currency, being Australian dollars. The Group has currency exposure to the United States dollar (USD) and had currency exposure to the New Zealand dollar (NZD).

Foreign exchange risk - New Zealand dollar

The Group's and the Retail Trust's exposure to the NZD was through owning properties in New Zealand. On 10 June 2016 the Group announced it entered into a sale contract with Stride Property Group (NZX: STR) for the sale of SCP's New Zealand properties. This sale was completed during the year ended 30 June 2017.

At 30 June 2016 all of the New Zealand properties were classified for financial reporting purposes as a disposal group held for sale. During the year ended 30 June 2017 the Group completed the sale of SCP's New Zealand properties such that there were no NZ$ assets (including NZ$ cash) or NZ$ liabilities (including NZ$ debt) at 30 June 2017.

Foreign exchange risk - United States Dollar

The Group's and the Retail Trust's exposure to the United States dollar is through borrowing in USD denominated debt via the US notes issued during the year ended 30 June 2015. The debt and interest payments are fully economically hedged. Refer below and the US notes are discussed at note 12.

Cross currency interest rate swap contracts

The Group has reduced its future exposure to the foreign exchange risk inherent in the carrying value of its US dollar borrowings (refer US note issue discussed above and note 12) by using cross currency interest rate swaps.

Under cross currency interest rate swap contracts, the Group agrees to exchange specified principal and interest foreign currency amounts at agreed future dates at a specified exchange rate. Such contracts enable the Group to mitigate the risk of adverse movements in foreign exchange rates in relation to principal and interest payments arising under the US dollar note issue.

The Group receives fixed amounts in US dollars and pays both variable interest rates (based on Australian BBSW) and fixed interest rates based on agreed fixed interest rates. As a result of issuing the US notes denominated in USD the Group has entered into cross currency interest rate swaps which have fully economically hedged the US notes USD principal outstanding and also the obligation to pay fixed USD interest to floating AUD interest. The following table details the swap contracts principal and interest payments over various durations at balance sheet date.

	SCA Property Group & Retail Trust				
	1 year or less $m	2 - 3 years $m	4 - 5 years $m	More than 5 years $m	Total $m
30 June 2017					
Buy US dollar - interest					
Amount (AUD)	**6.7**	**13.4**	**13.4**	**41.3**	**74.8**
Exchange rate	**0.9387**	**0.9387**	**0.9387**	**0.9387**	**0.9387**
Amount (USD)	**6.3**	**12.6**	**12.6**	**38.8**	**70.2**
Buy US dollar - Principal					
Amount (AUD)	-	-	-	**159.8**	**159.8**
Exchange Rate	**0.9387**	**0.9387**	**0.9387**	**0.9387**	**0.9387**
Amount (USD)	-	-	-	**150.0**	**150.0**
30 June 2016					
Buy US dollar - interest					
Amount (AUD)	6.7	13.4	13.4	48.0	81.6
Exchange rate	0.9387	0.9387	0.9387	0.9387	0.9387
Amount (USD)	6.3	12.6	12.6	45.1	76.6
Buy US dollar - Principal					
Amount (AUD)	-	-	-	159.8	159.8
Exchange Rate	0.9387	0.9387	0.9387	0.9387	0.9387
Amount (USD)	-	-	-	150.0	150.0

Sensitivity analysis – foreign exchange risk

The following sensitivity analysis shows the effect on profit/(loss) after tax and on equity if the Australian dollar had increased (strengthened) by 10% or decreased (weakened) by 10% at balance sheet date with all other variables held constant. Profit/(loss) after tax excludes discontinued operation.

	Profit/ loss after tax		Equity	
	Effect of 10% increase in A$ exchange rate $m	Effect of 10% decrease in A$ exchange rate $m	Effect of 10% increase in A$ exchange rate $m	Effect of 10% decrease in A$ exchange rate $m
30 June 2017				
SCA Property Group & Retail Trust				
A$ equivalent of foreign exchange balances denominated in USD	**(3.4)**	**4.2**	**(3.4)**	**4.2**
30 June 2016				
SCA Property Group & Retail Trust				
A$ equivalent of foreign exchange balances denominated in USD	(5.7)	6.9	(5.7)	6.9

Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of financial instruments will fluctuate due to changes in market interest rates.

The Group is exposed to interest rate risk as it can borrow funds at both fixed and floating interest rates. This risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings and through the use of interest rate swap contracts.

Hedging activities are evaluated regularly.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. Exposure to cash and cash equivalents is limited to $3.6 million (30 June 2016: $3.8 million).

Interest rate swap contracts

The Group's interest rate risk arises from borrowings and cash holdings. Interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates or from fixed to floating. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts (or visa versa) calculated by reference to an agreed notional principal amount.

The Group's bilateral borrowings are generally at floating rates. Borrowings with floating rates expose the Group to cash flow interest rate risk. The Group's preference is to be protected from interest rate movements in the two to five year term through appropriate risk management techniques. These techniques include using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

Additionally the Group has fixed rate borrowings in the form of A$ and US$ US notes and the A$ medium term note.

The requirements under Australian accounting standards in respect of documentation, designation and effectiveness for hedge accounting cannot be met in all circumstances. As a result the Group does not apply hedge accounting for any derivatives as at 30 June 2017 or 30 June 2016.

The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the forward market interest rate curve at reporting date.

The Group's exposure to interest rate risk and the effective interest rates on financial assets and liabilities at reporting date are in the following table.

	SCA Property Group					
			Fixed interest rate			
	Interest rate	Floating interest rate	Less than 1 year	1 - 5 years	More than 5 years	Total
	(%p.a.)	$m	$m	$m	$m	$m
30 June 2017						
Financial assets						
Cash and cash equivalents	1.3%	3.6	-	-	-	3.6
Financial liabilities						
Interest bearing liabilities						
Denominated in AUD - floating	3.7%	(174.0)	-	-	-	(174.0)
Denominated in AUD - fixed (MTN)	3.8%	-	-	(225.0)	(175.0)	(400.0)
Denominated in AUD - fixed (USPP)	6.0%	-	-	-	(50.0)	(50.0)
Denominated in USD - fixed (USPP)	4.2%	-	-	-	(195.4)	(195.4)
Total financial liabilities		(174.0)	-	(225.0)	(420.4)	(819.4)
Total net financial liabilities		(170.4)	-	(225.0)	(420.4)	(815.8)

The Retail Trust's exposure to interest rate risk and the effective interest rates on financial assets and liabilities at reporting date are in the table below.

	Retail Trust					
			Fixed interest rate			
	Interest rate	Floating interest rate	Less than 1 year	1 - 5 years	More than 5 years	Total
	(%p.a.)	$m	$m	$m	$m	$m
30 June 2017						
Financial assets						
Cash and cash equivalents	1.3%	2.0	-	-	-	2.0
Financial liabilities						
Interest bearing liabilities						
Denominated in AUD - floating	3.7%	(174.0)	-	-	-	(174.0)
Denominated in AUD - fixed	3.8%	-	-	(225.0)	(175.0)	(400.0)
Denominated in AUD - fixed (USPP)	6.0%	-	-	-	(50.0)	(50.0)
Denominated in USD - fixed (USPP)	4.2%	-	-	-	(195.4)	(195.4)
Total financial liabilities		(174.0)	-	(225.0)	(420.4)	(819.4)
Total net financial liabilities		(172.0)	-	(225.0)	(420.4)	(817.4)

The maturity profile and the weighted average interest rate of the fixed and floating derivatives (notional principal) held at reporting date by both the Group and the Retail Trust can be summarised in the table below.

As at 30 June 2017	June 2018 $m	June 2019 $m	June 2020 $m	June 2021 $m	June 2022 $m	June 2023 $m
Denominated in AU$						
Interest rate swaps (fixed)	275.0	275.0	275.0	100.0	50.0	50.0
Average fixed rate	1.9%	1.9%	1.9%	1.8%	1.8%	1.8%
Interest rate swaps (floating)	50.0	50.0	50.0	50.0	50.0	50.0

The Group's exposure to interest rate risk and the effective interest rates on financial assets and liabilities at 30 June 2016 are in the following table.

	SCA Property Group					
	Interest rate	Floating interest rate	Fixed interest rate			Total
			Less than 1 year	1 - 5 years	More than 5 years	
	(%p.a.)	$m	$m	$m	$m	$m
30 June 2016						
Financial assets						
Cash and cash equivalents	1.7%	3.8	-	-	-	3.8
Financial liabilities						
Interest bearing liabilities						
Denominated in AUD - floating	3.3%	(210.0)	-	-	-	(210.0)
Denominated in AUD - fixed (MTN)	3.8%	-	-	(175.0)	-	(175.0)
Denominated in AUD - fixed (USPP)	6.0%	-	-	-	(50.0)	(50.0)
Denominated in USD - fixed (USPP)	4.2%	-	-	-	(202.0)	(202.0)
Total financial liabilities		(210.0)	-	(175.0)	(252.0)	(637.0)
Total net financial liabilities		(206.2)	-	(175.0)	(252.0)	(633.2)

The Retail Trust's exposure to interest rate risk and the effective interest rates on financial assets and liabilities at 30 June 2016 are in the table below.

	Retail Trust					
	Interest rate	Floating interest rate	Fixed interest rate			Total
			Less than 1 year	1 - 5 years	More than 5 years	
	(%p.a.)	$m	$m	$m	$m	$m
30 June 2016						
Financial assets						
Cash and cash equivalents	1.7%	2.4	-	-	-	2.4
Financial liabilities						
Interest bearing liabilities						
Denominated in AUD - floating	3.3%	(210.0)	-	-	-	(210.0)
Denominated in AUD - fixed	3.8%	-	-	(175.0)	-	(175.0)
Denominated in AUD - fixed (USPP)	6.0%	-	-	-	(50.0)	(50.0)
Denominated in USD - fixed (USPP)	4.2%	-	-	-	(202.0)	(202.0)
Total financial liabilities		(210.0)	-	(175.0)	(252.0)	(637.0)
Total net financial liabilities		(207.6)	-	(175.0)	(252.0)	(634.6)

The maturity profile and the weighted average interest rate of the fixed derivatives (notional principal) held at 30 June 2016 by both the Group and the Retail Trust can be summarised below.

As at 30 June 2016	June 2017 $m	June 2018 $m	June 2019 $m	June 2020 $m	June 2021 $m	June 2022 $m
Denominated in AU$						
Interest rate swaps (fixed)	325.0	325.0	325.0	175.0	-	-
Average fixed rate	2.0%	2.0%	2.0%	2.0%	-	-
Interest rate swaps (floating)	50.0	50.0	50.0	50.0	50.0	50.0

Sensitivity analysis – interest rate risk

The following sensitivity analysis shows the effect on profit/(loss) after tax and equity if market interest rates at balance sheet date had been 100 basis points higher/lower with all other variables held constant. Profit/(loss) after tax excludes discontinued operation.

	Profit/loss after tax[1]		Equity	
	100bp higher	100bp lower	100bp higher	100bp lower
	$m	$m	$m	$m
30 June 2017				
SCA Property Group & Retail Trust				
Effect of market interest rate movement	**(16.7)**	**16.8**	**(16.7)**	**16.8**
30 June 2016				
SCA Property Group & Retail Trust				
Effect of market interest rate movement	(22.7)	22.9	(22.7)	22.9

[1] The aim of the Group's interest rate hedging strategy is to reduce the impact on Funds from Operations (cash) of movements in interest rates. Changes in interest rates include changes to the non-cash mark-to-market valuations of the swaps which flow through the Group's IFRS profit and loss but which are excluded from Funds from Operations.

(c) Accounting classifications and fair values

The fair value of interest rate derivatives is determined using a generally accepted pricing model based on discounted cash flow analysis using assumptions supported by observing market rates.

Except as disclosed below, the Directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the consolidated financial statements approximate their fair values.

The Directors consider that the carrying amounts of other financial assets and financial liabilities, which are recognised at amortised cost in the Consolidated Financial Statements, approximates their fair values other than the US notes and the A$ medium term notes. The amortised cost of the US notes, converted to AUD for the USD denominated notes at the prevailing foreign exchange rate at 30 June 2017 (which was AUD 1.00 = USD 0.7678 (30 June 2016: 0.7425), is $245.4 million (30 June 2016: $252.0 million) (refer note 12). The amortised cost of the A$ medium term notes, including the $225.0 million issued during the financial year, is $400.0 million (30 June 2016: $175.0 million). The fair value of the US notes and A$ medium term notes can be different to the carrying value. The fair value, additionally, takes into account movements in the underlying base interest rates and credit spreads for similar financial instruments including extrapolated yield curves over the tenor of the notes. On this basis the estimated fair value of the US notes and the A$ medium term notes is $257.1 million and $398.4 million (30 June 2016: $223.0 million and $177.2 million respectively). The estimated fair value of the A$ medium term notes includes the $225.0 million of A$ medium notes issued during the year.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

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

There were no transfers between levels during the year.

	SCA Property Group & Retail Trust			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
30 June 2017				
Financial assets carried at fair value				
Investment - available for sale	**81.0**	-	-	**81.0**
Interest rate swaps	-	**10.2**	-	**10.2**
Cross currency interest rate swaps	-	**46.6**	-	**46.6**
	81.0	**56.8**	-	**137.8**
Financial liabilities carried at fair value				
Interest rate swaps	-	**0.1**	-	**0.1**
30 Jun 2016				
Financial assets carried at fair value				
Interest rate swaps	-	13.0	-	13.0
Cross currency interest rate swaps	-	72.8	-	72.8
	-	85.8	-	85.8
Financial liabilities carried at fair value				
Interest rate swaps	-	4.7	-	4.7

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

Interest rate derivatives are financial instruments that use valuation techniques with only observable market inputs and are included in Level 2 above.

The Group's only level 3 financial instrument is the option described in note 18. This option is classified as a derivative valued at fair value through profit or loss. No revaluations occurred since initial recognition of this option. The fair value of the option adopted included consideration of a number of unobservable inputs. Revaluations in future periods will also involve a fair value method based on unobservable inputs. Unobservable inputs are categorised as level 3 in the fair value hierarchy.

26. Other assets

Other assets recognised of $1.5 million at 30 June 2017 include predominantly property related prepayments. Other assets recognised at 30 June 2016 of $5.7 million include property related prepayments, a deposit of $1.5 million paid for the Muswellbrook Fair (NSW) property which settled during the year ended 30 June 2017, and an amount of $2.4 million paid for an option to acquire the Clemton Park (NSW) property (Clemton Park was acquired during the year ended 30 June 2017).

27. Investment in associates

The Group and Retail Trust's Investment in associates comprises of:

- SURF 1: 7,959,000 units in SCA Unlisted Retail Fund 1 (SURF 1) at $1.00 each acquired on 1 October 2015. The total units on issue of SURF 1 are 32,600,000; and
- SURF 2: 8,447,000 units in the SCA Unlisted Retail Fund 2 (SURF 2)[1] at $1.00 each acquired on 2 June 2017. The total units on issue of SURF 2 are 29,500,000.

SURF 1 and 2 are unlisted closed end property funds. The Group recognises its 24.4% interest in SURF 1 and its 28.6% in SURF 2 as Investment in associates using the equity method of accounting.

	SCA Property Group & Retail Trust	
	30 Jun 2017 $m	30 Jun 2016 $m
Movement in investment in associates		
Opening balance	**8.1**	-
Additions to equity accounted investment	**8.5**	8.0
Share of profits after income tax	**1.3**	0.6
Distributions received or receivable	**(0.7)**	(0.5)
Closing balance	**17.2**	8.1

[1] On 2 June 2017 SCA Unlisted Retail Fund 2 (SURF 2) commenced operations with the allotment of 29,500,000 on units at $1.00 each. Shopping Centres Australasia Property Retail Trust was allotted 8,447,000 units or 28.6% units on this date and this investment is classified as an associate.

28. Cash and cash equivalents

	SCA Property Group		Retail Trust	
	30 June 2017 $m	30 June 2016 $m	**30 June 2017 $m**	30 June 2016 $m
Cash and cash equivalents	**3.6**	3.8	**2.0**	2.4
Reconciliation to consolidated statements of cashflows				
Cash and cash equivalents - continuing operations	**3.6**	3.8	**2.0**	2.4
Cash and cash equivalents - discontinued operation	**-**	0.3	**-**	0.3
Cash and cash equivalents at the end of the year as per consolidated statements of cashflows	**3.6**	4.1	**2.0**	2.7

29. Investment – available for sale

Investment – available for sale relates to the acquisition by the Group and the Retail Trust during the period of a 4.9% interest in Charter Hall Retail Trust (CHRT) (ASX: CQR). This interest equates to 19.9 million units. The cost of this interest (including transactions costs) was $83.8 million. As at 30 June 2017 this interest is valued at $81.0 million (based on the ASX closing share price of CHRT on the last trading day in June 2017 of $4.07). The difference between the cost of $83.8 million and the valuations at 30 June 2017 of $81.0 million is $2.8 million which is recorded in the Available for sale reserve (refer note 14).

The Investment – available for sale is classified as a level 1 fair value measurement financial asset being derived from inputs based on quoted prices that are observable. Refer also to the fair value hierarchy at note 25(c).

Additionally during the year ended 30 June 2017 the Group has received a distribution of $2.8 million in January 2017 and the Group is entitled to a further distribution on its investment of 14.0 cents per unit or $2.8 million in respect of the period ended 30 June 2017. This distribution was declared by the Responsible Entity of CHRT on 13 June 2017. These distributions totalling $5.6 million are included in the Group's and Retail Trust's Consolidated Statements of Profit and Loss as Distribution income.

30. Auditors' remuneration – continuing and discontinued operation

	SCA Property Group & Retail Trust	
	30 Jun 2017 $'000	30 Jun 2016 $'000
Audit and review of the financial statements	**236.0**	243.0
Assurance and compliance services	**36.0**	36.0
Other (including audit of the Australian Financial Service Licence (which is held by the Group) and other services)	**14.0**	12.0
	286.0	291.0

The auditor of the Group is Deloitte Touche Tohmatsu.

31. Subsequent events

Since the end of the period, the Directors of the Responsibility Entity are not aware of any matter or circumstance not otherwise dealt with in this report or the consolidated financial statements that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

* * *

In the opinion of the Directors of Shopping Centres Australasia Property Group RE Limited, the Responsible Entity of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust (the "Retail Trust"):

(a) The Financial Statements and Notes, of Shopping Centres Australasia Property Management Trust and its controlled entities, including Shopping Centres Australasia Property Retail Trust and its controlled entities, (the "Group"), set out on pages 69-106 are in accordance with the Corporations Act 2001, including:
  (i) giving a true and fair view of the Group's and the Retail Trust's financial position as at 30 June 2017 and of their performance, for the year ended 30 June 2017; and
  (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) there are reasonable grounds to believe that both the Group and the Retail Trust will be able to pay their debts as and when they become due and payable.

Note 2 confirms that the Financial Statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declaration required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the period ended 30 June 2017.

Signed in accordance with a resolution of the Directors.

Chair
Sydney
7 August 2017

Deloitte.

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Independent Auditor's Report to the Stapled Security Holders of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of:

- Shopping Centres Australasia Property Management Trust ("SCA Property Management Trust") and its controlled entities ("SCA Property Group") which comprises the consolidated balance sheet as at 30 June 2017, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration; and

- Shopping Centres Australasia Property Retail Trust and its controlled entities ("SCA Property Retail Trust") comprising the consolidated balance sheet as at 30 June 2017, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended and notes to the financial statements including a summary of significant accounting policies and the directors' declaration.

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

(i) giving a true and fair view of SCA Property Group's and SCA Property Retail Trust's financial positions as at 30 June 2017 and of their financial performance for the year then ended; and

(ii) 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 SCA Property Group and SCA Property Retail Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 Shopping Centres Australasia Property Group RE Limited (the "Responsible Entity"), would be in the same terms if given to the directors as at the time of this auditor's report.

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

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

Investment property valuation
 	
As at 30 June 2017, SCA Property Group recognised investment properties valued at $2,364.6m (2016: $1,888.0m) as disclosed in note 10.
 	
The fair value of investment property is calculated in accordance with the valuation policy set out in Note 2 (k) and Note 10 which outline two valuation methodologies used by SCA Property Group.
 	
The valuation process requires significant judgment in the following key areas:
• forecast cash flows,
• capitalisation rates, and
• discount rates.
 	
The capitalisation of net income method applies a capitalisation rate to normalised market net operating income. The discounted cash flow method uses a ten year cash flow forecast and terminal value calculation discounted to present value. In addition, internal and external valuers apply professional judgement concerning market conditions and factors impacting individual properties.
 	
The internal and external valuations are reviewed by management who recommends each property's valuation to the Audit, Risk Management and Compliance Committee and the Board in accordance with SCA Property Group's internal valuation protocol.
	Our procedures included, but were not limited to:
	• Assessing management's process over property valuations and the oversight applied by the directors;
	• Assessing the independence, competence and objectivity of the internal and external valuers;
	• Performing an overall analytical review and risk assessment of the portfolio, analysing the key inputs and assumptions;
	• Assessing the assumptions used in the portfolio, with particular focus on the capitalisation rate and discount rate with reference to external market trends and transactions and challenging those assumptions where appropriate;
	• Holding discussions with management (and the external valuers as needed) to obtain an understanding of portfolio movements and their identification of any additional property specific matters; and
	• Testing on a sample basis of properties, both externally and internally valued, of the following;
	  o the integrity of the information in the valuation by agreeing key inputs such as net operating income to underlying records and source evidence;
	  o the forecasts used in the valuations with reference to current financial results such as revenues and expenses, capital expenditure requirements, vacancy rates and lease renewals; and
	  o the mathematical accuracy of the models.
	• We also assessed the appropriateness of the related disclosures included in Note 10 to the financial statements.

Other Information

The directors of 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. The other information also includes the other documents which will be included in the Annual Report (but does not include the financial report, the remuneration report and our audit reports thereon).

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed 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 other information in the Annual Report which we have not yet received, 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.

Directors' Responsibilities 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 SCA Property Group's and SCA Property Retail Trust's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate SCA Property Group and/or SCA Property Retail Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether 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 SCA Property Group's and/or SCA Property Retail Trust's internal control.

Deloitte.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern bases 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 SCA Property Group's and/or SCA Property Retail Trust's ability to continue as a going concerns. 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 SCA Property Group and/or SCA Property Retail 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.

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, related safeguards.

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.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

AG

AG Collinson
Partner
Chartered Accountants
Sydney, 7 August 2017

SECURITY ANALYSIS

DISTRIBUTION OF EQUITY SECURITIES AS AT 25 AUGUST 2017

Number of securities held by securityholders	No. of holders	Ordinary securities held	% of issued securities
1 to 1,000	47,995	20,204,159	2.72
1,001 to 5,000	11,009	26,237,913	3.53
5,001 to 10,000	4,928	36,258,013	4.88
10,001 to 100,000	3,978	89,520,872	12.04
100,001 and Over	120	571,136,085	76.83
Total	**68,030**	**743,357,042**	**100**

SCP only has ordinary stapled securities on issue and as at 25 August 2017 there were a total of 68,030 holders.

The total number of securityholders with less than a marketable parcel of 227 (using the closing price for SCP securities on 25 August 2017) securities is 4,779 holders and they hold 436,043 securities.

TOP 20 REGISTERED EQUITY SECURITYHOLDERS AS AT 25 AUGUST 2017

Name	Units	% of units
HSBC Custody Nominees (Australia) Limited	274,173,393	36.89
JP Morgan Nominees Australia Limited	100,097,643	13.47
Citicorp Nominees Pty Limited	84,826,618	11.41
National Nominees Limited	28,977,808	3.9
BNP Paribas Nominees Pty Ltd	13,235,846	1.78
Citicorp Nominees Pty Limited	11,052,959	1.49
BNP Paribas Noms Pty Ltd	6,361,648	0.86
BNP Paribas Nominees Pty Ltd	5,402,800	0.73
Karatal Holdings Pty Ltd	5,160,715	0.69
Nulis Nominees (Australia) Limited	3,051,929	0.41
Navigator Australia Ltd	2,779,809	0.37
Sandhurst Trustees Ltd	1,740,000	0.23
Bond Street Custodians Limited	1,720,328	0.23
HSBC Custody Nominees (Australia) Limited	1,700,662	0.23
Netwealth Investments Limited	1,636,255	0.22
Warbont Nominees Pty Ltd	1,559,686	0.21
AMP Life Limited	1,520,249	0.20
BNP Paribas Noms (NZ) Ltd	1,405,754	0.19
Akat Investments Pty Limited	1,000,000	0.13
HSBC Custody Nominees (Australia) Limited-GSCO ECA	811,833	0.11
Total	**548,215,935**	**73.75**
Balance of register	**195,141,107**	**26.25**

SUBSTANTIAL SECURITYHOLDER NOTICES AS AT 25 AUGUST 2017

Ordinary securities	Date of change	Securities held	%
Mondrian Investment Partners Limited	25/07/16	73,918,397	10.08
The Vanguard Group Inc	08/03/16	58,501,046	7.98
Legg Mason Asset Management Limited	21/10/16	44,423,959	6.05
Blackrock Group	19/04/17	37,143,291	5.00
Investors Mutual Limited	13/07/17	54,242,890	7.30

VOTING RIGHTS AS AT 25 August 2017

The voting rights attaching to ordinary stapled securities (being the only class of equity securities SCP has on issue) are:

- On a show of hands, each member of a registered scheme has one vote; and
- On a poll, each member of the scheme has one vote for each dollar of the value of the total interests they have in the scheme.

INVESTOR INFORMATION

INVESTOR RELATIONS

SCA Property Group (SCP or the Group) was listed on the ASX on 26 November 2012 and commenced trading on 19 December 2012 on a normal settlement basis under the ASX code 'SCP'. At listing the Group had more than 400,000 unitholders, and since that time the register has changed significantly with the number of unitholders as at 25 August 2017 being approximately 68,030.

COMPANY WEBSITE

All unitholders can access important information on the Group's website at www.scaproperty.com.au. It includes all presentations, webcasts, market updates and ASX announcements and links to the online registry, as well as this annual report.

SCP only sends printed copies of the annual report to unitholders that have elected to receive a hard copy. In the interests of sustainability and reducing paper consumption, we strongly encourage unitholders to download the electronic version of this report.

CORPORATE GOVERNANCE STATEMENT

SCP's 2017 Corporate Governance Statement outlines the governance systems in effect in the Reporting Period by reference to the third edition of the ASX Corporate Governance Principles and Recommendations and it can be found on SCP's website at: www.scaproperty.com.au/about/governance.

ANNUAL TAXATION STATEMENT

SCP sends an annual taxation statement to unitholders in August each year. This statement provides a breakdown of the tax components of the Group's distribution of the preceding financial year. It also contains important information for completing unitholder taxation returns, and unitholders should retain this as part of their taxation records.

CONTACT THE REGISTRY

Unitholders seeking information about their holding or distribution payments can contact the registry.

1300 318 976 (toll free within Australia)

+ 61 1300 318 976 (outside of Australia)

The Registrar
Link Market Services
Locked Bag A14
Sydney South NSW 1235
Australia

REGISTERED OFFICE

Level 5, 50 Pitt Street
Sydney NSW 2000
Australia
Phone +61 2 8243 4900

COMPLAINTS OFFICER

In accordance with our complaints handling procedure, if you wish to make a complaint, please forward your correspondence to:

Complaints Officer
SCA Property Group
Level 5, 50 Pitt Street
Sydney NSW 2000
Australia

UNITHOLDER REGISTER DETAILS

You can visit the register at https://investorcentre.linkmarketservices.com.au/Login/Login to view your holdings, access information and make changes. Log on using your SRN or HIN and the postcode of your registered address.

SCP encourages unitholders to update their personal details on the register, including providing a tax file number (TFN) or Australian business number (ABN), and an email address to receive electronic communication. We will make all future distribution payments by direct credit, so we also ask that unitholders provide their banking details.

On the online register, you can:

- Check your current balance
- Choose your preferred annual report options
- Update your address details
- Provide your email address
- Provide or update your banking instructions
- Register your TFN or ABN
- Check transaction and distribution history
- Download a variety of instruction forms
- Subscribe to email announcements

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