SCA Property Group

ANNUAL REPORT 2015

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FINANCIAL CALENDAR

18 November 2015	Meeting of unitholders
December 2015	Estimated interim distribution announcement and units trade ex-distribution
January 2016	Interim distribution payment
February 2016	Interim results announcement
June 2016	Estimated final distribution announcement and units trade ex-distribution
August 2016	Full-year results announcement
August 2016	Final distribution payment
August 2016	Annual tax statement

MEETING OF UNITHOLDERS

The meeting of unitholders will be held at 2pm at the Inter-Continental Hotel, 117 Macquarie St, Sydney NSW 2000, on 18 November 2015.

UNITHOLDER REGISTER DETAILS

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

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: Sorrell Plaza Tasmania

OUR 2015 PERFORMANCE HIGHLIGHTS

(For period 1 July 2014 to 30 June 2015)

12.8¢
DISTRIBUTABLE EARNINGS (PER UNIT)

$1.5b
MARKET CAPITALISATION ON THE ASX AS AT 30 JUNE 2015

$150.5m
STATUTORY PROFIT AFTER TAX

$84.3m
DISTRIBUTABLE EARNINGS

SOLID PORTFOLIO PERFORMANCE

98.9%
PORTFOLIO OCCUPANCY
improved from 97.8%

7.49%
PORTFOLIO WEIGHTED AVERAGE CAP RATE
firming by 34 bps

$307.9m
INCREASE IN PROPERTY VALUE
including acquisitions and revaluation gains

REFINING OUR PORTFOLIO

8
ACQUIRED PROPERTIES
integrated into our portfolio

1
DIVESTED
Sub regional property in WA

PRUDENT CAPITAL AND COST MANAGEMENT

RESTRUCTURED AND DIVERSIFIED DEBT FACILITIES
with the completion of a US Private Placement and Australian Medium Term Note

REDUCED THE NUMBER OF UNITHOLDERS
from approximately 112,000 to less than 80,000 generating significant cost savings

MESSAGE FROM THE CHAIRMAN

PHILIP MARCUS CLARK AM
INDEPENDENT CHAIRMAN

On behalf of the Board, I am pleased to present SCA Property Group's Annual Report, including the audited Financial Statements, for the year ended 30 June 2015.

Your management team have performed well and achieved some impressive results for unitholders during the year.

- Distributable earnings of 12.8 cents per unit exceeded the initial earnings forecast.
- The full year distribution was 11.4 cents per unit, up 3.6% from last year.
- Total unitholder returns (being the distributions plus unit price growth since 30 June 2014 expressed as a percentage of the unit price as at 30 June 2014) exceeded 30%, compared with a 20% return for the S&P/ ASX 200 A-REIT Accumulation Index, and placed us comfortably in the top quartile of comparable A-REITs. At 30 June 2015, total unitholder returns since SCP listed in December 2012 are over 72%.

Capital raising initiatives during the year provided the opportunity for unitholders to add to their investment.

- In March 2015 the Group conducted the SCP Unit Purchase Plan, enabling existing unitholders to acquire up to $15,000 worth of SCP units brokerage free and at a small discount to the then current market price. This initiative was a great success and was heavily oversubscribed. The Board may consider a similar facility if a need arises to satisfy capital requirements in the current year.
- The Board activated the dividend reinvestment plan which has also been popular with investors. 16% of investors have taken up the opportunity to reinvest their distributions in new units in the Group through the DRP.

We recently launched our new funds management business through the unlisted closed end fund, SURF 1. The SURF 1 portfolio comprises 5 non-core SCP assets. This new business provides benefit to existing unitholders in the form of fee income, which

11.4¢

DISTRIBUTION
(PER UNIT)

89%

PAYOUT RATIO

should grow over time. SURF 1 also provided SCP investors with another opportunity to invest in convenience based retail assets anchored by Woolworths Limited. A number of our existing investors took advantage of the opportunity.

Important debt initiatives were also undertaken during the year with the US Private Placement and the Australian Medium Term notes issues. These initiatives diversified the Group's sources of debt and increased its average debt facility term to expiry to 6.3 years. I am also pleased to report that as at 30 June 2015, the Group's total average cost of debt was 4.0%. Reduced interest costs had a material positive impact on our results last year.

Dr Kirstin Ferguson joined the Board in January 2015. Kirstin's corporate board experience augments the Board's skill set and she is making a very positive contribution to the Board. In particular, her expertise in workplace health and safety governance underpins the Group's commitment to the safety and wellbeing of our staff, contractors and customers.

Mark Fleming, the Group CFO, was also invited to join the Board as an Executive Director in May. Mark has made an exceptional contribution to the Group since he joined us as CFO in August 2013. He was largely responsible for the debt initiatives mentioned above. Mark also has responsibility for investor relations and I have received complimentary comments from investors and analysts in relation to his performance in that role.

Initiatives taken by the Group last year position it well for future growth. We do see opportunities for growth in the business. But we also see some volatile times ahead and I want to assure investors that the Board and Management are committed to our core objective of providing sustainable returns to unitholders through superior management of our existing portfolio of neighbourhood shopping centres with a strong defensive focus on non-discretionary retail tenants.

On behalf of the Board I wish to thank Management and staff. They worked very hard during the year and delivered strong results.

I also thank my fellow Board members in Australia and our Independent Directors in New Zealand for their hard work, strong collaboration and enthusiasm. It has been a busy year.

Finally, I thank all SCP unitholders for their continued support and confidence. We value each and every one of our unitholders and we do appreciate your support.

Yours sincerely

Philip Marcus Clark AM
Chairman, SCA Property Group

MESSAGE FROM THE CEO

ANTHONY MELLOWES
EXECUTIVE DIRECTOR AND CEO

I am pleased to present SCP's annual report for its second full financial year of operations.

It has been an active period for SCP.

First and most importantly, the financial performance of your Group has been particularly pleasing. SCP achieved a full year distribution of 11.4 cents per unit, up 3.6% over the previous year. The total return to unitholders over the last financial year, including the growth of the unit price exceeded 30%.

Behind the scenes, management has been very active. At last year's AGM, I identified as the key short term priority for the Group, the leasing of vacant specialty premises. I am pleased to report that this has been achieved with the remaining vacant specialty premises leased with a total portfolio occupancy rate of 98.9%. Specialty vacancy has been reduced from 8.6% as at 30 June 2014 to a normalised 3.9% as at 30 June 2015. This is an important achievement as the Woolworths rent guarantee substantially expired during this period. Pleasingly, SCP's income is now almost wholly comprised of rental from supermarket and specialty tenants in the non-discretionary retail sector.

The Group continued to expand with the acquisition of 8 quality neighbourhood shopping centres. All of these acquisitions are projected to be earnings accretive and are in accordance with the Group's core strategy of acquiring, non-discretionary biased neighbourhood shopping centres in good locations.

An additional $146 million of equity was raised by the Group during FY15 through the successful Unit Purchase Plan, the activation of the distribution re-investment plan and an institutional placement in June 2015.

Looking forward, Management's key focus areas are:

OPTIMISING THE CORE BUSINESS

- As our normalised level of specialty vacancy has been achieved, our leasing focus moves to improving our specialty tenancy mix in order to maximise both the turnover productivity of our tenants and the average specialty rent.
- Improving the standards of our centres by investing in additional cleaning, security and preventative maintenance. Further, we will be looking to utlise our size and scale to optimise national tenders for key service providers.

33.3%

GEARING

$1.77

NET TANGIBLE ASSETS PER UNIT

- Although the sales growth from our anchors has moderated, we are confident that our anchor tenants will continue to contribute additional turnover rentals in the short and medium term as many of our centres being located in growth corridors.
- The market for retail property assets is buoyant. SCP will continue to explore opportunities to divest non-core assets at attractive prices.

GROWTH OPPORTUNITIES

- SCP will continue to consolidate within a fragmented market by acquiring accretive non-discretionary biased neighbourhood assets. This will be an important contributor to the ongoing success of the Group. Since listing in December 2012, we have acquired 21 neighbourhood shopping centres primarily in off market transactions.
- As foreshadowed at last year's AGM, we have successfully completed our initial development with the completion of the refurbishment of Lismore Shopping Centre on time and on budget and continue to evaluate and execute other brownfield developments consistent with our strategy.
- SCP has announced the creation of our new funds management business with the launch of SURF 1 comprising five non-core assets of SCP. The creation of SURF 1 has benefits for both SCP unitholders and SURF 1 investors alike and has enabled the recycling of these non-core assets to create a new business for the Group which should grow in value over time.

CAPITAL MANAGEMENT

- Management has continued to seek diversified sources of funding for the Group and this year completed two important debt restructuring initiatives. The first, the US Private Placement being the issue of notes to the value of AU$210 million with an initial maturity profile of 2027 (as to US$100 million) and 2029 (as to US$50 million and AU$50 million) and secondly, a Medium Term Note offering providing fixed term debt for a period of six years at 3.75% per annum. As a result, as at 30 June 2015, the Group's all in cost of debt was around 4.0% p.a. with a weighted average debt maturity of 6.3 years.
- Our gearing at 30 June 2015 was 33.3%, however after the launch of SURF 1 on 30 September 2015, our gearing will be approximately 31% which is at the lower end of our target range and will allow SCP to make additional debt funded acquisitions, should the appropriate transactions be available in the market.

We have also commenced work on our sustainability policy. Further details are outlined on pages 18 -19.

This has been an important 12 months for the Group. A number of strategic actions have been undertaken which will continue to benefit the Group well into the future.

Notwithstanding these initiatives, SCP remains committed to its core strategy of delivering sustainable earnings and distribution growth by optimising the performance of our existing assets and by continuing to acquire accretive neighbourhood centres where they are appropriately placed and attractively priced.

Kind regards

A. Mellowes

Anthony Mellowes
Chief Executive Officer, SCA Property Group

ABOUT US

SCA PROPERTY GROUP

SCA Property Group (SCP) includes 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 and New Zealand

As at 30 June 2015, our portfolio consisted of 82 centres valued at $1,956.3 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, through 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 anchor tenants 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. Woolworths and Wesfarmers are also major liquor, home improvement and petrol retailers.

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

SHORT HISTORY

SCA Property Group was created when Woolworths transferred its ownership in a number of 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 2015, has 82 shopping centres, of which 72 are anchored by Woolworths Limited retailers, and 10 are anchored by Wesfarmers Limited retailers.

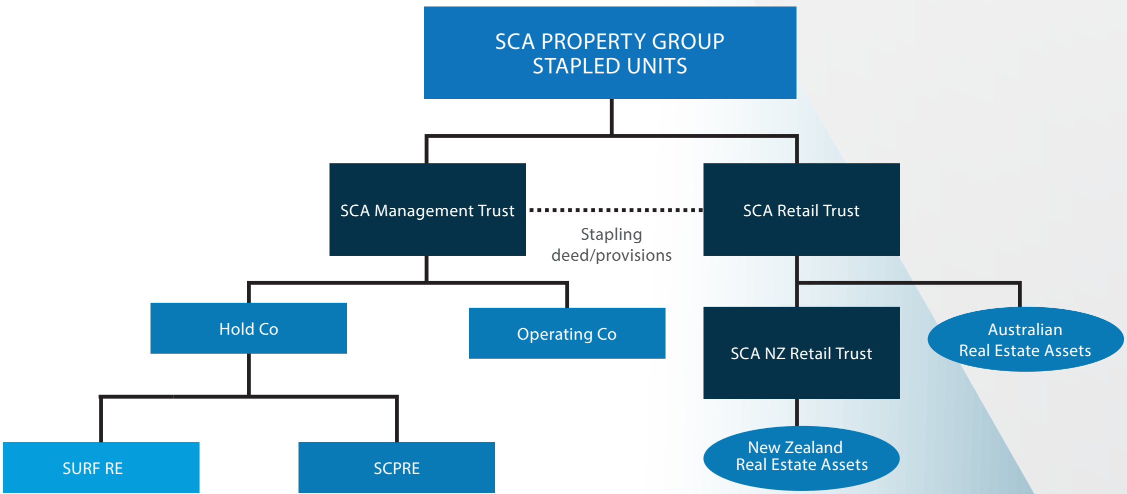
GROUP STRUCTURE

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 SCA Management Trust.

During the year SCA Unlisted Retail Fund RE Limited (SURF RE) (ACN 604 416 284) was incorporated as a wholly- owned subsidiary of SCA Management Trust, to be the responsible entity (AFSL 473459) for the Group's funds management business, including SURF 1.



Simplified ownership structure and property interests

Photo: Lilydale, Victoria

OUR PROPERTY PORTFOLIO

SCA Property Group's portfolio comprises 60 neighbourhood, 7 sub-regional and 15 freestanding retail shopping centres located across Australia and New Zealand.

SCA Property Group considers its Australian freestanding centres to be non-core, and has recently announced the proposed divestment of five non-core properties into SCA Unlisted Retail Fund Number 1 (SURF 1), which SCA Property Group will continue to manage. The five properties to make up SURF 1 are Fairfield Woolworths, Griffith North Woolworths, Burwood Dan Murphy's, Katoomba Dan Murphy's and Inverell Big W.

82

OPERATING PROPERTIES

68 in Australia valued at $1,748.3 million
14 in New Zealand valued at $208 million

1,004

SPECIALTY TENANTS

$1,956 m

OPERATING PROPERTIES TOTAL VALUE

98.9%

PORTFOLIO OCCUPANCY

increased from 97.8%

7 yrs

AVERAGE AGE OF PORTFOLIO

from completion or refurbishment

15.6 yrs

WEIGHTED AVERAGE LEASE EXPIRY

for anchor tenants

525,418 m²

GROSS LETTABLE AREA

OUR PROPERTY PORTFOLIO
CONTINUED

AUSTRALIAN PORTFOLIO

The Australian portfolio comprises as at 30 June 2015, 6 freestanding, 55 neighbourhood and 7 sub-regional shopping centres across the country. The total value of the Australian investment properties, as at 30 June 2015 was $1,748.3 million (up from $1,406.7 million as at 30 June 2014). The increase in value of the Australian properties during the year was principally due to:

- The acquisition of eight properties during the year for $233.1 million;
- The completion of a development property at Greystanes; and
- Favourable fair value movements of $61.7 million, primarily due to capitalisation rate (cap rate) compression.

The weighted average capitalisation rate for the Australian portfolio is now 7.48%, compared to 7.86% as at 30 June 2014.

NEW ZEALAND PORTFOLIO

The New Zealand portfolio as at 30 June 2015, comprises 9 freestanding properties and 5 neighbourhood shopping centres across the country. The total value of investment properties as at 30 June 2015 was $208 million (down from $210.8 million as at 30 June 2014). The decrease in value of the New Zealand properties during the year was principally due to:

- Favourable fair value movements of $6.2 million; and
- Unfavourable exchange rate movements of $9.0 million.

The weighted average capitalisation rate for the New Zealand portfolio is now 7.56%, compared to 7.68% as at 30 June 2014.

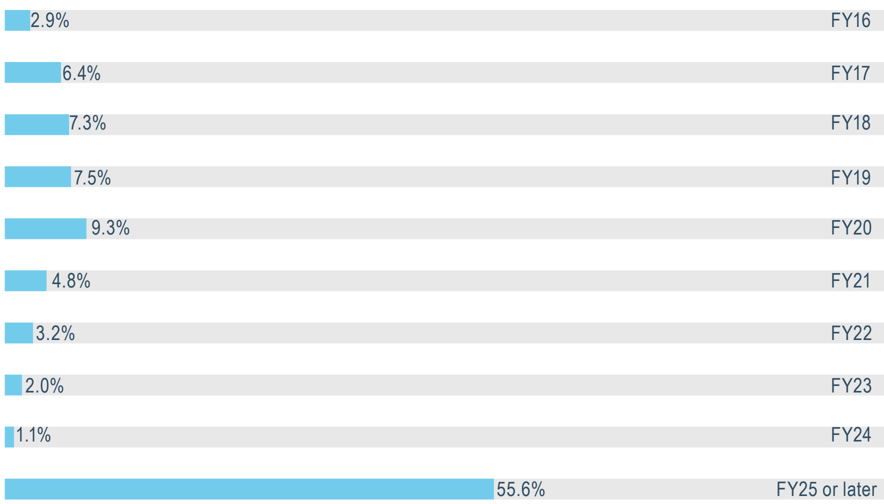
Properties as at 30 June 2015	Number of centres	Number of specialities	GLA (sqm)	Occupancy (% GLA)	Value (A$m)	WALE (yrs)	Weighted average cap rate (%)
Freestanding	10	-	45,051	100.0%	161.4	18.6	7.48
Neighbourhood	59	643	313,828	98.9%	1,211.6	11.6	7.46
Sub-regional	7	336	142,943	98.4%	495.2	12.5	7.53
Total Completed Assets	**76**	**979**	**501,822**	**98.9%**	**1,868.2**	**12.5**	**7.48**
Asset under refurbishment	1	22	6,824	90.4%	27.2	16.6	8.75
Assets held for sale	5	3	16,772	100.0%	60.9	13.3	7.17
All Assets	**82**	**1,004**	**525,418**	**98.8%**	**1,956.3**	**12.6**	**7.49**

OUR TENANTS

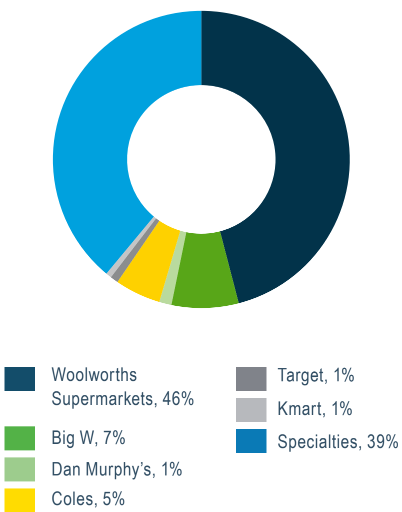
The Group's shopping centres are anchored by long-term leases to high-quality tenants with a weighted average lease expiry of 12.6 years.

Nearly half the portfolio is located in new growth corridors and regions. It largely comprises convenience-based neighbourhood centres with a strong weighting to the non-discretionary retail segment. Woolworths and Wesfarmers-owned anchor tenants represent 61% of gross income. The remaining 39% of gross income comes from specialty tenants that are skewed toward non-discretionary categories.

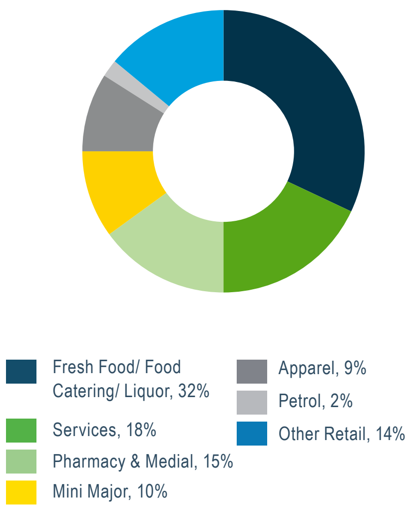
OVERALL LEASE EXPIRY (% OF GROSS RENT)



TENANTS BY CATEGORY (BY GROSS RENT) [1]



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



1 Excluding Vacancy, annualised gross rent

OUR STRATEGY

SCP aims to generate 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 seven years (weighted by value). This presents both opportunities and challenges, and our strategy for the immediate future is to generate incremental income growth to maximise long-term value.

We are doing this by:

- Optimising the existing portfolio: by reducing specialty vacancy to a normalised level, by increasing the rent per square metre we generate from our specialty tenants, and by controlling our costs;
- Growing the portfolio: by completing the Woolworths development properties, by undertaking selective acquisitions and divestments, and by conducting selected small-scale development opportunities in our completed portfolio. We are also planning to establish a funds management business, with our first fund SURF 1 launched in July 2015;
- Capital management: we adopt a prudent approach to capital management, with the aim of achieving a low cost of capital while maintaining our exposure to interest rate movements;
- Stability of Earnings: ensuring the stability of SCP's business, by maintaining a high proportion of our earnings from high quality tenants; and
- Commitment to Safety and Sustainability: focusing of safety, community and environment in our centres.

OPTIMISING THE EXISTING PORTFOLIO

A key priority for the Group has been to reduce the level of specialty vacancy. At listing in December 2012 we had specialty vacancy of 19.2% of gross lettable area (GLA). As at 30 June 2015 specialty vacancy has reduced to a more normalised level of 3.9% of GLA.

Now that specialty vacancy is down to a normalised level, our attention has turned to increasing 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 2015 there were 50 specialty tenancy renewals with an average rental increase of 7.3% achieved.

GROWING THE PORTFOLIO

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

There is a strong 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

Gearing

We maintain a prudent approach to managing the balance sheet, with gearing of 33.3% as at 30 June 2015, which is comfortably within the policy range of 30-40%. At 30 June 2015, the Group had cash and undrawn facilities of $150.4 million.

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 interest rate exposure of 50-100% of drawn borrowings; and
- Using derivative contacts 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 2015, 65% of the Group's debt was fixed or hedged.

Distribution payout ratio

SCP has a target payout ratio of 85 - 95% of distributable earnings. For the year to 30 June 2015 our distribution payout ratio was 89%.

STABILITY OF OUR EARNINGS

61% of our rental income comes from Woolworths Limited and Wesfarmers Limited, both of which are of a high credit quality. The remaining 39% of our rental income comes from specialty tenants. We have improved the this income stream by reducing specialty vacancy to normalised levels, and by securing quality tenants who 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 strong returns.

We have put in place a solid capital structure, with diversified sources of funding, gearing at 33.3% (at the lower end of our target range of 30 - 40%), weighted the average term to maturity of our debt to over six years, and fixed or hedged 65% of our debt.

OUR COMMITMENT TO SAFETY

The Board and senior Management of SCA Property Group 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 the SCA Property Group 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 SCA Property Group 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. For example, in 2015 the following initiatives were undertaken:

- We commissioned a strategic **Safety Framework Review** to understand how we can further develop our existing safety management systems, resourcing and reporting;
- 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.

Our Objectives & Commitment in 2016

To ensure we have an ongoing focus on safety across the Group, we have also identified a number of new initiatives for 2016 including:

- The development of a **Strategic Vision** for safety across the Group which will include a commitment to a unified set of standard safety leadership behaviours and commitments endorsed by our Board;
- We will review our **Board Charter** to ensure the level of focus and commitment to safety governance and safety leadership by the senior leaders of the organisation, including the senior Management team and Board, is adequately addressed;
- We are working with industry peers in to develop **Industry Benchmarks** in order to establish a consistent process for similar shopping centre owners to measure safety performance so that best practices can be shared across the industry; and
- We are continually assessing how we can best **Optimise Technology** to enhance our safety management systems and to ensure lead and lag indicators continue to be managed efficiently and effectively.

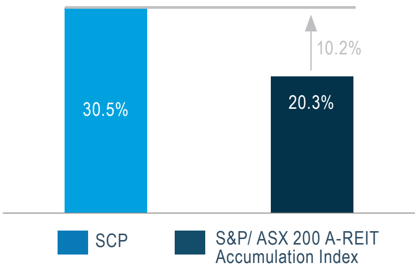
OUR PERFORMANCE

SCP HAS DELIVERED SUPERIOR RETURNS TO UNITHOLDERS

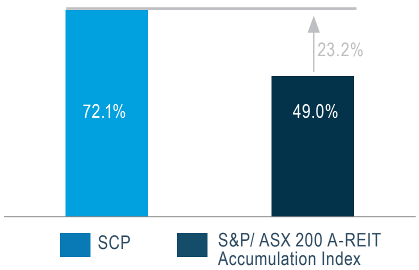
SCP has provided stable and secure distributions that have been supplemented by strong unit price performance during the FY15, and since IPO.

SCP has delivered a total unitholder return of 30.5% for FY15, representing 10.2% out performance relative to the S&P/ ASX 200 A-REIT Accumulation Index.

FY15 TOTAL RETURN [1]

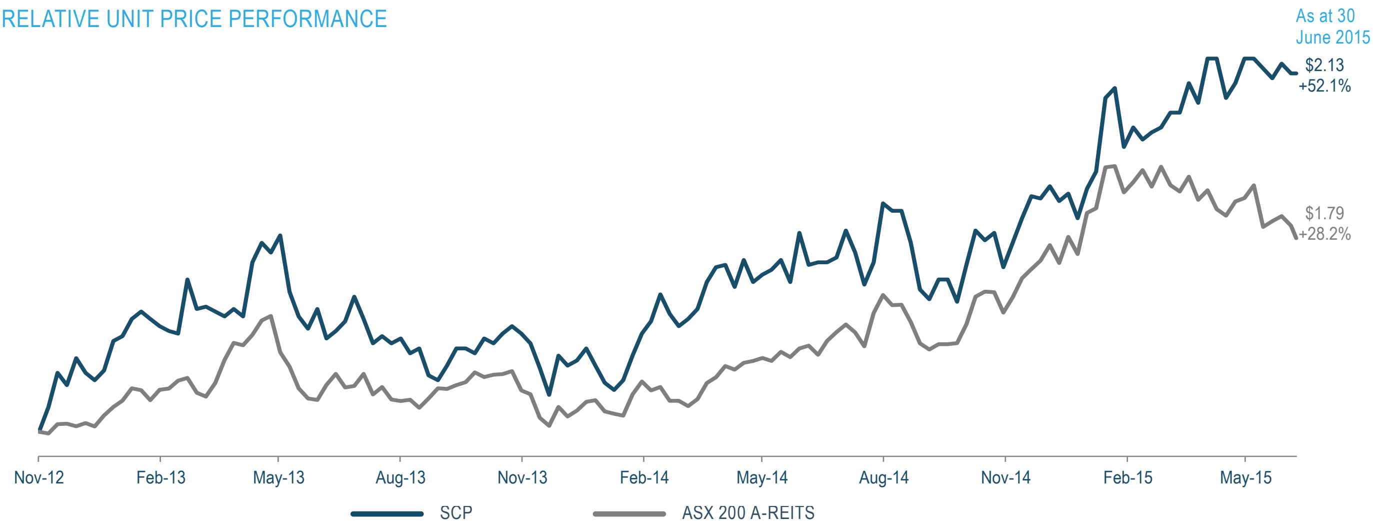


CUMULATIVE TOTAL RETURN SINCE SCP IPO (DEC 2012) [1]



1 SOURCE: IRESS, FY15 total return from 30 June 2014 to 30 June 2015 and returns since IPO from 23 November 2012 to 30 June 2015.

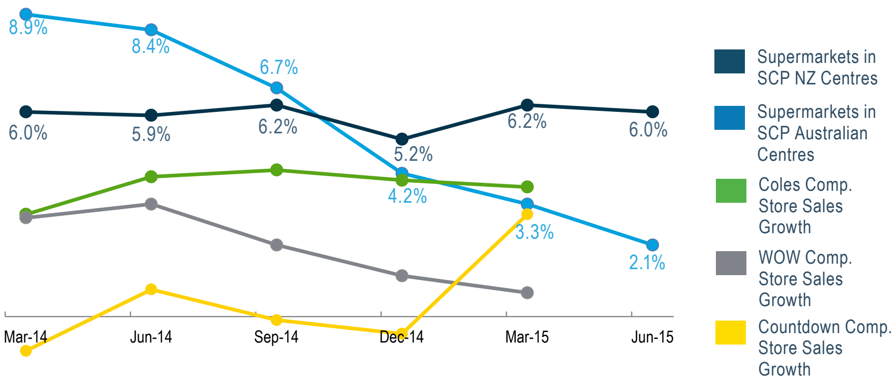
RELATIVE UNIT PRICE PERFORMANCE



STRONG SALES GROWTH IN OUR CENTRES

In FY15 shopping centres that have been trading for more than 24 months delivered 3.9% sales growth, significantly stronger than our A-REIT peers. Anchor supermarket sales growth was 2.1% in Australia and 6.0% in NZ, and specialty tenant sales growth was 7.7%. This result reflects the relatively young age of the centres and that a higher proportion of our centres are in growth corridors. Strong sales growth will assist SCP to generate increasing rental income in the future.

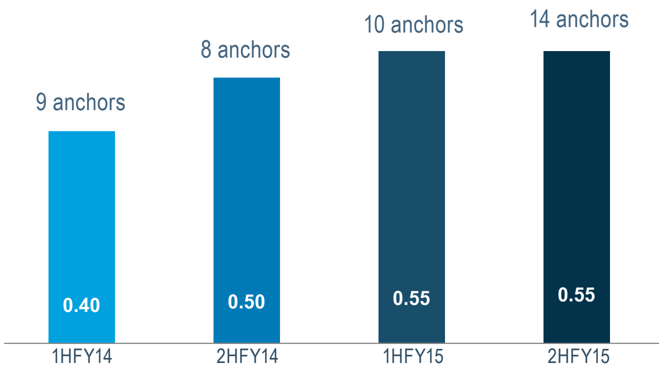
SUPERMARKET SALES GROWTH (%)



TURNOVER RENT THRESHOLDS BEING ACHIEVED

As a result of strong sales growth, some anchor tenants are achieving turnover rent thresholds. Once turnover rent thresholds are achieved, rental income increases with store sales growth. As at 30 June 2015, 14 anchors were generating turnover rent, and for the 12 months to 30 June 2015 turnover rent was $1.1 million. We expect these numbers to increase in coming years, albeit at a modest rate.

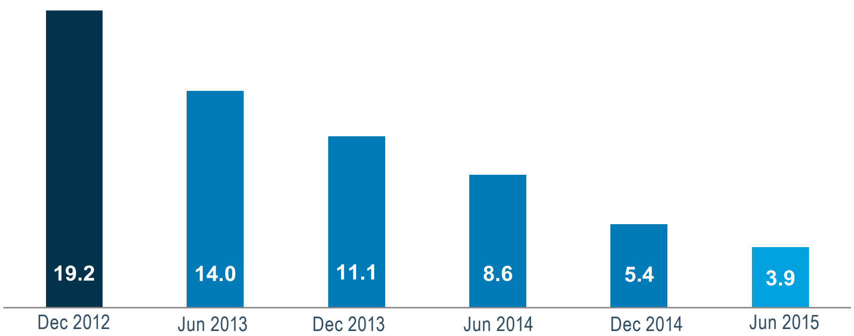
TURNOVER RENT ($m)



SOLID PROGRESS IN SPECIALTY LEASING

SCP made good progress in our specialty leasing program in FY15, with 114 leases commencing. Portfolio occupancy increased from 97.8% to 98.9% of GLA, with specialty vacancy reducing from 8.6% to a more normalised level of 3.9% of GLA.

SPECIALTY VACANCY TARGET (% OF SPECIALTY GLA)



DEVELOPMENT PIPELINE

We have identified over $116 million worth of development and refurbishment opportunities at 16 of our centres over the next five years. These are generally "bolt-on" developments to our existing centres. During the year, we have completed our first development being the refurbishment of our centre in Lismore.

INDICATIVE DEVELOPMENT PIPELINE

Development type	Centre (s)	Estimated capital investment (A$m)				
		FY16	**FY17**	**FY18**	**FY19**	**FY20**
Stage 3 (centre expansion)	Kwinana	5.0	10.0	-	-	-
Centre expansions	Central Highlands, Epping North, Mackay, North Orange, Treendale	1.5	6.5	15.0	16.0	10.0
Supermarket expansions	Chancellor Park, Ocean Grove, Newtown (Tasmania), Gladstone, Riverside, West Dubbo	3.5	11.0	12.0	-	8.0
Supermarket and centre expansions	Wyndham Vale, Merimbula, Collingwood Park, Kingston	-	-	-	5.0	13.0
	Total	**10.0**	**27.5**	**27.0**	**21.0**	**31.0**

PRUDENT DEBT MANAGEMENT

SCP maintains a prudent approach to managing the balance sheet, with gearing of 33.3% as at 30 June 2015. This is comfortably within the policy range of 30-40%. At 30 June 2015, the Group had cash and undrawn facilities of $150.4 million.

As at 30 June 2015, the weighted average cost of debt (including amortisation of establishment fees) was 4.0% p.a. and 65% of the Group's interest rate obligation was fixed or hedged for an average term of 3.8 years.

In August 2014, we received $210 million from an issue of US Private Placement (USPP) notes, 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 weighted term to maturity of six years. Both note programs have been rated Baa1 by Moody's. These transactions have further diversified our sources of debt funding and have extended the weighted average term to maturity of our debt to over 6 years, with no debt expiry until November 2017. We have drawn debt of $658 million of total debt facilities, including the USPP and A$MTN.

We are well within debt covenant limits of less than 50% gearing and interest cover ratio greater than 2.0x (currently 3.9x).

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

FINANCIAL HIGHLIGHTS

PROFIT AND LOSS

For the financial year ended 30 June 2015, we delivered a statutory net profit after tax of $150.5 million, 34.9% above the prior year assisted by increased investment property valuations, increases in the mark-to-market valuation of derivatives and increases in net operating income. Our preferred measure for cash earnings is Distributable Earnings which was 12.81 cents per unit (cpu), 2.9% above the prior year. Our Distribution paid to unitholders for the financial year was 11.4 cpu, 3.6% above the prior year, comprising 5.6 cpu for the first half distribution and 5.8 cpu for the final distribution.

- Distribution payout ratio is within our 85% to 95% target band; and
- Tax deferred ratio was 74%.

Some other points to note in relation to our Profit and Loss and Distributable Earnings:

- Gross property income benefitted from acquisitions, and specialty rental increases as our specialty vacancy declined;
- Property operating expenses remain below relevant benchmarks;
- Corporate costs include $3.0 million of unitholder and registry-related expenses due to our large unitholder base of around 78,000 as at 30 June 2015. During the year we conducted a small unitholder sale facility with the aim of reducing these expenses;
- Woolworths rental guarantee has ended for all but two of our properties. Structural vacancy allowance was a notional management adjustment associated with the Woolworths rental guarantee which we stopped calculating in December 2014.

$m	FY15	FY14	% Change
Anchor rental income	106.6	95.9	11.2%
Specialty rental income	58.5	48.0	21.9%
Straight lining & amortisation of incentives	4.4	7.5	(41.3%)
Other income	6.3	7.0	(10.0%)
Gross property income	**175.8**	**158.4**	**11.0%**
Property expenses	(48.2)	(41.7)	15.6%
Net operating income	**127.6**	**116.7**	**9.3%**
Corporate costs	(11.2)	(10.9)	2.8%
Fair value of investment properties	67.9	30.1	126%
Fair value of derivatives and financial assets	49.7	4.6	980%
Unrealised foreign exchange losses	(34.7)	0.0	nm
Transaction costs	(0.1)	(0.4)	(75.0%)
EBIT	**199.2**	**140.1**	**42.2%**
Net interest expense	(29.6)	(26.1)	13.4%
Refinancing transaction costs	(16.8)	0.0	nm
Tax expense	(2.3)	(2.4)	(4.2%)
Net profit after tax (statutory)	**150.5**	**111.6**	**34.9%**
Reverse: Straight lining & amortisation of incentives	(4.4)	(7.5)	(41.3%)
Reverse: Fair value adjustments			
• Investment properties	(67.9)	(30.1)	126%
• Derivatives and financial assets	(49.7)	(4.6)	980%
• Foreign exchange	34.7	0.0	nm
Reverse: Transaction costs	16.9	0.4	nm
Funds From Operations (FFO)	**80.1**	**69.8**	**14.8%**
Add: Rental guarantee received/ receivable	5.4	13.0	(58.5%)
Less: Structural vacancy allowance	(1.2)	(2.4)	(50.0%)
Distributable Earnings (DE)	**84.3**	**80.4**	**4.9%**
Number of units (weighted average)(m)	658.0	646.1	1.9%
Weighted average DE per unit (cents)	12.81	12.44	2.9%
Distribution per unit (cents)	11.40	11.00	3.6%
Payout ratio (%) [1]	89%	88%	nm
Distribution ($m) [1]	78.1	71.3	9.7%
Estimated tax deferred ratio (%)	74%	26%	nm
Less: Maintenance capex	(1.0)	(0.7)	42.9%
Less: Leasing costs and fitout incentives	(9.6)	(0.3)	nm
Adjusted FFO (AFFO)	**73.7**	**79.4**	**(7.2%)**
Distribution / AFFO (%)	106%	90%	nm

1 Distribution was 5.6cpu in respect of the first half (648.6m on issue of $36.3m), and 5.8cpu in respect of the second half (721.5m units on issue or $41.8m). Payout ratio is calculated as 11.4 cpu divided by weighted average DE per unit of 12.8 cpu.

BALANCE SHEET

As at 30 June 2015, we have net tangible assets of $1,276.8 million (up from $1,065.6 million as at 30 June 2014). Net tangible assets per unit has increased to $1.77 (up from $1.64 as at 30 June 2014).

Some other points to note in relation to our Balance Sheet:

- Value of investment properties increased by $254.6 million, predominately due to acquisitions and positive revaluations. During the year the weighted average cap rate on our portfolio firmed from 7.83% to 7.49%;
- Other assets includes $60.9 million of assets held for sale, being the five centres to be sold into our first retail fund SURF 1;
- Debt increased as we funded acquisitions and completed developments during the year but was largely unchanged as a percentage of total assets;
- NTA per unit increased by 7.9% primarily due to property revaluations, stronger New Zealand dollar, and retained earnings; and
- Management Expense Ratio (MER) has reduced due to cost control and increased asset base.

$m	30 June 2015	30 June 2014	% Change
Cash	3.7	0.9	311%
Investment properties	1,895.4	1,640.8	15.5%
Other assets	121.9	31.2	291%
Total assets	**2,021.0**	**1,672.9**	**20.8%**
Debt	680.1	535.8	26.9%
Accrued distribution	41.8	36.3	15.2%
Other liabilities	22.3	35.2	(36.6%)
Total liabilities	**744.2**	**607.3**	**22.5%**
Net tangible assets	**1,276.8**	**1,065.6**	**19.8%**
Number of stapled units (m)	**721.5**	**648.6**	**11.2%**
NTA per unit ($)	**$1.77**	**$1.64**	**7.9%**
Corporate costs	11.2	10.9	2.8%
MER (%)	0.55	0.65	(15.4%)

OUR COMMITMENT TO SUSTAINABILITY

Since listing, SCP has undertaken many initiatives to support communities associated with our centres, commenced improvements to the energy efficiency of a number of our shopping centres, and built a solid corporate governance platform. In 2015, the Group committed to a new Sustainability Policy and a Sustainability Strategy and is now establishing management structures and systems to enable their fulfilment.

With its approach to sustainability SCP seeks to preserve or enhance security holder value through managing environmental, social and governance (ESG) risks to investment value and to enhance the well-being of the communities in which it operates. We recognise that there are a number of potential ESG issues associated with our operations and so have committed to progressively managing those that are most material to our business and key stakeholders; most notably our investors, tenants, communities and employees.

OUR OBJECTIVES

SCP's Sustainability Strategy focuses on three core objectives:

Stronger Communities

Proactively engaging with the communities we reside in to support them to be stronger and more prosperous and to enhance shopping centre footfall for our tenants.

Environmentally Efficient Assets

Improving the energy, water and waste efficiency of our shopping centres to reduce the environmental impact and financial cost of their operation and make them more attractive destinations for customers and tenants where possible, and to meet market benchmarks for building environmental performance.

Responsible Investment

Achieving good practice in ESG through management of investment risk, adding value through associated opportunities and ensure SCP has the ongoing support of its key stakeholders to best conduct its business. Reporting on our performance with sustainability.

OUR PROGRESS AND COMMITMENT

In 2015, steps were taken to initiate SCP's sustainability program, 2016 will see a focus on the structuring of that program to meet our five-year objectives, including setting targets and commencing reporting.

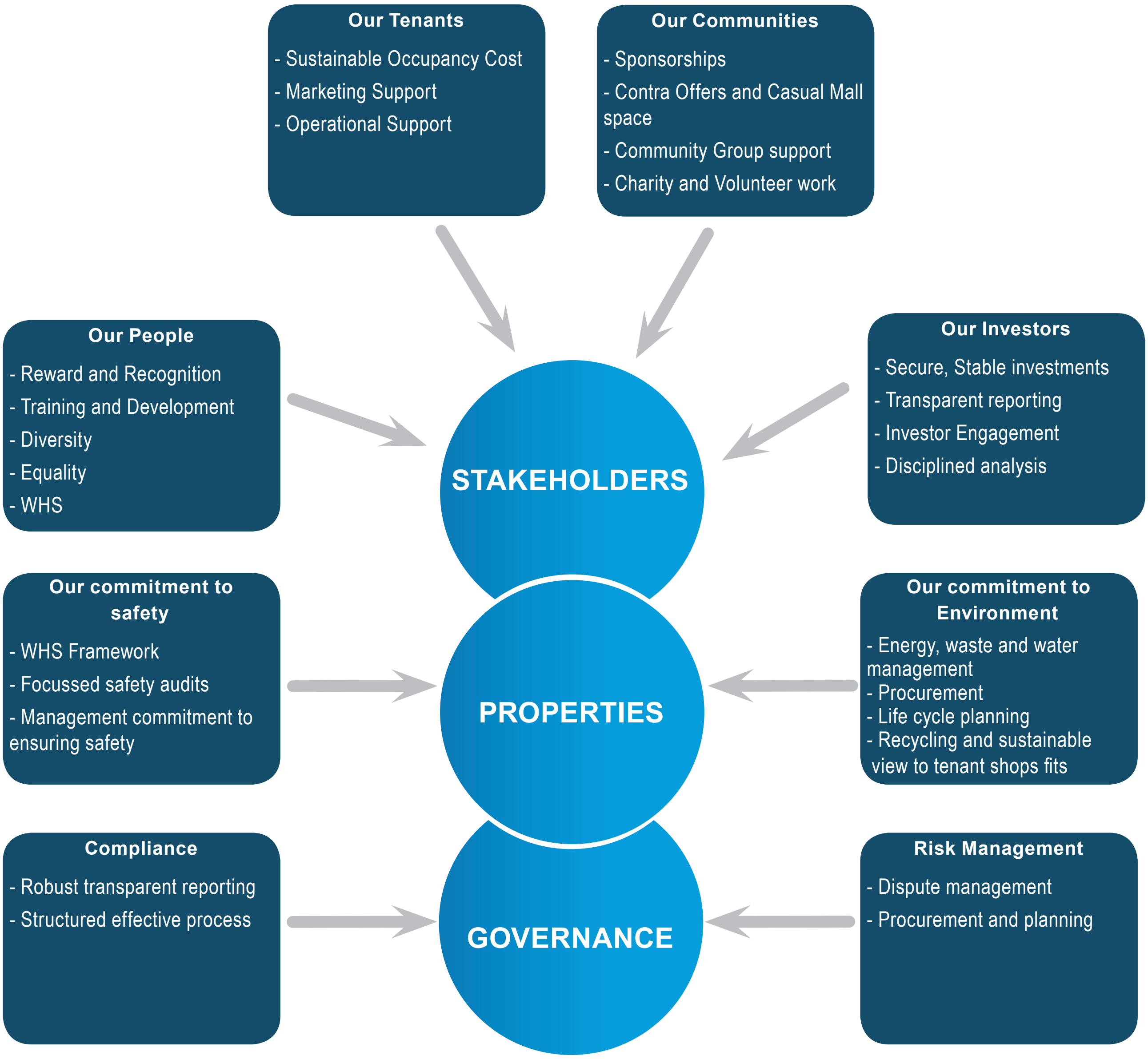
	FY15 PROGRESS	FY16 COMMITMENT
STRONGER COMMUNITIES	– Partnered with local community groups at our shopping centres to provide charitable opportunities, rent-free space for local fund-raising and youth engagement initiatives. – Sponsored local sporting and community groups. – Employees donated time for charitable and other community related events.	– Develop a nationally consistent yet locally specific community engagement strategy and framework.
ENVIRONMENTALLY EFFICIENT ASSETS	– Commenced LED lighting rollout to shopping centres. – Commenced review into alternative power sources. – Commenced retender into waste & recycling management program.	– Benchmark performance, set targets and establish upgrade improvement plans for shopping centres. Implement projects across our portfolio accordingly. – Establish data management system for building environmental performance.
RESPONSIBLE INVESTMENT	– Established Group Sustainability Steering Committee chaired by our General Manager – Operations and reporting to our Board.	– Developed a Group Sustainability Policy (available on website) – Commence reporting on sustainability performance. – Prepare for participation in the Global Real Estate Sustainability Benchmark (GRESB)

CASE STUDY: MARKET PLACE MEN'S SHEDS

For 2014 Christmas campaigns, Kwinana Marketplace (WA), Murray Bridge Market Place (SA) and Mt Gamber Marketplace (SA) established grassroots partnerships with the nation's largest association focused on male well-being, the "Australian Men's Shed Association". Mount Gambier, Murray Bridge and Kwinana Men's Shed branches all created new 'Christmas sets'. SCA donated all materials and provided centre common area for presenting the artwork and Christmas furniture built by the Men's Shed members.

The campaign created a platform to heighten the profile and community awareness of the non-profit organisation, while raising social issues affecting men, such as loneliness and depression. A member of the Men's Shed was quoted as saying "This project has restored my faith in my own abilities", the branches thanked SCA for supporting their commitment to "Transform lives- one piece of wood at a time".

OUR FOCUS



REMUNERATION REPORT

Remuneration Report

Dear Unitholders

Shopping Centres Australasia Property Group RE Limited (**SCPRE**) is pleased to present its Remuneration Report for the year ended 30 June 2015.

The primary objective of this report is to set out the Key Management Personnel (**KMP**) remuneration arrangements (Non-Executive Director and Executive) for the 2015 financial year.

In 2014 we made important changes to our remuneration practices and philosophy. We received a positive response to our 2014 Remuneration Report with over 93% of the votes cast at our 2014 AGM in support of the Report. We believe the structure, metrics and philosophy set in 2014 (applicable for the FY15 year) remain the appropriate framework for SCA Property Group (**SCP**) as it aligns Executive remuneration, unitholder outcomes and execution of the Group's strategy. During FY15, SCP has also continued its ongoing engagement with key stakeholders in relation to its remuneration policies and philosophy.

FY15 was a key transition year for SCP due to the expiry of the Woolworths rent guarantee and leasing-up the remaining specialty vacancies which, if not leased, would no longer be covered by the guarantee. Some analysts had forecast an earnings shortfall, assuming specialty leasing would fall short of the level required to maintain earnings. During FY15, SCP successfully leased a significant portion of the remaining vacant specialty premises and achieved 96.1% specialty occupancy as at 30 June 2015. Distributable earnings per Unit increased to 12.81 cents per unit (**cpu**) for FY15 resulting in a 2.9% increase over the prior year. Importantly, virtually all property income generated by SCP is now from supermarket and specialty tenants and the Woolworths rental guarantee has substantially expired.

While remaining on strategy, a number of other key initiatives have contributed to SCP's performance in the last 12 months. These include reducing the specialty vacancy to normalised levels, reducing the Group's capital management risk exposure and costs, acquiring earnings accretive neighbourhood centres and disposing of assets which do not fit the Group's earnings profile. Many of the achievements of FY15 will be contributors to medium and long-term performance.

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

- **FFO Increased**: Total funds from operations were up by 14.8% in FY15.
- **DEPU and DPU Increased**: FY15 Distributable Earnings per Unit of 12.81 cpu represents growth of 2.9% on same period last year. FY15 Distribution per Unit of 11.40 cpu represents growth of 3.6% on same period last year.
- **MER reduced**: SCP achieved a reduction in Management Expense Ratio (**MER**) from 0.65% at 30 June 2014 to 0.55% at 30 June 2015.
- **Specialty vacancy reduced**: Specialty vacancy reduced from 8.6% at 30 June 2014 to a normalised level of 3.9% as at 30 June 2015.
- **Specialty rent increased**: Specialty rent per square metre (**psm**) increased to $650/psm at 30 June 2015 up from $630/psm at 30 June 2014 increasing speciality tenants' contribution to portfolio income.
- **Capital management refined**: During FY15, the Group's debt was restructured and funding sources were further diversified, with the completion of a $210 million US private placement and a $175 million Australian Medium Term Note. Consequently, the average term to maturity increased from 3.5 years to 6.3 years and the Group's weighted average cost of debt reduced from 4.9% p.a. at 30 June 2014 to around 4.0% p.a. at 30 June 2015.

In addition, the Group raised $146 million in new equity from retail and institutional sources with a combination of activating the distribution reinvestment plan (**DRP**), a Unit Purchase Plan (**UPP**) and an institutional placement.

Gearing, as at 30 June 2015, was 33.3% being at the lower end of SCP's stated gearing policy range.

- **Market capitalisation increased**: SCP's market capitalisation increased to over $1.5 billion as at 30 June 2015 up from $1.1 billion at 30 June 2014.
- **Portfolio increased and refined**: During FY15 SCP acquired eight centres for $233.1 milion and divested the Margaret River Shopping Centre.
- **New growth initiatives identified**: SCP's first retail fund (SURF 1) was launched in July 2015 which, if successful, will provide additional income potential for SCP investors through management fees.
- **30% TSR achieved**: Total securityholder return of over 30% in FY15.

The Group's remuneration philosophy is designed to provide a clear link between the Executive remuneration awarded and achieving investor returns in line with SCP's strategy. The remuneration framework is designed to help build, retain and focus a talented and aligned Executive team.

The remuneration structure incorporates objective performance indicators that reflect SCP's defensive yield and measured growth strategy, reflecting the characteristics of the underlying property assets owned by SCP and the requirements of long term investors.

The performance indicators and remuneration philosophy remain consistent with the approach adopted in FY14 which attracted strong stakeholder support. In the Board's opinion, the remuneration outcomes for FY15 reflect and are consistent with, the Group's performance and appropriately balance the interests of all of the Group's stakeholders.

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

Belinda Robson
Chair of People Policy Committee

Remuneration Report

1. INTRODUCTION (Audited)

This Remuneration Report relates to the year ended 30 June 2015 with comparative information from the year ended 30 June 2014.

The purpose of this report is to explain SCP's approach to remuneration and set out key remuneration details for the Key Management Personnel (**KMP**) being the Non-Executive Directors (**NEDs**) and Executives of SCPRE.

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 (whether executive or otherwise) of the consolidated entity. KMP includes Directors of SCPRE and other nominated Executives of SCP.

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, 2001 (Cth) (***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 purposes of this report, the term "Executives" are KMP excluding NEDs.
- NEDs are not provided with performance based incentives however they may choose to acquire or accumulate, over their term of office, an equity interest in SCP. Recognising this and other differences, this report separates Executive and NED remuneration arrangements. All disclosure requirements for NEDs are contained in a separate section at the end of this Remuneration Report.

In this report a reference to a **Unit** is a reference to a Stapled Unit comprising one unit in Shopping Centres Australasia Property Retail Trust stapled to one unit in Shopping Centres Australasia Property Management Trust as traded on the Australian Securities Exchange (**ASX**).

2. BACKGROUND (Unaudited)

SCA Property Group (**SCP**) listed in late 2012 following the divestment by Woolworths of 69 shopping centres located across Australia and New Zealand valued at approximately $1.4 billion. Since then, SCP has made a number of strategic acquisitions and divestments which together with changes to valuations brings its portfolio of assets, as at 30 June 2015, to 82 properties valued at $1.9 billion.

SCP has strong defensive characteristics and is focused on providing sustainable distributions and investor returns via measured growth through measured risk taking.

SCP's strategy remains focused on:

- Continuing to build on its portfolio of convenience based retail centres, particularly neighbourhood centres;
- Securing long-term leases to quality major retail tenants with a tenancy mix biased towards tenants that trade in the more defensive, non-discretionary segment of the retail market;
- Maintaining the appropriate capital structure for the Group including the use of appropriate levels of debt; and
- Pursuing growth opportunities appropriate to SCP's measured approach to risk.

SCP benefits from long term leases to major retail tenants and as at 30 June 2015 this represents 61% of total property portfolio income. The original portfolio at listing in 2012 remains subject to lower growth in the short to medium term when compared to our peers. This is due to the majority of leases to anchors commencing in November 2012 and not being subject to a rent review until approximately November 2017. Since listing in December 2012, the Group has actively sought to re-balance the portfolio through strategic acquisitions of more mature assets with higher short-term growth profiles than the original portfolio. Since listing SCP has acquired 21 more mature neighbourhood centres.

The trade-off for the secure and stable nature of the portfolio is that earnings growth remains a key challenge for SCP. The relatively young age of the majority of SCP's centres results in a lower proportion of SCP's anchor tenancies paying turnover rent under leases. The countervailing benefit is longer weighted average lease expiry periods. By 30 June 2015, active centre management and disciplined acquisitions have contributed to 14 stores within the portfolio now being in turnover rent compared to none when SCP listed in 2012. Through acquisitions, the Group has added Wesfarmers' entities to the tenant mix and, for FY15, their contribution to the total property portfolio income is 7%.

The performance hurdles recognise this transition from low growth to normalised growth profiles as the portfolio ages and mature centres are acquired. These improving growth profiles are reflected in the hurdles in both the Short-Term Incentive (STI) and Long Term Incentive (LTI) programs.

Notwithstanding this, other growth opportunities are available to management in the portfolio. SCP has a measured approach to risk that requires a disciplined and conservative approach to core business, growth opportunities and capital management.

The Board has had regard to these unique characteristics when designing and reviewing the remuneration structure, including the setting and weighting of the key metrics. It has also been a factor in establishing the threshold, target and maximum hurdles set for potential awards to vest. Hurdles are set to reward strong to exceptional performance being "stretch" above core operations.

The Board sought to focus and reward management on areas of "influence" that will benefit unitholders both in the short and long term.

Remuneration Report

The Board focused the FY15 STI and LTI performance conditions and hurdles on those areas where it believed management can create the most value for unitholders including:

- Securing sustainable distributable earnings per Unit and earnings growth within SCP's stated risk parameters;
- Increasing occupancy of the portfolio focusing on specialty gross lettable area (**GLA**) as this was a key opportunity for management to enhance asset performance through appropriate tenant mix;
- Driving net operating income at the portfolio level (excluding the effect of the Woolworths guarantee), 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.

The factors identified above were relevant to SCP during FY14 and FY15 and, for the reasons set out above, the Board intends to use similar key performance indicators (**KPIs**) for remuneration in FY16. (See Section 9 of this Remuneration Report for more details.)

3. KEY MANAGEMENT PERSONNEL (Audited)

SCP's KMP (during the financial year) are:

Name	Position	Appointment / Cessation Date
Non-Executive Directors (NED's)		
Philip Marcus Clark AM	Chairman, Non-Executive Director, member of the Nominations Committee	Appointed: 19 September 2012
Dr Kirstin Ferguson	Non-Executive Director, Member of the Audit, Risk Management and Compliance Committee, member of the People Policy Committee	Appointed: 1 January 2015
James Hodgkinson OAM	Non-Executive Director, Chairman of the Nominations Committee, member of the Audit, Risk Management and Compliance Committee, member of the People Policy Committee	Appointed: 26 September 2012
Dr Ian Pollard	Non-Executive Director, Chairman of the Audit, Risk Management and Compliance Committee	Appointed: 26 September 2012
Philip Redmond	Non-Executive Director, Member of the People Policy Committee and Audit, Risk Management, Compliance Committee	Appointed: 26 September 2012
Belinda Robson	Non-Executive Director, Chairman of the People Policy Committee, member of the Nominations Committee	Appointed: 27 September 2012
Executive Directors		
Anthony Mellowes	Executive Director, Chief Executive Officer	Appointed as Director: 2 October 2012 Appointed as Chief Executive Officer: 1 July 2013
Mark Fleming	Executive Director, Chief Financial Officer	Appointed as Director: 26 May 2015 Appointed as Chief Financial Officer: 20 August 2013
Other Executives		
Mark Lamb	General Counsel and Company Secretary	Appointed: 26 September 2012

There have been no changes to the KMP since the reporting date or the date this remuneration report was signed.

Remuneration Report
(Audited)

4. REMUNERATION GOVERNANCE

4.1 Role of the People Policy Committee

The Board of SCPRE (**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 confirms 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 People Policy Committee (**PPC or Committee**) which has responsibility for reviewing, making recommendations to the Board and, where relevant, approving the remuneration arrangements in place for the NEDs, the CEO and other Executives. The charter for the PPC is reviewed by the Board annually and can be found at www.scaproperty.com.au/about/governance.

4.2 How the Committee makes remuneration decisions

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

The Committee utilises several different tools and resources in reviewing elements of Executive compensation and making remuneration decisions. These decisions, however, are not purely formulaic and the Committee may exercise judgment and discretion in making them. When setting the level of threshold, target and maximum hurdles of any remuneration award, the Board considers a wide variety of information including but not limited to internal budgets at the beginning of the period, analyst forecasts, general market factors and A-REIT peer practices.

The Board and the Committee have discretion when considering the awarding and vesting of STI and LTI opportunities to Executive-KMPs. The purpose of preserving this discretion is to allow the Board to ensure remuneration levels and structure are at all times appropriate in the market. The discretion exercised by the Board is also designed 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.

In FY15 the Board exercised its discretion determining the payout under the FY15 STI Plan Distributable Earnings per Unit (**DEPU**) performance measure in two ways:

1. Removed the positive impact on the DEPU calculation for the period resulting from terminating certain fixed interest swaps during the period; and
2. Added a partial year positive impact to the DEPU calculation to acknowledge the accretive acquisition of three assets in June 2015. Accordingly, for the corresponding performance condition in the FY16 STI Plan, threshold is higher to reflect the award given in the FY15 period.

As a result of both discretions applied, the payout to KMP was lower, in total, than if discretion had not been applied.

When determining awards for Executives, the Committee seeks to acknowledge strong performance in the period it occurred. The Committee will make appropriate adjustments to hurdles set for subsequent periods 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 has provided his perspectives on fixed remuneration and Short Term Incentive Plan (**STIP**) performance outcomes for those KMP who are his direct and functional reports.

4.3 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.

In addition the Committee obtained benchmarking reports including market data and trends in remuneration structures from Egan Associates in respect of Executive remuneration and Harlyn AP in respect of Non-Executive Director remuneration.

No external adviser made any 'remuneration recommendations' as defined in the Corporations Act.

4.4 Malus provisions

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; and/or
- A material abnormal occurrence results in an unintended increase in the award.

In respect of the FY15 STIP, an additional malus provision permits the Board to exercise its discretion to forfeit some or all of KMP's unvested STIP Rights where distributable earnings are not maintained in the deferral period following the performance period. Acknowledging the importance SCP's investors place on sustainable earnings, the Board determined this malus provision should be retained as an FY16 STIP condition.

Remuneration Report
(Audited)

4.5 Other governance
All SCP employees and Directors must not use, nor allow to be used, any derivatives in relation to any unvested SCP Rights or Units or vested SCP Units that are still subject to disposal restrictions.

The use of derivatives over SCP Units that have vested and are exercisable must, like any other dealing in SCP Units, comply with the law and other provisions of SCP's Securities Trading Policy.

Derivatives include any transaction in financial products that operates to limit the economic risk associated with holding the relevant SCP Units

All employees and Directors may only trade in SCP securities in accordance with the Corporations Act and the SCP Securities Trading Policy. See www.scaproperty.com.au/about/governance for a copy of the policy.

5. EXECUTIVE REMUNERATION POLICY
5.1 Executive remuneration philosophy, principles and policies
The Board believes that unitholders benefit where the structure, design and mix of Executive remuneration combines the alignment of unitholders' interests with the motivation and retention of a talented Executive team. 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, good governance practices, and 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 the Group and overall performance of the Group.

In support of this principle:

- Total Remuneration Opportunity (**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 amount and mix of each Executive's TRO opportunity takes into account a range of factors including that Executive's position, expertise, experience and responsibilities, their ability to impact achievement of SCP's strategic objectives, SCP's overall performance, and the desire to secure tenure of Executive expertise.
- Fixed remuneration is intended to reward Executives for performing, to a high standard, their key responsibilities that are aligned to the Board-endorsed strategy. This high standard includes appropriate stretch within and above core business performance.

2. Appropriately align the interests of Executives and unitholders.

In support of this principle:

- 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.
- The threshold, target and maximum hurdles within each KPI are set each financial year to encourage strong to exceptional performance within the Group's stated risk parameters.
- Target is set at 75% of the maximum potential award, recognising that target is a stretch goal.
- For the Chief Executive Officer and the Chief Financial Officer, 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 ceasing employment (other than for terminated for cause) unless the Board determines they should be forfeited.
- Performance-based remuneration opportunities are designed to ensure they do not encourage excessive risk taking that may compromise workplace health and safety standards, SCP's value and/or reputation with stakeholders. SCP considers key risk parameters to include maintaining modest levels of gearing and remaining focused on owning and operating neighbourhood shopping centres predominantly tenanted by non-discretionary retail.
- All incentives contain "malus" provisions allowing 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.

This philosophy has remained substantively the same as for FY14. The Committee continues to benefit from discussions on Executive remuneration with key stakeholders and where appropriate will take these views into account in formulating the remuneration strategy of the Group.

5.2 Structure and components of remuneration
Building on the above philosophy and principles, the Committee has developed, and the Board and the Committee have approved the Executive remuneration structure which is set out in detail in Section 6 of this report. This structure was in place for all KMPs with effect from 1 July 2014 and has influenced the nature and amount of total remuneration paid to KMPs in relation to the financial year ended 30 June 2015.

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6. EXECUTIVE REMUNERATION COMPONENTS

6.1 Overview of components for the 2015 financial year

The SCP Executive remuneration structure comprises a combination of total fixed remuneration (**TFR**) plus performance or "at risk" remuneration. The performance remuneration comprises STIs and LTIs. The Total Remuneration Opportunity (**TRO**) components, which apply for the 2015 financial year, are set out below.

Description	How is it delivered
Total Fixed Remuneration (TFR) Fixed Pay	
– The TFR package is the fully costed value of salary, superannuation, motor vehicle and other short term benefits including Fringe Benefit Tax (FBT). – TFR provides a fixed level of income to compensate Executives for their level of responsibility, relative expertise and experience.	The TFR package is paid in cash, superannuation contributions as well as motor vehicle and other employee benefits provided on salary sacrifice.
Short Term Incentive Plan (STIP) Variable Pay(At-Risk)	
– STIP motivates and rewards Executives for achieving or exceeding annual strategic objectives set for SCA Property Group and aligned with value creation. – STIP recognises individual contributions to SCP performance.	The STIP award for the Chief Executive Officer and Chief Financial Officer is made up of 50% cash and 50% deferred rights to SCP units under the SCP Incentive Plan (STIP Rights). For other Executives, the STIP award is 100% in cash. The cash component of the STIP award is payable after the end of the financial year to which the entitlement arose and the FY15 cash component was paid in September 2015. FY15 STIP Rights, awarded to the CEO and the CFO, vest on or about 1 July 2017.
Long Term Incentive Plan (LTIP) Variable Pay(At-Risk)	
– LTIP aligns the interests of Executives with Unitholders by emphasising sustained growth in SCP's earnings, return on unitholder equity and the performance of SCP units relative to those of its industry peers. – LTIP provides a forfeitable ownership stake to encourage Executive alignment and retention. – LTIP performance period is three years with a one year deferral period making the vesting four years after the grant of the LTIP Rights.	The LTIP Rights awarded at the end of the relevant performance period being: – in respect of the RTSR Tranche, the period from 1 October 2014 to 30 September 2017; and – in respect of the DEPU and ROE Tranches, the period from 1 July 2014 to 30 June 2017. LTIP Rights awarded will vest in one instalment on or about 1 July 2018.

Provisions relevant to STIP and LTIP Variable Pay(At-Risk)

The Board retains discretion on the final determination of STIP and LTIP awards in cases of exceptional individual performance where the Group's financial metrics may not have been met. Conversely, there may be cases where although the Group's financial metrics have been achieved, the Board may exercise its discretion to withhold or forfeit STIP or LTIP. Reasons for any material exercise of Board discretion will be disclosed in the relevant year's Remuneration Report.

Conditions dealing with unvested LTIP and STIP Rights where Executives cease employment are outlined in Section 7.4 of this remuneration report.

Each vested STI and LTI Right entitles the relevant KMP to acquire one Unit plus an additional number of Units on the basis of the distributions that would have been paid in respect of those Units over the relevant period. The number of additional Units is calculated as if SCP's DRP applied to the final number of units awarded (with no discount to the issue price) over the relevant period. No distributions accrue in respect of STI or LTI Rights that lapse. Details of how the additional Units are calculated are provided in this Sections 6.4 and 6.5 of this remuneration report.

The amount and the mix of each Executive's total remuneration are set applying the philosophy, principles and policies set out in Section 5 of this remuneration report.

6.2 Total Fixed Remuneration (TFR)

Total Fixed Remuneration or TFR comprises base salary, superannuation contributions, motor vehicle and other salary sacrifice employee benefits and other short term benefits.

Remuneration levels for Executives are reviewed annually and any increase awarded takes effect from 1 October. The Board and the Committee will generally obtain independent advice from external consultants as part of this process. For FY15 Executives were awarded a base salary increase generally in line with market, with variations for incumbent experience and demonstrated competence in the position. During the period the Committee and the Board obtained a report from Egan Associates benchmarking Executive remuneration to comparable entities.

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Set out below is the TFR for the Executive KMP, in effect from 1 October 2013 and 2014:

Executive	Total Fixed Remuneration[1] in effect from 1 October 2014	1 October 2013	Variance (Increased by)
Anthony Mellowes, CEO	$824,000	$800,000	3.0%
Mark Fleming, CFO	$575,000	$550,000	4.5%
Mark Lamb, GC/CS	$532,000	$516,181	3.0%

1 For further details see Section 6.6 of this Remuneration Report.

6.3 Performance based remuneration mix for the 2015 financial year

The table below summarises the maximum performance based remuneration opportunity in respect of each of the remuneration components for the 2015 financial year for those KMP employed as at 30 June 2015:

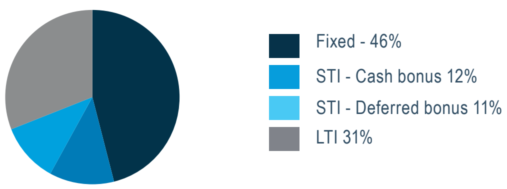
	Maximum Potential Cash STI			Maximum Potential Equity STI			Maximum Potential LTI		
Executive	% of TFR	$ [1]	% of total potential rem	% of TFR	$ [1]	% of total potential rem	% of TFR	$[3]	% of total potential rem
Anthony Mellowes, CEO	25%[2]	206,000	12%	25%[2]	195,700	11%	100%	541,017	31%
Mark Fleming, CFO	20%[2]	115,000	12%	20%[2]	109,250	11%	50%	188,765	19%
Mark Lamb, GC/CS	25%	133,000	18%	-	-	-	20%	74,671	10%

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).

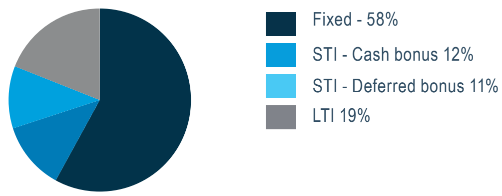
2 In FY15 Mr Mellowes' STI opportunity was 50% of his TFR and Mr Fleming's STI Opportunity was 40% of his TFR. STI incentives for Mr Mellows and Mr Fleming are awarded 50% in cash and 50% in equity and the percentage maximum has been equally allocated between cash and equity.

3 For Mr Mellows the LTI maximum incentive is $824,000, for Mr Fleming $287,500 and for Mr Lamb $106,400. All of the LTI is awarded in equity and the dollar values shown here represent the fair value under AASB2 of equity instruments granted.

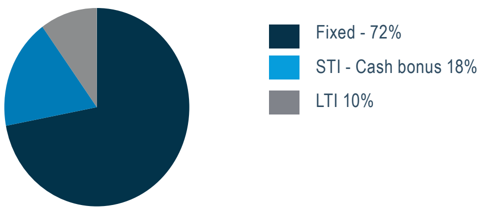
Chief Executive Officer



Chief Financial Officer



General Counsel / Company Secretary



6.4 Short Term Incentive Plan or STIP

The STIP applicable for FY15 is an incentive used to reward strong performance against the achievement of key performance indicators (**KPIs**) set at the commencement of the financial year to which they relate. For the CEO, Mr Mellowes, and the CFO, Mr Fleming, 50% of the actual STIP award is delivered in cash and 50% in the form of deferred rights to Units (**STIP Rights**). All other Executives receive their STIP award in cash only.

The Board, at the recommendation of the Committee, determines the appropriate financial and non-financial KPI's for the CEO. The Board also reviews the KPIs the CEO will use to assess the performance of those KMP who are his direct and functional reports.

Incentive awards are determined following the end of the financial year. The Board determined the performance of the Executives and approved the STI amounts to be awarded.

Individual STIP allocations are determined through an assessment of performance against a scorecard comprising financial metrics and strategic business objectives. This scorecard assesses both the accomplishments of the Executive as well as how the performance was achieved with allocations adjusted accordingly.

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The mix and weighting of performance criteria for the CEO and CFO are shown in the table below. For the General Counsel / Company Secretary, the weighting of the personal performance criteria is higher reflecting the important corporate governance role performed by the General Counsel / Company Secretary.

The weighting of these performance criteria reflects the FY15 strategic priorities for SCP around maximising net rental income and occupancy and 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. Specific quantifiable performance measures have been agreed and award payout levels have been calibrated between threshold (minimum expected performance), target and maximum (exceptional performance, significantly above agreed targets and guidance). The award for target performance is set at 75% of maximum award for all STI financial and operational management performance conditions.

For the CEO and CFO, each vested STI Right entitles the relevant KMP to acquire one Unit plus an additional number of Units calculated on the basis of the distributions that would have been paid in respect of those Units over the deferral period. This is calculated as the number of Units that would have been acquired if the distributions announced to the ASX during the vesting period were reinvested in Units applying the formula set out in clause 3.3 of SCA Property Group's DRP rules (whether nor not that plan is operative at the relevant time) without a discount. Fractions of 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.

Weighting	Measure	FY15 performance highlights
Financial and Operational Management Performance Conditions		
30%	**Distributable Earnings per Unit (DEPU)** This KPI was selected to focus management on increasing the DEPU by actively managing SCP's portfolio of assets and its operations as well as undertaking activities in line with SCP's business strategy while maintaining 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. The 30% weighting is lower than many of SCP's peers to reflect the underlying characteristics of the assets owned by the Group and the partial year effect of the Woolworths income guarantee.	Adjusted performance was slightly below Target but above Threshold. The DEPU achieved for the year ended 30 June 2015 was 12.81 cpu representing an increase of 2.9% when compared to the prior year of 12.44 cpu. In FY15 the Board exercised its discretion determining the payout under the FY15 STI Plan DEPU performance measure in 2 ways: 1. Removed the positive impact on the DEPU calculation for the period resulting from terminating certain fixed interest swaps during the period; and 2. Added a partial year positive impact to the DEPU calculation to acknowledge the accretive acquisition of three assets in June 2015. Accordingly, for the corresponding performance condition in the FY16 STI Plan, threshold is higher to reflect the award given in the FY15 period. As a result of both discretions applied, the payout to KMP was lower, in total, than if discretion had not been applied.
20%	**Net operating income (excluding the Woolworth's rental guarantee)** This measures portfolio level net operating income (**NOI**) from those assets in SCP's portfolio both at 30 June 2014 and 30 June 2015 (but includes contributions from Greystanes and Claremont). It excludes any contributions to NOI for those assets from the Woolworth's rental guarantee. It also excludes any contributions to NOI from assets sold or acquired during the year. This KPI was selected to focus management on increasing property level NOI by improving occupancy levels, maximising receipts following rent-reviews and managing property level expenses. This metric looks through to the underlying quality of the cashflows with a focus on recurring income.	Performance was slightly below Target but above Threshold.

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Weighting	Measure	FY15 performance highlights
20%	**Specialty tenant occupancy (based on GLA)** A key focus for management since listing has been to maximise the **occupancy of the portfolio** while benefiting from the Woolworths guarantee. This KPI is intended to focus management on increasing the specialty tenant occupancy level of SCP's portfolio by active management of the leasing program, while maintaining an appropriate tenancy mix tenant quality and commercially appropriate leases. This is particularly critical as the Woolworths rental guarantee was a short-term asset for the Group and the majority of this guarantee expired in December 2014. In determining the award, the Board assessed the progress, the quality of the tenant mix achieved and the commercial outcomes from deals completed. At the time the Group listed in December 2012, the Board aimed to achieve a stabilised specialty vacancy rate of 3-5% by December 2014.	Performance was slightly above Target. Specialty vacancy as at 30 June 2015 was 3.9% (on a normalised basis) which had reduced from 8.6% as at 30 June 2014.
10%	**Management expense ratio (MER)** The MER KPI was selected to ensure management efficiently resource the operations of SCP with reference to the total funds under management. Threshold, target and maximum levels were set considering SCP's budget and referencing its A-REIT peers.	Performance was at Maximum. MER reduced from 0.65% to 0.55% at 30 June 2015.
Personal Performance Conditions		
20%	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, and 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. Promote strong and positive relationships with major tenants (balancing commercial parameters and potential future opportunities). Ensure positive and productive relationships with external contractors, service providers and regulatory bodies. – **(Operational Performance)** Includes optimising the performance of SCP's centres, successfully completing Board approved development projects (eg Lismore) and identify and commence other development opportunities. Ensure appropriate policies are in place and followed; ensuring a sound and effective system of risk management and internal control is in place. Ensure a smooth and robust process and financial outcome from the roll off of the majority of the Woolworths rental guarantee in December 2014.	The Board assessed the CEO's performance and considered his recommendations for KMP who are his direct and functional reports. The Board used its judgement to assess, re-balance or re-weight the factors considered for each KMP to reflect their sphere of influence.

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STIP awards

The table below sets out the actual STIP awarded for the 2015 financial year for those KMP employed as at 30 June 2015, including the breakdown between cash and the STIP Rights (where applicable).

The STIP Rights are subject to a two-year deferral period, and on vesting, Executives will be entitled to receive SCP Units or their then cash equivalent value, at the discretion of the Board.

Executive	Percentage of STIP opportunity awarded[1]	Total STIP awarded ($)	Amount of cash award ($)	Number of STIP Rights (Rights to Units)[2]	Equity STI ($)[3]
Anthony Mellowes, CEO	72.5%	298,700	149,350	76,187	141,883
Mark Fleming, CFO	73.5%	169,050	84,525	43,118	80,299
Mark Lamb, GC/CS	80.1%	106,533	106,533	N/A	N/A

1 Percentage of STIP not awarded is forfeited.

2 STIP Rights were granted to participants in dollars with effect from 1 July 2014 and the number of STIP Rights awarded was determined based on the volume weighted average price of SCP Units for the five trading days following the release of SCA Property Group's 2015 full year results (being $1.9603).

3 For Mr Mellowes and Mr Fleming the STI awarded is payable 50% in cash and 50% in equity. The values for equity based remuneration have been determined in accordance with AASB2 and represent the fair value of rights over the vesting period.

6.5 Long Term Incentive Plan (LTIP) FY15

The LTIP applies to eligible KMP from 1 July 2014. The eligible KMP for the current period are the CEO, Anthony Mellowes, the CFO, Mark Fleming and the General Counsel / Company Secretary, Mark Lamb.

The LTIP is aimed at aligning Executive and unitholders value while also providing a retention tool as LTIP is intended to vest over time.

LTIP takes the form of rights to Units in SCA Property Group (**LTIP Rights**). LTIP participants are advised of their maximum LTIP opportunity and the number of LTIP Rights. For the FY15 award, the number of LTIP Rights was determined by dividing the award opportunity by the volume weighted average price of SCP Units for the five trading days following the release of SCP's 2014 full year results ($1.8429).

Each vested LTI Right entitles the relevant KMP to acquire one Unit plus an additional number of Units calculated on the basis of the distributions that would have been paid in respect of those Units over the vesting period. This is calculated as the number of Units that would have been acquired if the distributions announced to the ASX during the vesting period were reinvested in Units applying the formula set out in clause 3.3 of SCA Property Group's DRP rules (whether nor not that plan is operative at the relevant time) without any discount. Fractions of 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.

The LTI Rights are subject to a four year vesting period comprising a three year forward-looking performance period and a one year deferral period (together the "vesting period"). The performance period for:

- The RTSR Tranche commences on 1 October 2014 and is tested following 30 September 2017; and
- Each of the DEPU and ROE Tranche commences on 1 July 2014 and is tested following 30 June 2017.

Any Rights awarded then vest following the end of a deferral period ending on 30 June 2018 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.

The FY15 LTIP Rights are tested against three performance hurdles over a three year performance period weighted as follows:

- TSR against the ASX200 A-REIT Accumulation Index (33.33%) ("**Tranche 1 - RTSR Tranche**");
- Specified distributable earnings growth per annum (33.33%) ("**Tranche 2 - DEPU Tranche**"); and
- Specified Return on Equity (33.33%) ("**Tranche 3 - ROE Tranche**").

The LTIP Rights that meet the performance hurdles will then vest in one instalment on or about 1 July 2018 being four years from the commencement of the performance period. Conditions dealing with where the Executive leaves prior to vesting are set out at Section 7.4 below.

The performance hurdles for the FY15 LTIP are as follows:

Relative TSR Performance Condition - **Tranche 1**

The Relative TSR Performance Condition measures SCP's total security holder return performance over the Tranche 1 LTI Performance Period (being from 1 October 2014 to 30 September 2017) relative to the change in the S&P/ ASX 200 A-REIT Accumulation Index over that same period.

Total security holder return is the growth in the Unit price plus distributions, assuming distributions are reinvested. SCP's TSR will be calculated using SCP's closing security price on the ASX on:

- 30 September 2014 (the trading day prior to the LTI Performance Period); and
- 30 September 2017 (the last trading day of the LTI Performance Period).

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The Tranche 1 LTI Rights subject to the Relative TSR Performance Condition will vest on the following basis:

	Position of SCP relative to S&P/ ASX 200 A-REIT Accumulation Index	% of Tranche 1 LTI Rights that vest	% of total LTI Rights that vest
At or below Threshold	Less than or equal to Index return	0%	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	Vest on a straight line basis between 0% at Threshold and 33.33% at Maximum
Maximum	At or above Index return plus 4.0% p.a. compound	100%	33.33%

Details of DEPU Performance Condition - **Tranche 2**

The DEPU Performance Condition requires the growth in SCP's DEPU over the Tranche 2 LTI Performance Period (being from 1 July 2014 to 30 June 2017) to exceed a certain level.

The FY15 "base point" for measuring the rate of DEPU growth is 12.40 cents per unit (being the actual DEPU as at 30 June 2014). The Board may at its absolute discretion adjust the DEPU achieved (for the purpose of measurement) to remove abnormal items or items not affected by management.

The Tranche 2 LTI Rights subject to the DEPU Performance Condition will vest on the following basis:

	Growth in DEPU over Tranche 2 Performance Period above Base Point	% of Tranche 2 LTI Rights that vest	% of total LTI Rights that vest
At or below Threshold	Less than or equal to 2.0% p.a.	0%	0%
Between Threshold and Maximum	Between 2.0% and 4.0% p.a	Vest on a straight line basis between 0% at Threshold and 100% at Maximum	Vest on a straight line basis between 0% at Threshold and 33.33% at Maximum
Maximum	At or above 4.0% p.a.	100%	33.33%

ROE Performance Condition - **Tranche 3**

The Return on Equity (**ROE**) Performance Condition requires SCP's total return on equity over the Tranche 3 LTI Performance Period (being from 1 July 2014 to 30 June 2017) to exceed a certain level.

ROE will be calculated as the internal rate of return (expressed as a per cent annum) for the cashflow comprising an initial investment being the net tangible asset (**NTA**) per Unit at 30 June 2014, all distributions paid (on a per Unit basis) over the performance period (excluding the June 2014 distribution payable in August 2014) and an assumed realisation being the NTA per unit on 30 June 2017 plus the June 2017 half year distribution (if declared).

The Board may, in its absolute discretion, adjust the ROE achieved (for the purpose of measurement) to remove abnormal items or items not affected by management.

The Tranche 3 LTI Rights subject to the ROE Performance Condition will vest on the following basis:

	ROE over Tranche 3 Performance Period	% of Tranche 3 LTI Rights that vest	% of total LTI Rights that vest
At or below Threshold	Less than 9.0% p.a.	0%	0%
Between Threshold and Maximum	Between 9.0% p.a. and 11.0% p.a.	Vest on a straight line basis between 0% at Threshold and 100% at Maximum	Vest on a straight line basis between 0% at Threshold and 33.33% at Maximum
Maximum	At or above 11.0% p.a.	100%	33.33%

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LTIP Awards

The table below sets out details of grants made to Executives during the 2015 financial year. No LTIP Rights vested or were forfeited during the year.

Executive	Held at 1 July 2014[1]	Granted during FY15[2]	Vested during FY15	Forfeited during FY15	Held at 30 June 2015
Anthony Mellowes, CEO	645,845	447,121	-	-	1,092,966
Mark Fleming, CFO	213,129	156,004	-	-	369,133
Mark Lamb, GC/CS	83,343	57,735	-	-	141,078

1 This is the maximum number of LTIP Rights granted in respect of FY14. LTIP Rights have a performance period from 1 July 2013 to 30 June 2016 and the number of LTIP Rights granted was determined based on the volume weighted average price of SCP Units for the five trading days following the release of SCA Property Group's 2013 full year results (being $1.54836).

2 This is the maximum number of LTIP Rights granted in respect of FY15. The number of LTIP Rights granted was determined based on the volume weighted average price of SCP Units for the five trading days following the release of SCA Property Group's 2014 full year results (being $1.84291). The ROE and DEPU Tranches of FY15 LTIP Rights have a performance period from 1 July 2014 to 30 June 2017 and the RTSR Tranche from 1 October 2014 to 30 September 2017.

6.6 Table of actual Executive remuneration paid or accrued

The following is the actual remuneration paid or accrued during the financial year to 30 June 2015[1]:

Executive	Salary & fees[2]	Cash Bonus[3]	Total	Super	Long service leave	Share based payments[4]	Total
2015	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Anthony Mellowes, CEO	792,999	149,350	942,349	25,000	13,217	550,100	1,530,666
Mark Fleming, CFO	536,249	84,525	620,774	25,000	8,937	144,459	799,170
Mark Lamb, GC/CS	478,364	106,533	584,897	25,000	7,972	41,275	659,144
Total	**1,807,612**	**340,408**	**2,148,020**	**75,000**	**30,126**	**735,834**	**2,988,980**

1 Amounts recognised above were determined subsequent to the release of the financial statements on 18 August 2015. Accordingly, they differ to the provisional estimates recognised in Note 21 to the financial statements.

2 Salary reviews take effect from 1 October.

3 The amount shown under 'Cash Bonus' refers to the amount which was paid to Executives in September 2015 under the STIP for performance over the 2015 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 SPR's (Tranche 1 & 2), STI equity and LTI equity. SPRs apply only to Mr Mellowes. 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 2015, including details of the share based payments accrued, are presented below:

Performance based component of actual remuneration in 2015

Executives	Actual Cash STI		Actual Equity STI[1]		Actual Equity SPR[1&2]		Actual Equity LTI[1]		Total Equity[3]
	$	% of total rem	$	% of total rem	$	% of total rem	$	% of total rem	$
Anthony Mellowes, CEO	149,350	10%	72,095	5%	171,796	11%	306,209	20%	550,100
Mark Fleming, CFO	84,525	11%	41,855	5%	-	-	102,604	13%	144,459
Mark Lamb, GC/CS	106,533	16%	-	-	-	-	41,275	6%	41,275

1 Represents the current year amortisation of the fair value of the equity granted, adjusted for non-market vesting conditions which is amortised over the vesting period.

2 SPRs or Special Performance Rights are described in SCA Property Group's 2014 Remuneration Report.

3 Being the total of STI equity, SPR equity and LTI equity.

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The following is the actual remuneration paid and accrued during the financial year to 30 June 2014 for those KMP who were employed as at 30 June 2015[1]

Executive[2] 2014	Salary & fees[4] $	Cash Bonus[5] $	Other $	Total $	Super $	Long service leave $	Share based payments[6] $	Total $
Anthony Mellowes, CEO	758,576	101,000		859,576	31,262	12,909	217,514	1,121,261
Mark Fleming, CFO[3]	448,384	61,050	30,000	539,434	4,166	7,115	41,605	592,320
Mark Lamb, GC/CS	486,305	68,400		554,705	25,000	8,687	11,264	599,656
Total	1,693,265	230,450	30,000	1,953,715	60,428	28,711	270,383	2,313,237

1 Amounts recognised above were determined subsequent to the release of the Financial Statements on 20 August 2014. Accordingly, they differ to the provisional estimates recognised in the comparatives of Note 21 to the Financial Statements

2 Ms Shambly ceased employment with SCP on 30 September 2013 and she received total remuneration of $669,369 for the period from 1 July 2013 to 30 September 2013 comprising salary and fees of $150,231, a cash bonus of $76,489, super contributions of $27,717 and a termination payment of $420,000. The "Cash Bonus" was paid in September 2014 under the STIP for performance over the 2014 financial year and for Ms Shambly the amount shown is made up of $29,315 (cash) and an estimated amount of $47,174 for cash in lieu of SPR Tranche 1 and Tranche 2 (the estimated value of Units has been determined in accordance with AASB2 and represents the current year amortisation over the vesting period of the amount expected to vest). As outlined in the 2013 Remuneration Report, Ms Shambly was entitled to a termination payment of $420,000 in return for agreeing to a non-compete and non-solicitation period through to May 2014.

3 Mr Fleming commenced employment with SCP on 20 August 2013.

4 Salary reviews take effect from 1 October.

5 'Cash Bonus' above refers to the amount which was paid to Executives in September 2014 under the STIP for performance over the 2014 financial year.

6 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 SPR's (Tranche 1 & 2), STI equity and LTI equity.

6.7 Equity holdings of Executives

The only Executive who held Units during FY15 was Mr Mellowes. Mr Mellowes held 3,039 Units for the period 1 July 2014 to 30 June 2015. On 3 July 2015 Tranche 1 of Mr Mellowes Special Performance Rights or SPRs vested and he was issued 100,000 Units. There are no restricted securities on issue and no Units are subject to voluntary escrow.

A summary of the Executives' interests in Rights is below. Rights granted under the FY15 STIP and LTIP were issued in accordance with Sections 6.4 and 6.5 of this remuneration report. No Units under option or right vested or lapsed during the year to 30 June 2015.

Executive	Held at 1 July 2014	Granted in respect of FY15 STI[1]	Granted in respect of FY15 LTI	Vested during year	Forfeited or lapsed during year	Held at 30 June 2015
Anthony Mellowes, CEO	975,650	76,187	447,121	-	-	1,498,958
Mark Fleming, CFO	246,256	43,118	156,004	-	-	445,374
Mark Lamb, GC/CS	83,343	-	57,735	-	-	141,078

1 These grants are subject to Unitholders' approval at the SCA Property Group 2015 AGM

No other securities were acquired, granted, issued, vested, exercised or forfeited during the year to 30 June 2015.

6.8 Security based payments valuation

For the current financial year the following assumptions were used in determining the fair value of security or share based payments.

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

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

Under the Group Executive Incentive Plan grants of rights have been made to the following KMP:

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

The table on the following page summarises the rights issued and the fair values as determined by applying AASB2. 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. No stapled securities were granted, issued, vested, exercised or forfeited during the year. On 3 July 2015, Mr Mellowes was issued 100,000 stapled securities in respect of his Tranche 1 SPRs.

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Type and eligibility	Vesting Conditions [1]	Grant Date	Share price at a grant date	Testing date	Vesting date	Maximum number of stapled securities or maximum value of securities to be issued	Fair vale at grant date
STIP (FY15) (Mr Mellowes)	Non-market	17 Sept 2014	$1.70	August 2015	July 2017	$206,000	$0.95 per $1.00
STIP (FY15) (Mr Fleming)	Non-market	17 Sept 2014	$1.70	August 2015	July 2017	$115,000	$0.95 per $1.00
LTIP (FY15 - FY17) (tranche 1) (Messrs Mellowes, Fleming)	Relative TSR [2]	17 Sept 2014	$1.70	July 2017	July 2018	203,014	$0.75 per unit
LTIP (FY15 - FY17) (tranche 1) (Mr Lamb)	Relative TSR [2]	8 Sept 2014	$1.83	July 2017	July 2018	19,434	$0.80 per unit
LTIP (FY15 - FY17) (tranche 2) (Messrs Mellowes, Fleming)	Non-market	17 Sept 2014	$1.70	July 2017	July 2018	203,014	$1.44 per unit
LTIP (FY15 - FY17) (tranche 2) (Mr Lamb)	Non-market	8 Sept 2014	$1.83	July 2017	July 2018	19,434	$1.54 per unit
LTIP (FY15 - FY17) (tranche 3) (Messrs Mellowes, Fleming)	Non-market	17 Sept 2014	$1.70	July 2017	July 2018	203,014	$1.44 per unit
LTIP (FY15 - FY17) (tranche 3) (Mr Lamb)	Non-market	8 Sept 2014	$1.83	July 2017	July 2018	19,434	$1.54 per unit
SPR's (tranche 1) (Mr Mellowes)	Service and non-market	6 Nov 2013	$1.57	July 2013	July 2015	100,000 securities	$1.40 per unit
SPR's (tranche 2) (Mr Mellowes)	Service and non-market	6 Nov 2013	$1.57	July 2014	July 2016	175,000 securities	$1.31 per unit
STIP (FY14) (Mr Mellowes)	Service and non-market	6 Nov 2013	$1.57	August 2014	July 2016	Maximum of $200,000 or 129,169 securities	$0.79 per $1.00
STIP (FY14) (Mr Fleming)	Service and non-market	6 Nov 2013	$1.57	August 2014	July 2016	$89,468	$0.86 per $1.00
LTIP (FY14 - FY16) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR [2]	6 Nov 2013	$1.57	July 2016	July 2016	$359,250	$0.60 per unit
LTIP (FY14 - FY16) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Service and non-market	6 Nov 2013	$1.57	July 2016	July 2016	$359,250	$1.31 per unit
LTIP (FY14 - FY16) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Relative TSR [2]	6 Nov 2013	$1.57	July 2016	July 2017	$359,250	$0.56 per unit
LTIP (FY14 - FY16) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Service and non-market	6 Nov 2013	$1.57	July 2016	July 2017	$359,250	$1.22 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.

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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.
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:

	FY15	FY14
Volatility	20%	20%
Dividend yield	6.0%	6.8%
Risk-free interest rate	2.71 - 2.85%	2.73 - 3.24%

6.9 SCP performance (as required to be disclosed under the Corporations Act)

The tables below set out summary information about the Group's performance for the last two complete financial years. Results from FY13 are not included as reporting for FY13 was in respect of a part year only and the results included one-off transaction costs associated with the initial public offering (**IPO**) in 2012 prior to the Group commencing trading on 11 December 2012.

Distributable earnings and distributable earnings per Unit (**DEPU**) and sustainable growth in DEPU are a significant input in reviewing the Group's performance and may impact incentives. The distributable earnings and DEPU for the 2015 financial year exceeded those for the 2014 financial year.

	FY15 Results	FY14 Results	% variance
Statutory profit after tax	$150.5m	$111.6m	34.9%
Statutory profit cents per Unit (cpu)	22.9	17.3	32.4%
Distributable earnings	$84.3m	$80.4m	4.9%
Distributable earnings cents per Unit	12.81	12.44	2.9%
Distributions paid and payable cents per Unit	11.40	11.00	3.6%

The Unit price quoted on the ASX and the Group's NTA and MER are provided as at 30 June 2014 and 30 June 2015.

Operational	Results as at 30 June 2015	Results as at 30 June 2014	Variance
Net tangible assets per unit	$1.77	$1.64	Improved by $0.13 or 7.9%
Security price (as at 30 June)	$2.13	$1.72	Improved by $0.41 or 23.8%
Management Expense Ratio MER	0.55%	0.65%	Improved by 10bps or 15.4%

In addition over the financial year ended 30 June 2015, the total unitholder return, including the distribution declared on 18 June 2015 of 5.6 cents per unit and paid on 28 August 2015, was in excess of 30%. This compares to the S&P/ASX 200 A-REIT Accumulation Index total return for the same period of 20.3%.

The cumulative return since the IPO to 30 June 2015 has been over 72% compared to the S&P/ASX 200 A-REIT Accumulation Index total return for the same period of 49.0%.

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7 EXECUTIVE SERVICE AGREEMENTS

7.1 Executive Director, Chief Executive Officer: Anthony Mellowes

Contract duration	Commenced 1 July 2013, open ended
Total Fixed Remuneration (TFR) as at 30 June 2015	$824,000. 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 CEO is eligible to participate in SCP's plans for performance based remuneration and in FY15, it included: **FY15 STIP: Maximum opportunity:** 50% of TFR. **FY15 LTIP: Maximum opportunity:** 100% 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	At the option of SCP, a maximum benefit for non-compete termination payment is 12 months based on prior year fixed and variable remuneration and 9 months fixed pay in lieu of notice (subject to the provisions of the Corporations Act).

7.2 Chief Financial Officer: Mark Fleming

Contract duration	Commenced 20 August 2013, open ended.
TFR as at 30 June 2015	$575,000. 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 FY15, it included: **FY15 STIP: Maximum opportunity:** 40% of TFR **FY15 LTIP: 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	At the option of SCP, a maximum benefit for a non-compete termination payment is 6 months based on prior year fixed and variable remuneration and 6 months fixed pay in lieu of notice (subject to the provisions of the Corporations Act).

7.3 General Counsel and Company Secretary: Mark Lamb

Contract duration	Commenced 26 September 2012, open ended.
TFR as at 30 June 2015	$532,000. 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 FY15 that included: **FY15 STIP: Maximum opportunity:** 25% of TFR **FY15 LTIP: Maximum opportunity:** 20% of TFR
Non-compete period	Up to 6 months.
Non-solicitation period	Up to 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	At the option of SCP, a maximum benefit for a non-compete termination payment is 6 months based on prior year fixed and variable remuneration and 6 months fixed pay in lieu of notice (subject to the provisions of the Corporations Act).

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7.4 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 for any post termination non-compete / non solicitation agreements made with the Executive. These payments are subject to the relevant provisions of the Corporations Act and Listing Rules.
STIP (Cash)	If an Executive ceases employment (other than for cause or resignation) the STIP 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 STIP unpaid cash entitlements are forfeited.
STIP Rights	If an Executive ceases employment (other than for cause), any unvested STIP Rights (that have been granted based on performance in prior financial years) will vest in the normal course. The Board may exercise its discretion to forfeit these unvested rights. All unvested STIP Rights will lapse if the Executive is terminated by SCP for cause.
LTIP Rights	If an Executive ceases employment (other than for cause) prior to the end of the performance period, unless the Board determines otherwise, a pro rated number of LTIP Rights will be determined from the date of award to the date of termination (including any period of notice paid in lieu). This pro rated portion will continue on foot under the same terms and performance conditions. All unvested LTIP Rights will lapse if the Executive is terminated by SCP for cause.
Special Performance Rights (SPR)	If an executive ceases employment (other than for cause), unless the Board determines otherwise, a pro rated number of SPRs will continue on foot under the same terms and tested against any remaining performance conditions with the determined benefit vesting in the ordinary course. All unvested SPRs 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.

8 REMUNERATION OF KMP - NON-EXECUTIVE DIRECTORS (NEDs)

8.1 Director Fees
Background

SCP aims to attract and retain a high calibre of Directors 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 remuneration of NEDs is based on advice from independent remuneration consultants.

Following the Board's annual review of its skills matrix it was determined that another NED should be invited to join the SCPRE Board. As a result, Dr

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Kirstin Ferguson was invited to join the Board of SCP with effect from 1 January 2015.

At the commencement of FY15, the fees paid to NEDs were set prior to SCP's listing in December 2012. As indicated in our FY14 Remuneration Report, the Committee conducted a review and obtained a benchmarking report of NED Remuneration to consider the appropriateness of both the structure and amount of the fees paid to SCP's NEDs.

As a result of this review the Committee recommended and the Board approved some changes to NED fee structure and amounts. Including fees paid to the additional Director appointed in January 2015, NED fees have increased by 10.8% over the same period last year, and by 2.4% excluding fees paid to this additional director.

For FY15 the fees paid to the Chairman of the Board were unchanged from his fees for FY14 and he received annual remuneration of $300,000, plus statutory superannuation.

As part of the NED remuneration review it was determined that, recognising the varying commitments of each NED and in line with current market practice, the base fee for NEDs other than the Chairman of the Board, would be modestly reduced and each NED would be rewarded for Chairing and being a member of each relevant Board Committee. These changes took effect from 1 January 2015 and the revised full year NED fees (including statutory superannuation contributions) are set out in the table below.

	Board	ARMCC	PPC	Nominations
Chairman	$317,775	$20,000	$20,000	$5,000
Member	$120,000	$10,000	$10,000	-

The maximum aggregate fee pool available to NEDs has been established at $1,300,000 p.a.. The maximum aggregate fee pool has not been increased from the level set when the Group listed in December 2012. Any increases to this amount will be put to unitholders for approval.

Directors Fees for FY15

For FY15 the Chairman of the Board received $317,775 including superannuation contributions.

For the period from 1 July 2014 to 31 December 2014 NEDs then serving (other than the Chairman) received approximately $65,550 (being half their annual entitlement to $120,000 plus statutory superannuation). This base fee included payments for membership of and Chairing of Board Committees.

For the period from 1 January 2015 to 30 June 2015, NEDs received (other than the Chairman) a base fee of approximately $60,000 plus additional amounts (shown above) in respect of their membership or Chairing of a Board Committee.

Non-Executive Director	Director Fees		Committee Chair	Committee(s) Member	FY15 Total
	1 July 2014 to 31 Dec 2014 $	1 Jan 2015 to 30 June 2015 $	1 Jan 2015 to 30 June 2015 $	1 Jan 2015 to 30 June 2015 $	
Philip Clark AM (Chairman, Member Noms)	158,888	158,888	-	-	317,775
Kirstin Ferguson Appointed 1 January 2015 (Member ARMCC and PPC)	-	60,000		10,000	70,000
James Hodgkinson (Chair Noms, Member ARMCC and PPC)	65,550	60,000	2,500	10,000	138,050
Ian Pollard (Chair ARMCC)	65,550	60,000	10,000	-	135,550
Philip Redmond (Member ARMCC and PPC)	65,550	60,000	-	10,000	135,550
Belinda Robson (Chair PPC)	65,550	60,000	10,000	-	135,550
Total	**421,088**	**458,888**	**22,500**	**30,000**	**932,475**

The engagement letter for each NED allows for additional fees to be paid for attending to the business of SCA Property Group outside the scope of standard duties as a NED. The amount and nature of these fees will be determined at the relevant time.

8.2Performance based remuneration

Independent (Non-Executive) Directors receive their fees in cash. They receive a flat fee and do not receive 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.

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SCP has no current intention to remunerate the NEDs by any way other than cash benefits such as those currently in place.

8.3 Equity based remuneration

There is no equity based remuneration plan in place, however, NEDs are encouraged to hold securities in the Group over the length of their appointment as a Director. SCP acknowledges the diverse backgrounds, ages and personal circumstances of each of its Directors and adopting a "one-size-fits-all" approach by specifying minimum number or value of securities to be held by each Director may constrain SCA Property Group's ability to appoint a diverse set of Directors to the Board.

All NEDs have self-funded the purchase of SCP units. Their unitholdings (direct and indirect) as at 30 June 2015 are shown in the table below:

	Number of SCP securities		
Non-Executive Director	**Held as at 30 June 2014**	Changes during the period	**Held as at 30 June 2015**
Philip Marcus Clark AM (Chairman)	10,000	10,000	20,000
Kirstin Ferguson (Appointed 1 January 2015)	-	10,000	10,000
James Hodgkinson	274,285	(90,000)	184,285
Ian Pollard	103,571	-	103,571
Philip Redmond	62,500	5,000	67,500
Belinda Robson	7,142	-	7,142

8.4 Table of Non-Executive Directors remuneration

Base pay to NEDs was increased with effect from 1 January 2015. The following table outlines the remuneration paid to NEDs for each of the 2014 and 2015 financial years:

Non-Executive Director	Year 1	Director Fees [1]	Superannuation	Total
		$	$	$
Philip Clark AM	2015	298,992	18,783	317,775
	2014	300,000	17,775	317,775
Kirstin Ferguson Appointed 1 January 2015	2015	63,927	6,073	70,000
	2014	-	-	-
James Hodgkinson	2015	126,290	11,760	138,050
	2014	120,000	10,806	130,806
Ian Pollard	2015	123,790	11,760	135,550
	2014	120,000	11,100	131,100
Philip Redmond	2015	123,790	11,760	135,550
	2014	120,000	11,100	131,100
Belinda Robson	2015	123,790	11,760	135,550
	2014	120,000	11,100	131,100
Total	2015	860,579	71,896	932,475
	2014	780,000	61,881	841,881

1 including committee fees

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9 EVENTS SUBSEQUENT

9.1 Executive Remuneration

FY16 Short term incentives

As SCP's objectives remain substantially the same for FY16, the FY16 STI hurdles have been built on those developed for FY15 but reflect the changing priorities and strategic objectives set for the Group in FY16.

There are four separate Performance Conditions for the 2016 Short-Term Incentive Plan (STIP).

1. **FFO STIP Performance Condition**: a condition rewarding performance where funds from operations per Unit (**FFOPU**) as shown in SCP's FY16 audited Financial Statements exceed specified levels.
2. **MER STIP Performance Condition**: a condition rewarding performance where SCP's management expense ratio as at 30 June 2016, is less than specified levels.
3. **Cash NOI STIP Performance Condition**: a condition rewarding performance where, in respect of the relevant performance Period, the property portfolio net operating income (NOI) from the shopping centres included in SCP's balance sheet as at 30 June 2015 (but excluding certain defined contributions to NOI) should be greater than certain specified levels.
4. **Personal STIP Performance Condition**: a condition whereby the Board will review the performance of each relevant Executive during the performance period assessed against defined areas and reward satisfactory performance.

As Directors of SCPRE, Units may only be acquired under the incentive plan by Mr Mellowes and Mr Fleming (instead of their equivalent cash value at the time of vesting) if Unitholders approve the issue.

FY16 Long term incentives

Set out below are high level details of the changes to the Long-Term Incentive (LTI) Performance Conditions as well as key LTI hurdles. The ranges below are designed as stretch targets for strong to exceptional performance. They do not represent management's or the Board's forecasts, nor should they be taken as guidance as to likely or potential future outcomes.

LTIP takes the form of rights to Units in SCA Property Group (**LTIP Rights**). LTIP participants are advised of their maximum LTIP opportunity and the number of LTIP Rights. For the FY15 award, the number of LTIP Rights was determined by dividing the award opportunity by the volume weighted average price of SCP Units for the five trading days following the release of SCP's 2015 full year results ($1.9063).

Each vested LTI Right entitles the relevant KMP to acquire one Unit plus an additional number of Units calculated on the basis of the distributions that would have been paid in respect of those Units over the vesting period. Those additional units are calculated as the number of Units that would have been acquired if the distributions announced to the ASX during the vesting period, were reinvested in Units applying the formula set out in clause 3.3 of SCA Property Group's DRP rules assuming no discount is applied (whether nor not that plan is operative at the relevant time). Fractions of 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.

The LTI Rights are subject to a four year vesting period comprising a three year forward-looking performance period and a one year deferral period (together the "vesting period"). The performance period for:

- The RTSR Tranche commences on 1 October 2015 and is tested following 30 September 2018; and
- Each of the DEPU and ROE Tranche commences 1 July 2015 and is tested following 30 June 2018.

Any Rights awarded then vest at the end of a deferral period ending on 30 June 2019 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.

The FY16 LTIP Rights are tested against three performance hurdles over a three year performance period weighted as follows:

- TSR against the S&P/ASX200 A-REIT Accumulation Index (33.33%) ("**Tranche 1 - RTSR Tranche**");
- Specified funds from operations growth per annum (33.33%) ("**Tranche 2 - FFO Tranche**"); and
- Specified return on equity (33.33%) ("**Tranche 3 - ROE Tranche**").

The LTIP Rights that meet the performance hurdles will then vest in one instalment on or about 1 July 2019 being four years from the commencement of the performance period. Conditions dealing with where the Executive leaves prior to vesting are set out at section 7.4 of this report.

The performance hurdles for the FY15 LTIP are described below:

Relative TSR Performance Condition - Tranche 1

The Relative TSR Performance Condition measures SCP's total security holder return performance over the Tranche 1 LTI Performance Period (being from 1 October 2015 to 30 September 2018) relative to the change in the S&P/ ASX 200 A-REIT Accumulation Index over that same period.

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Total security holder return is the growth in the unit price plus distributions, assuming distributions are reinvested. SCP's TSR will be calculated using SCP's closing security price on the ASX on:

– 30 September 2015 (the trading day prior to the LTI Performance Period); and

– 30 September 2018 (the last trading day of the LTI Performance Period).

The Tranche 1 LTI Rights subject to the Relative TSR Performance Condition will vest on the following basis:

	Position of SCP relative to S&P/ ASX 200 A-REIT Accumulation Index	% of Tranche 1 LTI Rights that vest	% of total LTI Rights that vest
At or below Threshold	Less than or equal to Index return	0%	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	Vest on a straight line basis between 0% vesting at Threshold and 33.33% at Maximum
Maximum	At or above Index return plus 4.0% p.a. compound	100%	33.33%

Details of FFOPU Performance Condition - Tranche 2

The FFOPU Performance Condition requires the growth in SCP's funds from operations per Unit (**FFOPU**) over the Tranche 2 LTI Performance Period (being from 1 July 2015 to 30 June 2018) to exceed a certain level.

The FY16 "base point" for measuring the rate of FFOPU growth is 12.81 cents per Unit. The Board may at its absolute discretion adjust the FFOPU achieved (for the purpose of measurement) to remove abnormal items or items not affected by management.

The Tranche 2 LTI Rights subject to the FFOPU Performance Condition will vest on the following basis:

	Growth in FFOPU over Tranche 2 Performance Period above Base Point	% of Tranche 2 LTI Rights that vest	% of total LTI Rights that vest
At or below Threshold	Less than or equal to 3.0% p.a.	0%	0%
Between Threshold and Maximum	Between 3.0% and 5.0% p.a	Vest on a straight line basis between 0% at Threshold and 100% at Maximum	Vest on a straight line basis between 0% at Threshold and 33.33% at Maximum
Maximum	At or above 5.0% p.a.	100%	33.33%

ROE Performance Condition - Tranche 3

The Return on Equity (**ROE**) Performance Condition requires SCP's total return on equity (defined below) over the Tranche 3 LTI Performance Period (being from 1 July 2015 to 30 June 2018) to exceed a certain level.

ROE will be calculated as the internal rate of return (expressed as a per cent per annum) for the cash flow comprising an initial investment being the NTA per Unit at 30 June 2015, all distributions paid (on a per Unit basis) over the performance period (excluding the June 2015 distribution payable in August 2015) and an assumed realisation being the NTA per Unit on 30 June 2018 plus the June 2018 half year distribution (if declared).

The Board may, in its absolute discretion, adjust the ROE achieved (for the purpose of measurement) to remove abnormal items or items not affected by management.

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The Tranche 3 LTI Rights subject to the ROE Performance Condition will vest on the following basis:

	ROE over Tranche 3 Performance Period	% of Tranche 3 LTI Rights that vest	% of total LTI Rights that vest
At or below Threshold	Less than 9.0% p.a.	0%	0%
Between Threshold and Maximum	Between 9.0% p.a. and 11.0% p.a.	Vest on a straight line basis between 0% at Threshold and 100% at Maximum	Vest on a straight line basis between 0% at Threshold and 33.33% at Maximum
Maximum	At or above 11.0% p.a.	100%	33.33%

Signed pursuant to a resolution of Directors.

Philip Marcus Clark AM

Chairman, SCA Property Group

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Independent Auditor's Report to the Board of Directors of SCA Property Group

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 for the year ended 30 June 2015 as set out on pages 21 to 42. The remuneration report has been prepared by management based on the requirements of section 300A of the Corporations Act 2001.

Management's Responsibility for the Remuneration Report

Management is responsible for the preparation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Management's responsibility also includes such internal control as management determine is necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the remuneration report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the remuneration report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the remuneration report, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the remuneration report.

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

Remuneration Report

Deloitte.

Opinion

In our opinion, the financial information in the remuneration report of SCA Property Group for the year ended 30 June 2015 is prepared, in all material respects, in accordance with section 300A of the Corporations Act 2001.

Basis of Preparation

Without modifying our opinion, we draw attention to the "Management's Responsibility for the Remuneration Report" paragraph above which states that the remuneration report has been prepared in accordance with section 300A of the Corporations Act 2001. This Report has been prepared to assist SCA Property Group to fulfil the reporting requirements of the Board of Directors. As a result, the report may not be suitable for another purpose.

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU

AG Collinson
Partner
Chartered Accountants
Sydney, 16 September 2015

CORPORATE GOVERNANCE

Corporate Governance

SCA Property Group is an internally managed group comprising two listed managed investment schemes, the units of which are stapled together to form the stapled group.

Shopping Centres Australasia Property Group RE Limited (ACN 158 809 851) (**SCPRE**) is the responsible entity to the Shopping Centres Australasia Property Management Trust (ARSN 160 612 626) (**SCA Management Trust**) and the Shopping Centres Australasia Property Retail Trust (ARSN 160 612 788) (**SCA Retail Trust**). The shares in SCPRE are ultimately held by the SCA Management Trust.

The Board of SCPRE (**Board**) and Management recognise the need to establish and maintain best practice corporate governance policies and practices that reflect the requirements of the market regulators and the expectations of stapled unitholders (**unitholders**), market participants and others who deal with the Trusts. These policies and procedures are regularly reviewed as the corporate governance environment and good practice continue to evolve.

This statement outlines the governance systems in effect during the period from 1 July 2014 to 30 June 2015 (**Reporting Period**) and SCA Property Group's compliance with those systems by reference to the third edition of the ASX Corporate Governance Principles and Recommendations (**Recommendations**) and to the Corporations Act, 2001(Cth) (**Act**). As at 30 June 2015, SCPRE achieved substantial compliance with the Recommendations.

SCA Property Group's Corporate Governance documentation, including SCPRE's Board and Committee Charters and relevant Group policies referred to in this statement, can be found at: www.scaproperty.com.au/about/governance.

This statement was approved by the Board on 16 September 2015.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Roles and responsibilities of Board and Management

The Board has adopted a Board Charter setting 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 Charter was reviewed during the Reporting Period and was most recently reviewed in August 2015.

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

The Board is scheduled to meet 11 times each year in the ordinary course of business, with additional meetings held as required. The Board met 15 times during the Reporting Period. Each Director's attendance at those meetings is set out in the Directors' Report included in this Annual Report.

To assist the Board in carrying out its responsibilities, the following standing committees have been established:

- Audit, Risk Management and Compliance Committee (**ARMCC**);
- Nomination Committee; and
- People Policy Committee (**PPC**).

Each committee has its own Charter that describes the roles and responsibilities delegated to that committee by the Board. The Charters are available at: www.scaproperty.com.au/about/governance. The Board reviewed the Charters for the Board and its committees during the Reporting Period making changes where required.

The Board has responsibility for reviewing the strategic direction and approving and monitoring the implementation of corporate strategic initiatives developed by Management. The Board delegates responsibility for implementing the Group's strategic direction and managing the day-to-day operations of SCA Property Group to Management. At least annually, the Board and Management meet to review in detail the strategic direction for the Group.

The Board has approved specific limits of authority for Management with respect to approving expenditure, contracts and other matters and regularly reviews those limits.

1.2 Pre-appointment verification of Directors

During the Reporting Period, one Independent Director, Dr Kirstin Ferguson, and one Executive Director, Mr Mark Fleming, were appointed to the Board. In each case appropriate checks were performed by SCA Property Group and, in the case of Dr Ferguson, a professional recruitment organisation was retained by the Group to assist with the appointment. SCA Property Group obtained satisfactory confirmations as to each appointee's character, experience, education and qualifications and lack of criminal record or bankruptcy history. Prior to their appointment each director-candidate confirmed that they considered they had adequate time to dedicate to the affairs of SCA Property Group.

Dr Kirstin Ferguson and Mr Mark Fleming will stand for election at the 2015 AGM. The Board has also determined that Dr Ian Pollard will stand for re-election at the 2015 AGM.

Information about each candidate standing for election or re-election is included in the Notice of Meeting for the Group's 2015 AGM.

1.3 Written agreements with Directors and senior executives

The terms of the appointment of each Independent Director are set out in an appointment letter between the SCPRE and the Director. The appointment letters are reviewed regularly to ensure they accurately reflect the roles and responsibilities of each director and SCPRE's expectations of them.
Each senior executive has been appointed pursuant to a services agreement and in the case of the two Executive Directors the terms of their service agreements have been disclosed to the market.

Corporate Governance

1.4 Company Secretary directly accountable to the Board

SCPRE's Company Secretary, Mr Mark Lamb, is accountable directly to the Board through the Chair on all matters to do with the proper functioning of the Board and the decision to appoint or remove Mr Lamb rests with the Board.

While Mr Lamb reports directly to the Board, the Board has delegated certain functional reporting obligations to the CEO. Each Director is able to communicate directly with Mr Lamb and he may communicate directly with each Director.

1.5 Diversity Policy

SCA Property Group's continued success depends largely on its staff who must continually meet the high expectations of investors in a changing and competitive financial services industry. SCA Property Group depends, therefore, on the support of a body of competent, informed and motivated employees. To maintain these standards and to continue meeting our business goals, it is essential SCA Property Group recruits appropriately qualified personnel.

SCA Property Group is committed to an inclusive workplace that embraces and promotes diversity. The Group rewards and promotes team members based on assessments of individual performance, capability and potential. The Board is committed to providing opportunities that allow individuals to reach their full potential, irrespective of individual backgrounds or differences.

SCA Property Group values and respects the unique contributions of people with diverse backgrounds, experiences and perspectives. We recognise that team members will assume changing domestic responsibilities during their careers. SCA Property Group's Diversity Policy is available on our web site.

The Group is very proud of our commitment to gender diversity which has resulted in a high proportion of women being employed at SCA Property Group; however, in view of the Group's current limited staff numbers, it is impractical for the Board to set measurable diversity-related objectives and targets. The Board will continue to monitor this as the Group grows in size. The PPC monitors diversity at SCA Property Group by reviewing, as a standing agenda item, the diversity in the Group, as it stands at that scheduled meeting.

In respect of SCA Property Group, as at 30 June 2015

Female Board Directors [1]	30%
Female executives in senior Management [2]	9%
Female employees	62%

1 Includes Independent Directors on New Zealand Subsidiary Trustee Board

2 Senior Management means CEO-2 being the CEO, his direct or functional reports and certain of their reports who have responsibility for an area and / or report regularly to the Board or a Committee of the Board on the performance of that area.

1.6 Board Performance Evaluation

Annually the Nominations Committee considers the form the Board performance evaluation should take including whether an external facilitator should be used in the process. The Nominations Committee's recommendation is endorsed by the Board, and the Chair of the Nominations Committee co-ordinates the performance review.

In respect of the Reporting Period the Committee recommended the review be conducted by way of confidential questionnaire. The questionnaire included questions on those areas identified for improvement in previous cycles as well as questions on areas appropriate for examination during this Reporting Period.

In respect of this Reporting Period each Director (Independent and Executive) completed a board performance questionnaire. The Chair of the Nominations Committee collated the results and reported the findings to the full Board where an action plan for those areas identified for improvement was agreed.

1.7 Evaluation of Senior Executives

Given the small number of senior executives, the Board has provided regular informal feedback to senior executives over the Reporting Period. In addition to this informal feedback the Board, in conjunction with the PPC, set more formal objectives and key performance indicators (**KPIs**) for senior executives to be measured over the Reporting Period. Together with financial and operational objectives, senior executives are given personal objectives for the relevant period. The PPC together with the Board assesses each senior executive's achievement against these personal criteria, reporting their findings to those executives.

PRINCIPLE 2: STRUCURE THE BOARD TO ADD VALUE

2.1 Nominations committee

The Board has established the Nominations Committee. The Charter for the Nominations Committee is available at www.scaproperty.com.au/about/governance. The Charter was reviewed during the Reporting Period and was most recently reviewed in August 2015.

The Nominations Committee comprises the following three Independent Directors:

James Hodgkinson, OAM	Chair
Belinda Robson	Member
Philip Marcus Clark AM	Member

The Nominations Committee will meet a minimum of two times a year. During the Reporting Period the Nominations Committee formally met six times with Mr Hodgkinson and Ms Robson attending all meetings and Mr Clark attending five meetings. Directors who are not members of the Committee generally attended as observers and details of their attendance are set out in the Directors' Report included in this Annual Report. No Director was present at a meeting of the Nominations Committee that considered their own appointment to the Board.

Corporate Governance

2.2 Director Skills Matrix

The compositions of the Board and its Committees are considered by the Nominations Committee which makes recommendations to the Board for consideration and approval.

The Board endeavours to ensure that it has an appropriate mix of Directors with the skills, experience, diversity and expertise to enable it to discharge its responsibilities effectively and to supervise Management's delivery of SCA Property Group's strategy. In this context the Board considers that diversity includes, but is not limited to, gender diversity.

At least annually the Nominations Committee considers the skills of each Director to identify gaps in their skills or experience that may be addressed through professional development or by the appointment of additional Directors to the Board.

While additional details of the skills, experience and expertise relevant to the position of each Director are set out in the Directors' Report that forms part of this Annual Report, set out below is a summary of SCPRE's Director Skills Matrix.

SCA Property Group remains committed to its core strategy of delivering sustainable earnings and distribution growth by optimizing the performance of our shopping centres and by continuing to acquire, on an earnings accretive basis, neighbourhood shopping centres that are located in areas that sit with our strategy and are attractively priced. The Board acknowledges the importance of prudent capital management in achieving this core strategy and so recognises the need for Directors to have appropriate skills in this area.

Desired skill / experience	Directors	Assessment
Knowledge of legal duties	8/8	Strong
Knowledge of accounting standards	8/8	Strong
Listed Company experience	8/8	Strong
REIT and / or Property experience (Local and International)	7/8	Strong
Retailer / Supermarket experience (Local and International)	5/8	Adequate with strong experience in Executive Directors
Capital Markets / M&A experience	7/8	Strong
Treasury experience	4/8	Adequate experience balanced between Independent and Executive Directors
Stakeholder engagement experience	8/8	Strong
Remuneration / HR experience	8/8	Strong
Legal, Compliance and Risk Management experience	8/8	Strong
Workplace Health and Safety experience	5/8	Adequate experience balanced between Independent and Executive Directors
Marketing / Social Media experience	3/8	Adequate experience supporting wider Management team
Experience in operating businesses in New Zealand	6/8	Strong experience on SCPRE Board supporting a dedicated Independent subsidiary NZ Board
Funds management experience	5/8	Adequate to support dedicated subsidiary funds management Board

Corporate Governance

2.3 and 2.4 The majority of the board should be independent Directors

As at 30 June 2015, the Board comprises eight Directors, six of whom the Board considers to be independent. The majority of the Independent Directors were appointed in September 2012, with Dr Kirstin Ferguson appointed in January 2015. The Chief Executive Officer and Managing Director, Mr Anthony Mellowes, joined the Board as an Executive Director in October 2012. The Chief Financial Officer, Mr Mark Fleming, joined the Board as an Executive Director in this Reporting Period. The SCPRE Directors, as at 30 June 2015, are:

Name	Independent or Executive	Date first appointed	Last elected by unitholders	Length of Service
Philip Marcus Clark AM	Independent Chair	September 2012	2014 AGM	2 years 9 months
James Hodgkinson OAM	Independent Director	September 2012	2013 AGM	2 years 9 months
Dr Ian Pollard	Independent Director	September 2012	2013 AGM Standing for re-election at 2015 AGM	2 years 9 months
Philip Redmond	Independent Director	September 2012	2014 AGM	2 years 9 months
Belinda Robson	Independent Director	September 2012	2013 AGM	2 years 9 months
Dr Kirstin Ferguson	Independent Director	January 2015	N/A Standing for election at 2015 AGM	6 months
Anthony Mellowes	Executive Director – CEO	October 2012	N/A	2 years 8 months
Mark Fleming [1]	Executive Director – CFO	May 2015	N/A Standing for election at 2015 AGM	1 month

1 Mr Fleming was appointed as an Executive Director on 26 May 2015 but was appointed as the CFO on 20 August 2013.

The Board considers a Director independent if they:

- are not a substantial unitholder in SCA Property Group, nor an officer of, or otherwise associated directly with, a substantial unitholder of SCA Property Group;
- are not a member of Management and have not been employed in an executive capacity by SCA Property Group in the last three years;
- have not, within the last three years, been a partner, director or senior employee of a material professional adviser to SCA Property Group;
- are not a material supplier to or customer or tenant of SCA Property Group, nor an officer of or otherwise associated directly or indirectly with a material supplier, customer or tenant;
- do not have a material contractual relationship with SCA Property Group in any capacity other than as director;
- do not have close family ties with any person who falls within any of the categories described above;
- have been a director of SCA Property Group for less than 10 years; and
- are free from any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of their judgement.

The Board regularly assesses whether each Non-Executive Director is independent. Each Director provides the Board with the information necessary for the Board to assess whether they remain an Independent Director under the above criteria. No Director that the Board has determined is an Independent Director has an interest, position, association or relationship (“connection”) of the type noted above that has caused the Directors to have to consider their independence in spite of that connection.

2.5 The Chair should be an independent director and not the CEO

The role of Chairman of the Board and Chief Executive Officer (CEO) are held by separate Directors.

The Board has elected Mr Philip Marcus Clark AM as Chairman of the Board. The Board is satisfied Mr Clark is and was for the entire Reporting Period an Independent Director. Mr Clark’s details are provided in the Directors’ Report.

Mr Anthony Mellowes was appointed as CEO with effect from 1 July 2013. Details of Mr Mellowes’ experience are included in the Directors’ Report.

2.6 New Director induction and continuing education program for all Directors

The Company Secretary provides new Independent Directors with copies of all SCA Property Group Board and Committee Charters and Policies and Procedures relevant to their role as an Independent Director. They are provided with copies of past Financial Statements and Board and Committee papers, as well as full access to those members of Management the new Director considers would be useful for them to meet.

Management coordinates site inspections for the Board to increase their familiarity with SCA Property Group’s assets. The Company Secretary brings to the attention of the Board changes in laws relevant to their role as a Director of SCA Property Group and Board members are encouraged at Board meetings to share experiences learned in other roles.

Corporate Governance

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

3.1 Listed Entities should establish a Code of Conduct

SCA Property Group has established a Code of Conduct that all Directors, officers and staff members are required to abide by. It is available at www.scaproperty.com.au/about/governance.

The Code of Conduct is reviewed at least annually to ensure it remains relevant. Staff members are trained in the Code of Conduct both on joining and at least annually. On joining, Staff are required to confirm that they have read and understood the Code of Conduct.

All Directors, officers and employees of SCA Property Group are required to meet the standards of ethical behaviour contained in the Code of Conduct.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

4.1 Establish an appropriately structured audit committee and disclose information about it

SCPRE has established the Audit Risk Management and Compliance Committee (**ARMCC**). The ARMCC provides advice and assistance to the Board regarding fulfilling its responsibilities in respect of external and internal audit functions; risk management and compliance systems and practice; financial statements and market reporting systems; internal accounting and control systems; and other matters as directed by the Board.

The Charter for the ARMCC can be found at www.scaproperty.com.au/about/governance. The Charter was reviewed during the Reporting Period and was most recently reviewed in August 2015.

The following Independent Directors are the four members of the ARMCC:

Dr Ian Pollard	Chair
James Hodgkinson, OAM	Member
Philip Redmond	Member
Dr Kirstin Ferguson	Member

The qualifications and experience of each of the members of the ARMCC are set out in the Directors' Report included in this Annual Report and on our website at http://www.scaproperty.com.au/about/management.

The ARMCC met five times during the Reporting Period and all members attended all meetings held while they were a member of the Committee. Those Directors who are not members of the Committee generally attended as observers and, details of their attendance are set out in the Directors' Report included in this Annual Report.

4.2 The board should receive a declaration from the CEO and CFO relating to the control environment and quality of the financial statements

In respect of both the half-year financial statements and the full year financial statements, the CEO and the CFO confirm in writing, first to the ARMCC and ultimately when the Board approves the financial statements, that in their opinion:

- the financial statements and associated notes comply in all material respects with the applicable Accounting Standards as required by the Act;
- the financial statements and associated notes give a true and fair view, in all material respects, of the financial position, as at the relevant balance date, and performance of the Group for the relevant financial period;
- with regard to the financial records and systems of risk management and internal compliance and control of the Group for the relevant period:
  - the financial records of the Group have been properly maintained in accordance with the Act;
  - the statements made regarding the integrity of the financial statements are founded on a sound system of risk management and internal compliance and control;
  - the risk management and internal compliance and control systems of the Group relating to financial reporting objectives are operating effectively, in all material respects; and
  - subsequent to the balance date, and up to the date of the relevant financial report no changes or other matters have arisen that would have a material effect on the operation of the risk management and internal compliance and control systems of the Group, and
- with regard to solvency, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

4.3 Auditor to attend AGM

SCA Property Group is not an entity that is required to hold an Annual General Meeting (**AGM**). The Board, however, has determined that SCA Property Group will hold an AGM and will include, in that meeting, those resolutions usually considered by shareholders of a publicly listed company.

SCA Property Group has and will continue to ensure that its external auditor is invited to and attends its AGMs and is available to answer questions from unitholders relevant to the Auditor's role.

In addition SCA Property Group includes with its Notice of Meeting for the AGMs a form that unitholders may complete asking questions of the Auditor in advance of the AGM.

Corporate Governance

PRINCIPLE 5: Make timely and balanced disclosures

5.1 Listed Entities should have a written policy designed to ensure compliance with ASX Listing Rules disclosure requirements and disclose it

SCA Property Group's Continuous Disclosure Policy underlines the Group's commitment to ensuring unitholders and the market receive timely, accurate and relevant information regarding the Group. SCA Property Group acknowledges that providing information in this way enables investors to trade in SCP units in an informed, efficient and competitive market.

All staff members are trained in the Group's Continuous Disclosure Policy to ensure all market sensitive information is provided to Senior Management, enabling prompt disclosure. Discussion of events relevant to the Group that may require disclosure to the market is a standing agenda item at all Board meetings.

SCA Property Group's Continuous Disclosure Policy is available at: www.scapropety.com.au/about/governance.

PRINCIPLE 6: RESPECT THE RIGHTS OF UNITHOLDERS

6.1 A Listed Entity should provide information about itself and its governance to its investors via its website

One of SCA Property Group's key communication tools is its website: www.scaproperty.com.au. SCA Property Group endeavours to keep its website up to date, complete and accurate. Important information about the Group can be found in the "About us", "Investor Centre" and "News & Announcements" sections.

6.2 Listed Entities should have a two way investor relations program

The CEO and CFO regularly engage with investors. SCA Property Group's results presentations are web-cast and investors, financial analysts and others are invited to participate in the discussion forum that follows.

The Board, through the Chairman of the Board and the various Committees Chairs, make themselves available to stakeholders and engage with them as required.

SCA Property Group is conscious of the large number of retail unitholders on its register and has considered their needs in each communication, both in terms of content and the channels used for the dissemination of information. The Board has balanced the communication preferences of some Unitholders against the cost to the Group of meeting those Unitholders preference for personal contact or paper-based communication. Consistent with the Group's sustainability commitment, wherever possible, it will communicate with investors electronically.

6.3 Participation at meetings

Comprising stapled managed investment schemes, SCA Property Group is not required to hold an AGM. The Board has determined, however, that the Group will follow the AGM regime specified for companies to the extent reasonably practicable.

To ensure the AGM is productive and the Board is addressing unitholder concerns, investors are invited to pose a question to the Board, Management or the external auditors in advance of the AGM. These questions are reviewed, collated and themes identified. The Chairman of the Board will try to respond to some of the more common questions in his address at the AGM.

The AGM is webcast, and this is made available on the SCA Property Group's website.

6.4 Electronic communication with investors and SCP and its registry

SCA Property Group strongly encourages investors to provide contact details that permit us and our registry provider to communicate with them electronically. Communicating electronically with investors is more secure, reliable and reduces SCA Property Group's carbon footprint assisting us in meeting our sustainability goals. SCA Property Group provides email addresses on its website to allow investors and the wider public to contact us electronically.

Apart from making announcements to the ASX, our website remains one of the most important methods we use to keep investors up to date. Investors are encouraged to visit it regularly to receive the latest news from SCA Property Group.

Corporate Governance

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1 Risk Committee

The Audit, Risk Management and Compliance Committee (**ARMCC**) is delegated the responsibility to overview Management's development and implementation of a sound risk management framework.

The following Independent Directors comprise the members of the ARMCC:

Dr Ian Pollard	Chair
James Hodgkinson OAM	Member
Philip Redmond	Member
Dr Kirstin Ferguson	Member

The ARMCC has responsibility for overseeing risk management. Details of the role of the ARMCC in risk management are set out in the ARMCC Charter but, broadly, to assist the Board in overseeing the Group's system of risk management and internal control, the ARMCC:

- reviews and updates SCA Property Group's policies on risk oversight and management and ensures that a summary of those policies is publicly available;
- oversees Management's actions in the identification, evaluation, management, monitoring and reporting of material operational, financial, compliance, reputational and strategic risks; and
- reports to the Board, or ensures Management reports to the Board, on any material developments in relation to SCA Property Group's risk activities and makes recommendations as appropriate for changes to the risk management framework or risk tolerance levels.

7.2 Review of risk management

The Board is responsible for ensuring, at least annually, that Management has developed and implemented an effective risk management framework. Detailed work on this task is delegated to the ARMCC and reviewed by the full Board.

SCA Property Group has adopted the risk management process described in the Australian/New Zealand Standard (AS/NZS ISO 31000:2009 Risk Management – Principles and guidelines). All risk management systems and methodologies must be consistent with this process.

Management reports to the Board on the material business risks facing SCA Property Group and provides details on appropriate risk mitigation. Management has developed a comprehensive risk register and provides this to the ARMCC/Board for review, at least annually. During the Reporting Period, Management's Risk Register was reviewed by both the ARMCC and the Board.

The safety of visitors, workers and SCA Property Group's staff at SCA Property Group's retail shopping centres is a key focus for the Board. The Board undertakes appropriate due diligence to ensure Management is taking all reasonable steps to ensure safety at SCP's centres and for all SCP employees. Safety is a standing agenda item at each Board meeting.

7.3 Internal Audit

SCA Property Group has engaged an external professional internal audit provider to perform the Internal Audit function at SCP. During the Reporting Period, the Internal Audit team reviewed the corporate control environment, including the activities of the Finance, Lease Management and Asset Management teams at SCP's corporate office in Sydney and the control environment of SCP's main property manager.

The Internal Auditor reported to the ARMCC on their findings (including opportunities for improvement of existing internal controls and processes to further enhance the efficiency and cost effectiveness of SCA Property Group's operations) and agreed Management actions from their review. Management reported to the ARMCC on the implementation of the agreed Management actions.

7.4 Material Exposure to economic, environmental and social sustainability risk

Focussed on owning, developing and leasing property to retailers predominantly in the non-discretionary sector of the market, SCA Property Group does not consider there is a real possibility that economic, environmental and social sustainability risks could substantively impact SCA Property Group's ability to create or preserve value for unitholders over the short, medium or long term.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

8.1 Remuneration Committee

The Board has established the People Policy Committee (**PPC**) which is responsible for recommending to the Board appropriate remuneration for senior executives. The PPC's Charter can be found at: www.scaproperty.com.au/about/governance. The Charter was reviewed during the Reporting Period and was most recently reviewed in August 2015.

The following independent Directors are members of the PPC:

Belinda Robson	Chair
Philip Redmond	Member
James Hodgkinson OAM	Member
Dr Kirstin Ferguson	Member

The People Policy Committee will meet a minimum of four times a year. During the Reporting Period the PPC met a total of five times with all members attending all meetings held while they were a member of the Committee. Those Directors who are not members of the Committee generally attended as observers and details of their attendance are set out in the Directors' Report included in this Annual Report.

The People Policy Committee members also worked together during the Reporting Period, including through frequent workshops and out-of-session communications with stakeholders, to ensure the remuneration structure was designed and implemented fairly and responsibly. No Executive was present at a meeting of the Committee that considered his individual remuneration.

8.2 Remuneration policies and practices

The PPC must, at least annually, review and approve the Group's overall remuneration policy to assess whether remuneration is market competitive and designed to attract, align and retain valuable members of staff and this was done during the Reporting Period. The policy was most recently reviewed in August 2015.

While details of the Group's remuneration policies and practices are set out in the Remuneration Report included in this Annual Report, broadly:

– Independent (Non-executive) Directors receive their fees in cash. They receive a fixed amount and do not receive options, bonus payments or other performance incentives. They are not entitled to retirement benefits (other than superannuation).
– Executives receive both fixed and incentive based remuneration. Details of senior executives' remuneration and the policies and practices adopted by SCA Property Group in setting that remuneration are outlined in the Remuneration Report included in in this Annual Report.

8.3 Prohibition on the use of derivatives

SCA Property Group's Securities Trading Policy prohibits the use of any derivatives in relation to any unvested SCP Units or vested SCP Units that are still subject to disposal restrictions. Details of this policy are included in the Remuneration Report in this Annual Report and can be found on our web-site at www.scaproperty.com.au/about/governance/.

FINANCIAL REPORT

Directors' Report

For the year ended 30 June 2015

Shopping Centres Australasia Property Group (SCA Property Group 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 2015 and the auditor's report thereon.

The Trusts were registered as managed investment schemes on 3 October 2012 and commenced trading on 11 December 2012 including trading on the Australian Securities Exchange (ASX: SCP).

The Trusts' Financial Report for the year ended 30 June 2015 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.

Directors

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

Philip Marcus Clark AM

Non Executive Director and Chairman (appointed 19 September 2012)

Independent: Yes.

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

Special responsibilities and other positions held: Other Group positions are member of the Nominations Committee.

Other positions held unrelated to the Group include member of the JP Morgan Australia Advisory Council. Chairman of a number of Government and private Boards. Director of several charitable foundations.

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.

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

James Hodgkinson OAM

Non-Executive Director (appointed 26 September 2012)

Independent: Yes.

Other listed Directorships held in last 3 years: None.

Special responsibilities and other positions held: Other Group positions are Chairman of the Nominations Committee, member of the People Committee, and member of the Audit, Risk Management and Compliance Committee.

Other positions held unrelated to the Group include a Governor of the Cerebral Palsy Alliance Foundation and Chairman of Cerebral Palsy Alliance's New South Wales 20/Twenty Challenge.

Other experience: Formally an Executive Director of the Macquarie Group and a division head within Macquarie's Real Estate Group. 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.

Qualifications: BEcon, CPA, FAPI, and FRICS.

Directors' Report
For the year ended 30 June 2015

Ian Pollard
Non-Executive Director (appointed 26 September 2012)

Independent: Yes.

Other listed Directorships held in last 3 years: Non-Executive Director and Chairman 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 are Chairman of the Audit, Risk Management and Compliance Committee.

Other positions held unrelated to the Group include chairman 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 chairman of a number of listed companies including: Corporate Express Australia (Chairman) (listed until 2010), Just Group (Chairman) (listed until 2008) and DCA Group Limited (Managing Director) (listed until 2006).

Other experience: Dr Pollard has been a company director for over 30 years and an author of a number of books, including three on Corporate Finance.

Qualifications: Actuary and Rhodes Scholar, BA, MA (First Class Honours) (Oxon), DPhil, FIAA, FAICD.

Phil Redmond
Non-Executive Director (appointed 26 September 2012)

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 are member of the Audit, Risk Management and Compliance Committee and the People Policy 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.

Qualifications: BAppSc (Valuation), MBA (AGSM) and MAICD.

Belinda Robson
Non-Executive Director (appointed 27 September 2012)

Independent: Yes.

Other listed Directorships held in the last 3 years: None.

Special responsibilities and other positions held: Other Group positions are Chairman of People Policy Committee and a member of the Nominations Committee.

Other positions held unrelated to the Group include Non-Executive Director of several Lend Lease Asian Retail Investment Fund's and a Non-Executive director of GPT Funds Management Limited.

Other experience: Mrs Robson is an experienced real estate executive, having worked with Lend Lease for over 20 years in a range of roles including most recently as the Fund Manager of the Australian Prime Property Retail Fund. At Australian Prime Property Retail Fund, Mrs Robson was responsible for portfolio management and the development and implementation of the fund strategy, as well as reporting to the Fund Board and its Investor Advisory Board.

Qualifications: BComm (Honours).

Directors' Report

For the year ended 30 June 2015

Kirstin Ferguson

Non-Executive Director (appointed 1 January 2015)

Independent: Yes.

Listed Directorships: None.

Other listed Directorships held in last 3 years: CIMIC Group Limited (July 2014 to date) and Dart Energy Limited (November 2012 to March 2013).

Special responsibilities and other positions held: Other Group positions are member of the Audit, Risk Management and Compliance Committee and the People Policy Committee.

Other positions currently held unrelated to the Group include as a Non-Executive Director of Hyne & Sons Pty Limited (August 2013 to date) and the Queensland Theatre Company (May 2013 to date).

Other experience: Dr Ferguson is an experienced non-executive director on ASX100, ASX200 and private company boards. Dr Ferguson has a PhD in leadership and governance from QUT Business School where she is also an Adjunct Professor. Dr Ferguson was formerly the CEO of a global workplace health and safety organisation, Sentis, and Director Corporate Services at Deacons (now Norton Rose Fulbright).

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

Anthony Mellowes

Executive Director and CEO (appointed Director 2 October 2012)

Independent: No.

Other listed Directorships held in last 3 years: None.

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.

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

Mark Fleming

Executive Director and CFO (appointed Director 26 May 2015)

Independent: No.

Other listed Directorships held in last 3 years: None.

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, Mark was CFO of Treasury Wine Estates from 2011 to 2013. Prior to Woolworths Limited, Mark 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.

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

Company Secretary

Mark Lamb

General Counsel and Company Secretary (appointed 26 September 2012)

Experience: Mr Lamb is an experienced transaction lawyer with over 20 years experience in the private sector 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' Report

For the year ended 30 June 2015

Directors' relevant interests

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

Director	**Number of stapled units at 30 June 2014**	**Net Movement increase / (decrease)1**	**Number of vested stapled units at date of this report**	**Number of unvested performance rights at date of this report**
P Clark AM	10,000	10,000	20,000	-
J Hodgkinson	274,285	(90,000)	184,285	-
I Pollard	103,571	-	103,571	-
P Redmond	62,500	5,000	67,500	-
B Robson	7,142	-	7,142	-
K Ferguson	-	10,000	10,000	-
A Mellowes	3,039	100,000	103,039	1,322,771
M Fleming	-	-	-	390,635

1 All movements in number of stapled units occurred during the year ended 30 June 2015 except for the 100,000 stapled units granted to A Mellowes (in the form of Special Performance Rights) which were awarded in respect of the year ended 30 June 2013 and vested in July 2015.

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
People Policy Committee (People)	5
Nomination Committee (Nomination)	6

	Board			ARMCC			People			Nomination		
Director	A	B	**C**	A	B	C	A	B	C	A	B	C
P Clark AM	15	15	-	-	-	5	-	-	4	6	6	-
J Hodgkinson	15	14	-	5	5	-	5	5	-	6	6	-
I Pollard	15	15	-	5	5	-	-	-	5	-	-	5
P Redmond	15	15	-	5	5	-	5	5	-	-	-	6
B Robson	15	13	-	-	-	3	5	5	-	6	6	-
K Ferguson	8	8	-	2	2	-	3	3	-	-	-	1
A Mellowes	15	15	-	-	-	5	-	-	5	-	-	4
M Fleming	3	3	12	-	-	5	-	-	1	-	-	1

Key:

A: Number of meetings held during the period the Director held office or was a member of the committee during the financial year.

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

C: Number of meetings attended as a guest. No Executive Director attended the part of a People Policy Committee meeting where their own remuneration was discussed.

Directors' Report

For the year ended 30 June 2015

Principal activities

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

Property portfolio

The investment portfolio as at 30 June 2015 consisted of 82 (30 June 2014: 75) shopping centres in Australia and New Zealand.

The portfolio is geographically diverse and spread across all six States in Australia and also in New Zealand. It consists of sub-regional, neighbourhood and freestanding retail assets, with nearly half the portfolio located in new growth corridors and regions, and a strong weighting toward non-discretionary retail segments. The portfolio comprises modern retail assets, therefore capital expenditure, excluding tenant incentives, on the portfolio is expected to be relatively low over the medium term.

Investment properties - acquisitions

During the year the Group completed 8 property acquisitions for $233.1m. Details of these properties include:

Property	**Type**	**State**	**Settlement Date**	**Cost $'m**	**Value at 30 June 2015 $'m**
Prospect Vale	Neighbourhood	TAS	Aug-14	26.8	26.8
Claremont	Neighbourhood	TAS	Sep-14	27.9	30.9
The Markets	Neighbourhood	QLD	Oct-14	32.0	32.3
Whitsunday	Sub-regional	QLD	Apr-15	47.0	47.0
Mt Warren Park	Neighbourhood	QLD	Apr-15	14.4	14.4
Burnie	Neighbourhood	TAS	Jun-15	20.0	20.0
Glenorchy Central	Neighbourhood	TAS	Jun-15	21.0	21.0
Meadow Mews	Neighbourhood	TAS	Jun-15	44.0	44.0
				233.1	236.4

Additionally the Group completed its final property under a Development Management Agreement (DMA) and entered into an arrangement to buy another property in 2016. Details of these two properties include:

- **Greystanes (NSW)**: Greystanes was acquired by the Group in December 2012 as part of the IPO and was the final property subject to a DMA. Woolworths Limited (Woolworths) commenced trading in the newly developed premises in October 2014. The total price paid for Greystanes was $38.2 million (before transaction costs); of which $21.8 million was paid in December 2012 and $16.4 million was paid on completion. Greystanes has been valued at June 2015 at $44.3 million.
- **Clemton Park (NSW)**: In December 2014 the Group agreed to purchase Clemton Park (NSW) on completion of the development via a put and call option arrangement. Under this arrangement in December 2014 SCP paid $2.4 million for the option. On completion of the development of the property SCP will acquire it for $48.0 million less the amount already paid of $2.4 million. The completion of the development is expected to be in late calendar year 2016.

Investment properties - disposals

The Group sold Margaret River (WA) in April 2015 for $18.0 million. Which was equal to the book value at December 2014. The Group provided a rental guarantee to the purchaser of $1.6 million and the amount of $16.2 million has been recognised as the net disposal proceeds after disposal costs.

Investment properties - held for sale

On 22 July 2015 it was announced that the group intended to establish a funds management business initially comprising the management of SCA Unlisted Fund No 1 (SURF 1). The Group has identified a number of shopping centre properties that it considers to be "non-core" because they are either freestanding stores or have only one or two specialty stores. SURF 1 will contain 5 of these non-core assets all located in New South Wales, being Woolworths Fairfield, Woolworths Griffith North, Dan Murphy's Burwood, Dan Murphy's Katoomba and Inverell Big W. The Group has signed a conditional sale agreement for these properties to be sold to SCA Unlisted Retail Fund RE Limited as Responsible Entity of SURF 1. These properties are classified for financial reporting purposes as held for sale. Under this contract it is expected SURF 1 will acquire these shopping centre properties for $60.9 million from the Group which is a 14% premium to the Group's book value of these properties at 30 June 2014. SURF 1 is due to close on or before 9 September 2015.

In June 2015 the Group signed a conditional sale agreement for these properties to be sold to SCA Unlisted Retail Fund RE Limited as Responsible Entity of SURF 1 for $60.9 million. These properties are classified for financial reporting purposes as held for sale.

Directors' Report

For the year ended 30 June 2015

Australian property

The total value of Australian completed investment properties as at 30 June 2015 was $1,748.3 million which includes held for sale properties of $60.9 million (30 June 2014: $1,406.7 million and nil respectively).

The change in value during the year of the Australian investment properties was due principally to:

– The acquisition of the properties discussed above under Investment properties – acquisitions, and the completion of Greystanes (also discussed above).

– Firming of the Australian portfolio capitalisation rate by 38bps to 7.48% (30 June 2014: 7.86%) which resulted in a $61.7 million favourable unrealised fair value movement (30 June 2014: $23.1 million).

New Zealand property

The total value of New Zealand investment properties as at 30 June 2015 was A$208.0 million (30 June 2014: A$210.8 million). The change in value of the New Zealand investment properties was due principally to:

– Favourable unrealised fair value movements of $6.2 million (30 June 2014: $7.0 million).

– Unfavourable unrealised exchange rate movements of $9.0 million (30 June 2014: favourable $17.7 million).

Summary

	30 June 2015		30 June 2014	
	Number	**$m**	Number	$m
Investment properties completed including the value of the rent guarantee				
- Australia	**63**	**1,687.4**	60	1,406.7
- New Zealand [1]	**14**	**208.0**	14	210.8
	77	**1,895.4**	74	1,617.5
Less: value of rental guarantee	**-**	**-**	-	(6.7)
Net completed investment property value	**77**	**1,895.4**	74	1,610.8
Add: investment properties under development: Australia	**-**	**-**	1	30.9
Less: value of rental guarantee	**-**	**-**	-	(0.9)
Net investment property value under construction: Australia	**-**	**-**	1	30.0
Total net investment properties	**77**	**1,895.4**	75	1,640.8
Investment properties held for sale	**5**	**60.9**	-	-
Add: total value of the rent guarantee	**-**	**-**	-	7.6
Total investment property value including the value of the rental guarantee	**82**	**1,956.3**	75	1,648.4

1 NZD converted to AUD for 30 June 2015 at AUD 1.00 = NZD 1.122 and NZD converted to AUD for 30 June 2014 at AUD 1.00 = NZD 1.074

Revaluations

During the year ended 30 June 2015 independent valuations were completed for 33 investment properties, including both Australian and New Zealand investment properties. All of the remaining investment properties were internally valued. The weighted average capitalisation rate as at 30 June 2015 was 7.49% (30 June 2014: 7.83%).

Woolworths Limited rental guarantee

The majority of the properties in the portfolio were divested by Woolworths Limited on 11 December 2012. Woolworths Limited provided a rental guarantee to the Group to cover vacant tenancies (including incentives) as at 11 December 2012 until 10 December 2014, or when the vacant tenancy was let, whichever was first.

Development properties purchased from Woolworths Limited also have a rental guarantee under similar terms except the two year period began on completion of development.

As at 30 June 2015 the value of the rental guarantee remaining is insignificant and it has not been reported separately. In prior periods, for financial reporting purposes, the remaining value of the rental guarantee provided by Woolworths Limited, was separately reported from the total property value.

Operating and financial review

Directors' Report

For the year ended 30 June 2015

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 centre sales turnover and centre 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 including selective refurbishment to provide an opportunity for greater growth of earnings.
- **Capital management: i**nvestment returns are maximised through prudent and disciplined capital management. This includes consideration of:
  - **Debt management:** Maintaining diversified debt maturity and sources of debt.
  - **Equity management:** Maintaining the ability to raise equity from retail and institutional investors.

Financial review

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

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
Net profit after tax ($m)	**150.5**	111.6	**150.5**	111.6
Basic earnings per unit for net profit after tax (cents per unit)	**22.9**	17.3	**22.9**	17.3
Diluted earnings per unit for net profit after tax (cents per unit)	**22.8**	17.3	**22.8**	17.3
Distributable earnings ($m)	**84.3**	80.4	**84.3**	80.4
Distributions paid and payable to unitholders ($m)	**78.1**	71.3	**78.1**	71.3
Distributable earnings weighted for units on issue and issued during the year (cents per unit)	**12.8**	12.4	**12.8**	12.4
Distributable earnings based on units on issue at the end of the year (cents per unit)	**11.7**	12.4	**11.7**	12.4
Distributions (cents per unit)	**11.4**	11.0	**11.4**	11.0
Net tangible assets ($ per unit)	**1.77**	1.64	**1.77**	1.64

Measurement of results

The Group reports net profit after tax (statutory) attributed to unitholders in accordance with Australian Accounting Standards (AAS). The Responsible Entity considers the non-AAS measures, Funds from Operations and Distributable Earnings, important indicators of the underlying earnings of the Group. Funds from Operations and Distributable Earnings are explained below.

Funds from Operations: In June 2013 the Property Council of Australia (PCA) released a White Paper titled "Voluntary Best Practice Guidelines for Disclosing FFO and AFFO". The White Paper set out principles for determining Property Council Funds from Operations (FFO) and Property Council Adjusted Funds from Operations (AFFO). From 1 July 2014 the Group has measured its non-Australian Accounting Standard performance against both Distributable Earnings and FFO. The Group also reports its AFFO.

Distributable Earnings: Is the basis upon which distributions are determined by the Directors having regard to the guidance in ASIC's RG 230 'Disclosing non IFRS financial information' (RG 230). A reconciliation between the statutory profit, Distributable Earnings and FFO is provided below. Distributable Earnings represents the Directors' view of underlying earnings from ongoing operating activities for the year, being net profit after tax (statutory) adjusted for:

- **Adjustments for non cash items included in statutory profit:** Non-cash items or other unrealised items included in statutory profit are reversed. This includes straight lining of rental income, amortisation of incentives, and unrealised fair value adjustments on revaluations of properties or other assets or liabilities, derivatives, unrealised foreign exchange gains or losses and other similar items.
- **Other adjustments:** This includes items such as other transaction costs that occur infrequently or are outside the course of ongoing business

Directors' Report

For the year ended 30 June 2015

activities including unsuccessful transaction costs. For the year ended 30 June 2015 this was made up of debt restructure costs of $16.8 million and unsuccessful transaction costs of $0.1 million. The debt restructure costs related to the expensing of unamortised upfront debt fees following the refinancing and cancellation of bilateral debt during the year ($2.2 million) following the repayment of bilateral debt facilities from the proceeds of the US Notes and the costs associated with restructuring the swap book following the A$ medium term note issue during the year ($14.6 million) (refer Capital management section below).

- **Woolworths Limited rental guarantee and structural vacancy allowance:** The amounts received under the Woolworths Limited rent guarantee (refer above for description) are included in Distributable Earnings which effectively results in a fully let income being included in Distributable Earnings. Therefore a notional allowance is made to reduce Distributable Earnings to allow for a normalised vacancy and this reduction is referred to as a structural vacancy allowance. The allowance is reviewed periodically and was set at 4% of the fully leased specialty income up to 10 December 2014. From 11 December 2014 the structural vacancy allowance has been discontinued (as the Woolworths Limited rental guarantee has substantially ended) and as at 30 June 2015 the remaining value of the Woolworths Limited rental guarantee is insignificant and it will not be reported separately in future periods.

The table below provides a reconciliation from the net profit after tax to FFO, Distributable Earnings and AFFO.

	SCA Property Group		Retail Trust	
	30 June 2015 $m	30 June 2014 $m	**30 June 2015 $m**	30 June 2014 $m
Net profit after tax (statutory)	**150.5**	111.6	**150.5**	111.6
Adjustments for non cash items included in statutory profit				
Reverse: Straight-lining of rental income and amortisation of incentives	**(4.4)**	(7.5)	**(4.4)**	(7.5)
Reverse: Fair value adjustments				
- Investment properties	**(67.9)**	(30.1)	**(67.9)**	(30.1)
- Derivatives	**(52.0)**	0.2	**(52.0)**	0.2
- Foreign exchange	**34.7**	-	**34.7**	-
- Other financial assets (rent guarantee)	**2.3**	(4.8)	**2.3**	(4.8)
Other Adjustments				
Add: Debt restructure costs	**16.8**	-	**16.8**	-
Add: Transaction costs	**0.1**	0.4	**0.1**	0.4
Funds from Operations	**80.1**	69.8	**80.1**	69.8
Other adjustments				
Add: Cash received/ receivable from rental guarantee	**5.4**	13.0	**5.4**	13.0
Less: Structural vacancy allowance	**(1.2)**	(2.4)	**(1.2)**	(2.4)
Distributable Earnings	**84.3**	80.4	**84.3**	80.4
Less: Maintenance capital expenditure	**(1.0)**	(0.7)	**(1.0)**	(0.7)
Less: Incentives (including fit-out incentives) and leasing costs provided	**(9.6)**	(0.3)	**(9.6)**	(0.3)
Adjusted Funds from Operations	**73.7**	79.4	**73.7**	79.4

Distributable earnings for the year ended 30 June 2015 increased from $80.4 million at 30 June 2014 to $84.3 million primarily due to:

- Increased net property income due to the benefit of the income from the acquisition of properties and increased specialty income.
- Lower debt costs from decreased average cost of debt.

Directors' Report

For the year ended 30 June 2015

Contributed equity

The movement in gross contributed equity (excluding equity issue costs) during the year is set out below.

	SCA Property Group	Retail Trust
	30 June 2015 $m	30 June 2015 $m
Opening balance as at 1 July 2014	**1,081.9**	**1,075.4**
Equity issued on 30 January 2015	**4.1**	**4.1**
Equity issued on 9 April 2015	**62.1**	**61.7**
Equity issued on 18 June 2015	**80.0**	**79.5**
Closing balance at 30 June 2015	**1,228.1**	**1,220.7**

Equity issued during the year was as follows:

- **January 2015 - Distribution Reinvestment Plan (DRP)**: In November 2014 the Group announced the activation of the DRP. The DRP applied to the distribution declared on 17 December 2014 and paid on 30 January 2015. Under this DRP $4.1 million was raised by the issue of 2,211,262 units at a price of $1.85 each.
- **April 2015 - Unitholder Purchase Plan (UPP)**: In April 2015 the Group completed a UPP. Under the UPP $62.1 million was raised (excluding issue costs) by the issue of 31,045,000 units at a price of $2.00 each.
- **June 2015 - Equity Placement**: In June 2015 the Group completed an institutional placement. Under the institutional placement $80.0 million was raised (excluding issue costs) by the issue of 39,603,961 units at a price of $2.02 each.

Other activity during the year that involved equity or unitholders was as follows:

- **Closure of on-market buyback**: On 14 February 2014, the Group announced the commencement of an on-market buyback for up to 5% of its issued stapled units (or a maximum of 32.4 million stapled units) at a price of up to the net tangible asset value per unit (which was $1.59 at the date of the announcement). The on-market buyback was closed on 9 February 2015. No units were bought back.
- **Small unitholder sale facility**: In August 2014 the Group announced the small unitholding sale facility. Under this facility eligible holders holding 294 units or less in SCP were able to sell their units at no cost to the individual unitholder. This facility was to assist SCP to better manage its unit registry costs. In October 2014 it was announced that approximately 23,000 unitholders had their units sold and that the number of SCP unitholders was reduced to approximately 85,000 unitholders. While this reduced the number of unitholders, this did not change the number of units on issue. Since the small unitholder sale facility in August 2014 the number of unitholders has further reduced to approximately 80,000 at June 2015. This also did not change the number of units on issue.

Significant changes and developments during the year

Property acquisitions and development properties

During the year ended 30 June 2015 SCP completed its final property under Development Management Agreement (Greystanes) and eight acquisitions (Claremont, Prospect Vale, The Markets, Whitsundays, Mt Warren, Glenorchy Central, Meadow Mews and Burnie Plaza). Details of these have been disclosed above under the "Property Portfolio" section.

Additionally, in December 2014 the Group agreed to purchase Clemton Park (NSW) on completion of the development via a put and call option arrangement. Under this arrangement in December 2014 SCP paid $2.4 million for the option and on completion SCP will acquire the property for $48.0 million less the amount already paid of $2.4 million. The completion of the development is expected to be in late calendar year 2016.

Property disposals

In April 2015 the Group sold Margaret River (WA).

In June 2015 the Group signed a conditional sale agreement for five non-core properties to be sold to SCA Unlisted Retail Fund RE Limited as Responsible Entity of SCA Unlisted Retail Fund 1 for $60.9 million. The Properties are Burwood DM (NSW), Katoomba DM (NSW), Fairfield (NSW), Inverell (NSW) & Griffith North (NSW).

Capital management

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). These US Notes are rated Baa1 by Moody's Investor Services (Moody's).

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.

Under cross currency 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.

Directors' Report

For the year ended 30 June 2015

The funds received from the US Notes were used to repay bilateral debt facilities and as a result $2.2 million of unamortised upfront fees associated with repaid facilities were expensed in the current year.

A$ medium term notes (A$ MTN)

In April 2015 the Group issued AUD denominated unsecured A$ medium term notes with an aggregate face value of $175.0 million. These notes are fixed rate notes with a coupon of 3.75% and expire in April 2021.

Interest rate swaps

As the A$ MTN are fixed rate notes the Group restructured its interest rate swap book by terminating existing Australian fixed interest rate swaps. The cost of terminating the existing swaps was $14.6 million. In April 2015 the Group entered into an additional $175.0 million interest rate swap. This swap expires in May 2018. As at 30 June 2015 65.0% of the Group's floating rate debt was economically hedged (30 June 2014: 85.6%).

Gearing

The Group manages its debt by reference to its gearing ratio. Its gearing ratio is determined by: Finance debt, where the US Notes US$ denominated debt is recorded as the A$ amount received and economically hedged in A$, net of cash divided by total tangible assets net of cash and derivatives. As the US Notes USD denominated debt has been fully economically hedged, for this purpose the US Notes US$ denominated debt of US$150.0 million is recognised at its economically hedged value of A$159.8 million. This also results in management gearing being based on a constant currency basis.

The value of the US$ denominated debt of US$150.0 million converted at the prevailing spot rate at 30 June 2015 of 0.7712 was A$194.5 million. The difference of $34.7 million (being the difference between the economically hedged value of $159.8 million and the prevailing spot value of A$194.5 million) has been treated as an unrealised foreign exchange loss.

The Group's target gearing range is within 30% to 40% with a preference to be around 35%. The Group's gearing calculation is below.

The Group maintains a prudent approach to managing the balance sheet with gearing of 33.3% as at 30 June 2015 (30 June 2014: 32.6%).

Facility limit and undrawn facilities

As a result of the US Notes, the $A MTN, and the extension of maturity to several of the bilateral debt facilities, the average debt maturity increased from 3.5 years (30 June 2014) to 6.3 years (30 June 2015).

As at 30 June 2015 the US Note and A$ MTN lenders facilities are fully used. The total undrawn bilateral debt and cash available to the Group at 30 June 2015 was $150.4 million (30 June 2014: $56.8 million).

The additional borrowings, on a constant currency basis (refer table above), have been used to primarily fund the property acquisitions listed above and the payment made on completion of the Greystanes development property referred to above (discussed above under the Property portfolio section).

During the year the Group agreed to an extension of maturity and a change in limits to several of its bilateral facilities.

Gearing (management)	**30 Jun 2015 $m**	**30 Jun 2014 $m**
Bilateral and A$ notes		
Unsecured bilateral facilities drawn	**263.3**	539.1
Unsecured bilateral facilities used for bank guarantee	**10.0**	5.0
Unsecured A$ medium term notes	**175.0**	-
	448.3	544.1
US Notes		
US$ denominated notes - USD face value	**150.0**	-
Economically hedged exchange rate	**0.9387**	-
US$ denominated notes - AUD equivalent	**159.8**	-
A$ denominated notes	**50.0**	-
Total US Notes	**209.8**	-
Total debt used and drawn AU$ equivalent	**658.1**	544.1
Less: cash and cash equivilents	**(3.7)**	(0.9)
Net debt for gearing	**654.4**	543.2
Total Assets	**2,021.0**	1,672.9
Less: cash and cash equivilents	**(3.7)**	(0.9)
Less: derivative value included in total assets	**(49.9)**	(3.2)
Net total assets for gearing	**1,967.4**	1,668.8
Gearing (management)	**33.3%**	32.6%

Directors' Report

For the year ended 30 June 2015

Major Business Risk Profile

Risk	Description	Mitigation
Tenant concentration risk	Financial decline in the credit quality of a significant tenant without a replacement tenant of similar credit quality being obtained. Any material deterioration in the Woolworths Limited retailing operations may result in Woolworths not meeting its lease obligations which could reduce the income of the Group.	The anchor tenant is Woolworths Limited. Woolworths Limited leases account for approximately 54% of the income of the Group. Woolworths Limited is currently rated A- by Standard & Poor's.
Property Valuations	Property valuations decrease causing potential breach of financing covenants.	Monitor market sales activity and increase net income to maintain values and manage a level of gearing to maintain sufficient covenant headroom.
Availability of debt funding	A shortage of funding can impact the Group's ability to refinance and may limit the ability to grow as a shortage of debt would limit the ability to invest in new or existing properties and may require properties to be sold.	This risk is mitigated by the Group continuing to diversify sources of financing, staggering debt maturities across multiple years with no large debt maturity in any one year, and by the Group managing its debt levels within its target gearing range, while acknowledging that gearing may vary from time to time. The Group sources debt from 4 different major Australian banks, US Private Placement and Medium Term Notes. The Group has staggered debt maturity with the earliest debt maturity being $175 million in mid financial year 2018.
Interest Rates	Interest rates increase over time causing earnings to decline.	Hedging policy and strategy in place, under which the Group expects it will continue to maintain a reasonable level of hedging. Floating rate debt is 65% hedged at 30 June 2015 (30 June 2014: 86%).
Foreign Exchange	Value of assets and liabilities denominated in foreign currencies change as foreign exchange rates change.	All USD exposure arising from the US Notes is fully economically hedged. NZD exposure arising from the ownership of NZ shopping centres is naturally hedged to over 55% of asset value by drawing bank debt in NZD.
Derivatives	Movements in financial markets cause change in derivatives impacting on net tangible assets and Profit.	Derivatives are only used for hedging and not for trading purposes.
General Economic - Retail Spending	Retail spending decline causing tenants to default on lease payments and underlying lease rentals decline on renewal or replacement.	Maintain bias towards non-discretionary retail spend which is generally considered more defensive in nature and therefore less exposed to a general decline in retail spend.

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 unitholders. 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.
- Maintaining an appropriate capital structure to balance cost of capital and risk profile.
- Diversifying and developing other sustainable income streams such as from funds management. The first managed fund has been announced – refer subsequent events.

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.

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.

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.

Directors' Report

For the year ended 30 June 2015

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.

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 67.

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 28 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 28 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.

Subsequent events

On 22 July 2015 it was announced that the group intended to establish a funds management business initially comprising the management of SCA Unlisted Fund No 1 (SURF 1). The Group has identified a number of shopping centre properties that it considers to be "non-core" because they are either freestanding stores or have only one or two specialty stores. SURF 1 will contain 5 of these non-core assets all located in New South Wales, being Woolworths Fairfield, Woolworths Griffith North, Dan Murphy's Burwood, Dan Murphy's Katoomba and Inverell Big W. The Group has signed a conditional sale agreement for these properties to be sold to SCA Unlisted Retail Fund RE Limited as Responsible Entity of SURF 1. Under this contract it is expected SURF 1 will acquire these shopping centre properties for $60.9 million from the Group which is a 14% premium to the Group's book value of these properties at 30 June 2014. SURF 1 is due to close on or before 9 September 2015.

Beside the matter noted above, the Directors of the Responsible Entity are not aware of any other matter since the end of the year that has significantly affected or may significantly affect the operations of the Group, the result of those operations, or the state of the Group's affairs in future financial periods.

Rounding of amounts

The Trusts are of a kind of entity referred to in Class Order 98/100 (as amended) issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the Directors' report and consolidated financial statements. Amounts in the Directors' report and consolidated financial statements have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars.

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

Philip Marcus Clark AM
Chairman
Sydney

17 August 2015

Auditor's Independence Declaration

Deloitte Touche Tohmatsu
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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

17 August 2015

Dear Board Members

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 2015, 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 2015

	Notes	SCA Property Group 30 June 2015 $m	SCA Property Group 30 June 2014 $m	Retail Trust 30 June 2015 $m	Retail Trust 30 June 2014 $m
Revenue					
Rental income		**175.3**	155.0	**175.3**	155.0
Other property income		**0.5**	3.4	**0.5**	3.4
		175.8	158.4	**175.8**	158.4
Expenses					
Property expenses		**(48.2)**	(41.7)	**(48.2)**	(41.7)
Corporate costs		**(11.2)**	(10.9)	**(11.2)**	(10.9)
		116.4	105.8	**116.4**	105.8
Unrealised gain/(loss) including change in fair value through profit or loss					
- Investment properties	11	**67.9**	30.1	**67.9**	30.1
- Derivatives		**52.0**	(0.2)	**52.0**	(0.2)
- Financial assets		**(2.3)**	4.8	**(2.3)**	4.8
- Foreign exchange		**(34.7)**	-	**(34.7)**	-
Transaction costs	5	**(0.1)**	(0.4)	**(0.1)**	(0.4)
Earnings before interest and tax (EBIT)		**199.2**	140.1	**199.2**	140.1
Interest income		**0.3**	0.3	**0.3**	0.3
Finance costs	6	**(46.7)**	(26.4)	**(46.7)**	(26.4)
Net profit before tax		**152.8**	114.0	**152.8**	114.0
Tax	7	**(2.3)**	(2.4)	**(2.3)**	(2.4)
Net profit after tax		**150.5**	111.6	**150.5**	111.6
Net profit after tax attributable to unitholders of:					
SCA Property Management Trust		**-**	-		
SCA Property Retail Trust (non-controlling interest)		**150.5**	111.6		
		150.5	111.6		

	Notes	SCA Property Group 30 June 2015 Cents	SCA Property Group 30 June 2014 Cents	Retail Trust 30 June 2015 Cents	Retail Trust 30 June 2014 Cents
Distributions per stapled unit					
Distributions per unit	3	**11.4**	11.0	**11.4**	11.0
Basic earnings per stapled unit	4	**22.9**	17.3	**22.9**	17.3
Diluted earnings per stapled unit	4	**22.8**	17.3	**22.8**	17.3
Basic earnings per unit of each Trust					
SCA Property Management Trust	4	**-**	-		
SCA Property Retail Trust	4	**22.9**	17.3		
Diluted earnings per unit of each Trust					
SCA Property Management Trust	4	**-**	-		
SCA Property Retail Trust	4	22.8	17.3		

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

Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2015

	Notes	SCA Property Group		Retail Trust	
		30 June 2015 $m	30 June 2014 $m	**30 June 2015 $m**	30 June 2014 $m
Net profit after tax for the year		**150.5**	111.6	**150.5**	111.6
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	15	**(7.2)**	7.4	**(7.2)**	7.4
Cash flow hedges:					
Effective portion of changes in fair value of cash flow hedges	15	**1.0**	(1.4)	**1.0**	(1.4)
Total comprehensive income		**144.3**	117.6	**144.3**	117.6
Total comprehensive profit for the period attributable to unitholders of:					
SCA Property Management Trust		**-**	-		
SCA Property Retail Trust (non-controlling interest)		**144.3**	117.6		
Total comprehensive income		**144.3**	117.6		

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 2015

	Notes	SCA Property Group 30 June 2015 $m	SCA Property Group 30 June 2014 $m	Retail Trust 30 June 2015 $m	Retail Trust 30 June 2014 $m
Current assets					
Cash and cash equivalents		**3.7**	0.9	**2.1**	0.4
Receivables	8	**8.0**	19.0	**7.9**	19.0
Rental guarantee	8	**-**	7.6	**-**	7.6
Derivative financial instruments	9	**3.2**	0.6	**3.2**	0.6
Other assets		**0.6**	1.1	**0.4**	1.0
		15.5	29.2	**13.6**	28.6
Assets classified as held for sale	10	**60.9**	-	**60.9**	-
Total current assets		**76.4**	29.2	**74.5**	28.6
Non-current assets					
Investment properties	11	**1,895.4**	1,610.8	**1,895.4**	1,610.8
Investment properties under construction	11	**-**	30.0	**-**	30.0
Derivative financial instruments	9	**46.7**	2.7	**46.7**	2.7
Property, plant and equipment		**0.1**	0.2	**-**	-
Other assets	27	**2.4**	-	**2.4**	-
Total non-current assets		**1,944.6**	1,643.7	**1,944.5**	1,643.5
Total assets		**2,021.0**	1,672.9	**2,019.0**	1,672.1
Current liabilities					
Payables	12	**20.9**	29.6	**25.5**	34.6
Distribution payable	3	**41.8**	36.3	**41.8**	36.3
Derivative financial instruments	9	**0.1**	2.6	**0.1**	2.6
Provisions		**1.1**	1.0	**-**	-
Total current liabilities		**63.9**	69.5	**67.4**	73.5
Non-current liabilities					
Derivative financial instruments	9	**0.1**	1.9	**0.1**	1.9
Interest bearing liabilities	13	**680.1**	535.8	**680.1**	535.8
Provisions		**0.1**	0.1	**-**	-
Total non-current liabilities		**680.3**	537.8	**680.2**	537.7
Total liabilities		**744.2**	607.3	**747.6**	611.2
Net assets		**1,276.8**	1,065.6	**1,271.4**	1,060.9

	Notes	30 June 2015 $m	30 June 2014 $m
Equity			
Equity Holders of Management Trust			
Contributed equity	14	**7.3**	6.4
Accumulated profit/ (loss)	16	**(1.7)**	(1.7)
Parent entity interest		**5.6**	4.7
Equity Holders of Retail Trust			
Contributed equity	14	**1,192.4**	1,049.0
Reserves	15	**4.9**	10.3
Accumulated profit/ (loss)	16	**73.9**	1.6
Non-controlling interest		**1,271.2**	1,060.9
Equity Holders of Management Trust		**5.6**	4.7
Equity Holders of Retail Trust		**1,271.2**	1,060.9
Total equity		**1,276.8**	1,065.6

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

Consolidated Statements of Changes in Equity

As at 30 June 2015

		SCA Property Group				
	Notes	Contributed equity[1] $m	Accumulated profit/(loss) $m	Attributable to owners of parent $m	Non-controlling interests $m	Total $m
Balance at 1 July 2014		**6.4**	**(1.7)**	**4.7**	**1,060.9**	**1,065.6**
Net profit after tax		**-**	**-**	**-**	**150.5**	**150.5**
Other comprehensive income for the period, net of tax		**-**	**-**	**-**	**(6.2)**	**(6.2)**
Total comprehensive income		**-**	**-**	**-**	**144.3**	**144.3**
Transactions with unitholders in their capacity as equity holders:						
Employee share based payments	15	**-**	**-**	**-**	**0.8**	**0.8**
Equity issued	14	**0.9**	**-**	**0.9**	**143.4**	**144.3**
Distributions paid and payable	3	**-**	**-**	**-**	**(78.1)**	**(78.1)**
		0.9	**-**	**0.9**	**66.1**	**67.0**
Balance at 30 June 2015		**7.3**	**(1.7)**	**5.6**	**1,271.2**	**1,276.8**
Balance at 1 July 2013		6.3	(1.7)	4.6	1,004.4	1,009.0
Net profit after tax for the period		-	-	-	111.6	111.6
Other comprehensive income for the period, net of tax		-	-	-	6.0	6.0
Total comprehensive income for the period		-	-	-	117.6	117.6
Transactions with unitholders in their capacity as equity holders:						
Employee share based payments	15	-	-	-	0.3	0.3
Equity issued	14	0.1	-	0.1	9.9	10.0
Distributions payable	3	-	-	-	(71.3)	(71.3)
		0.1	-	0.1	(61.1)	(61.0)
Balance at 30 June 2014		6.4	(1.7)	4.7	1,060.9	1,065.6

1 Contributed equity is net of equity issue costs.

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

Consolidated Statements of Changes in Equity

For the year ended 30 June 2015

		Retail Trust					
		Contributed equity[1]	Reserves			Accumulated profit/(loss)	Total
			Cash flow hedge	Foreign currency translation	Share based payments		
	Notes	$m	$m	$m	$m	$m	$m
Balance at 1 July 2014		**1,049.0**	**(1.0)**	**11.0**	**0.3**	**1.6**	**1,060.9**
Net profit after tax		**-**	**-**	**-**	**-**	**150.5**	**150.5**
Other comprehensive income for the period, net of tax		**-**	**1.0**	**(7.2)**	**-**	**-**	**(6.2)**
Total comprehensive income/ (loss)		**-**	**1.0**	**(7.2)**	**-**	**150.5**	**144.3**
Transactions with unitholders in their capacity as equity holders:							
Employee share based payments	15	**-**	**-**	**-**	**0.8**	**-**	**0.8**
Equity issued	14	**143.4**	**-**	**-**	**-**	**-**	**143.4**
Distributions paid and payable	3	**-**	**-**	**-**	**-**	**(78.1)**	**(78.1)**
		143.4	**-**	**-**	**0.8**	**(78.1)**	**66.1**
Balance at 30 June 2015		**1,192.4**	**-**	**3.8**	**1.1**	**74.0**	**1,271.2**
Balance at 1 July 2013		1,039.1	0.4	3.6	-	(38.7)	1,004.4
Net profit/ (loss) after tax for the period		-	-	-	-	111.6	111.6
Other comprehensive income for the period, net of tax		-	(1.4)	7.4	-	-	6.0
Total comprehensive income/ (loss) for the period		-	(1.4)	7.4	-	111.6	117.6
Transactions with unitholders in their capacity as equity holders:							
Employee share based payments	15	-	-	-	0.3	-	0.3
Equity issued	14	9.9	-	-	-	-	9.9
Distributions payable	3	-	-	-	-	(71.3)	(71.3)
		9.9	-	-	0.3	(71.3)	(61.1)
Balance at 30 June 2014		1,049.0	(1.0)	11.0	0.3	1.6	1,060.9

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.

Consolidated Statements of Cash Flows

For the year ended 30 June 2015

	Notes	SCA Property Group 30 June 2015 $m	SCA Property Group 30 June 2014 $m	Retail Trust 30 June 2015 $m	Retail Trust 30 June 2014 $m
Cash flows from operating activities					
Property and other income received (inclusive of GST)		**188.5**	163.3	**188.5**	163.3
Property expenses paid (inclusive of GST)		**(50.9)**	(46.9)	**(50.9)**	(46.9)
Corporate costs paid (inclusive of GST)		**(10.6)**	(8.1)	**(10.8)**	(8.2)
Rental guarantee income received		**10.5**	11.8	**10.5**	11.8
Interest received		**0.3**	0.3	**0.3**	0.3
Finance costs paid		**(41.5)**	(25.0)	**(41.5)**	(25.0)
Transaction costs paid		**(0.1)**	(3.7)	**(0.1)**	(3.7)
Taxes paid including GST		**(14.5)**	(11.4)	**(14.5)**	(11.4)
Net cash flow from operating activities	17	**81.7**	80.3	**81.5**	80.2
Cash flows from investing activities					
Payments for investment properties purchased and capital expenditure		**(275.8)**	(183.1)	**(275.8)**	(183.1)
Net proceeds from investment properties sold		**16.2**	75.7	**16.2**	75.7
Payments for plant and equipment		**-**	(0.1)	**-**	-
Loans to/(from) stapled equity		**-**	-	**-**	8.5
Net cash flow from investing activities		**(259.6)**	(107.5)	**(259.6)**	(98.9)
Cash flow from financing activities					
Proceeds from equity raising		**146.2**	10.0	**145.3**	9.9
Cost associated with equity raisings		**(1.9)**	-	**(1.9)**	-
Net proceeds from borrowings		**406.3**	227.2	**406.3**	227.2
Repayment of borrowings		**(297.3)**	(153.4)	**(297.3)**	(153.4)
Distributions paid		**(72.6)**	(71.0)	**(72.6)**	(71.0)
Net cash flow from financing activities		**180.7**	12.8	**179.8**	12.7
Net (decrease) / increase in cash and cash equivalents held		**2.8**	(14.4)	**1.7**	(6.0)
Cash and cash equivalents at the beginning of the year		**0.9**	15.4	**0.4**	6.5
Effects of exchange rate changes on cash and cash equivalents		**-**	(0.1)	**-**	(0.1)
Cash and cash equivalents at the end of the year		**3.7**	0.9	**2.1**	0.4

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

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 17 August 2015.

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 (excluding the assets classified as held for sale (refer note 10)), 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 2015 the Group and Retail Trust have the ability to drawdown funds to pay the distribution of $41.8 million on or about 28 August 2015, having available headroom on the Group's facilities of $146.7 million.

Rounding

In accordance with ASIC Class Order 98/100, the amounts shown in the Financial Statements have been rounded to the nearest hundred thousand dollars, unless otherwise stated.

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

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year. These include:

Impact of the application of Interpretation 21 'Levies'

The Group has applied Interpretation 21 'Levies' for the first time during the year. Interpretation 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government.

The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

Interpretation 21 has been applied retrospectively. The application of this Interpretation does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

Impact of the application of AASB 2014-1 'Amendments to Australian Accounting Standards'

The 'Annual Improvements 2010-2012 Cycle' include a number of amendments to various AASBs and those which are relevant to the Group are summarised below.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The 'Annual Improvements 2011-2013 Cycle' include a number of amendments to various AASBs and those which are relevant to the Group are summarised below.

The amendments to AASB 140 clarify that AASB 140 and AASB 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of AASB 140; and

(b) the transaction meets the definition of a business combination under AASB 3.

The adoption of these amendments does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated Financial Statements.

Materiality

This amending standard makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031, which historically has been referenced in each Australian Accounting Standard.

Application of new and revised Accounting Standards not yet effective

A number of Australian Accounting Standards and Interpretations are in issue but are not effective for the current year. The potential impact of these other Standards and interpretations has not yet been fully determined. The Group does not intend to adopt any of these announcements before their effective dates. These include:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2014-1 Amendments to Australian Accounting Standards (Part E – Financial Instruments)	1 January 2015	30 June 2016
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle	1 January 2016	30 June 2017
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	1 January 2016	30 June 2017
AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	1 January 2016	30 June 2017
AASB 15 Revenue from Contracts with Customers	1 January 2018	30 June 2019
AASB 9 Financial Instruments, and the relevant amending standards	1 January 2018	30 June 2019
AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments – Part C	1 January 2018	30 June 2019

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, as at 30 June 2015. 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 stapled security holders of Shopping Centres Australasia Management Trust are the same as the stapled security holders of Shopping Centres Australasia Property Retail Trust.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

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 (the Parent) and all of its subsidiaries, as at 30 June 2015.

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.

(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. This will normally take place on unconditional exchange of contracts except where payment on completion is expected to occur significantly after exchange. For conditional exchanges, sales are recognised when the conditions are satisfied.

All other revenues are recognised on an accruals basis.

(d) Expenses

Expenses are brought to account on an accruals basis.

(e) 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.

(f) 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 and potential capital gains tax as detailed below.

Retail Trust is the property owning trust and is treated as a trust for Australian tax purposes. Under current Australian income tax legislation, 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.

(g) 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.

(h) Assets classified as held for sale

Non-current assets are classified as held for sale, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Such assets are disclosed separately and are disclosed as current assets if it is expected they

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

will be sold in less than 1 year from the balance date. Held for sale assets are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets classified as held for sale are also presented separately from other assets in the balance sheet.

(i) 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.

(j) 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.

(k) 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.

(l) Rental guarantee

The rental guarantee is measured at the present value of expected future cash flows predominantly under the guarantee arrangements. Any change in the expected future cash flows of the rental guarantee is recorded in the statement of profit or loss.

(m)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.

(n) 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.

(o) Payables

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

Distribution

Distributions payable are recognised in the reporting period in which they are declared, determined or publicly recommended by the Directors on or before the end of the reporting period, but not distributed at reporting date.

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

(p) 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).

(q) 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.

(r) 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.

(s) 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 may designate certain interest rate swaps as cash flow hedges. If this applies at the inception of the hedge relationship, the relationship between the hedging instrument and the hedged item is documented, along with the risk management objectives and the strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

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.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. Changes in fair value of all other derivatives is recognised in the profit and loss. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the consolidated income statement as the recognised hedged item.

Gains or losses arising from the movement in the fair value of instruments which hedge net investment in foreign operations are recognised in the foreign currency translation reserve. Where an instrument, or portion thereof, is deemed an ineffective hedge for accounting purposes, gains or losses thereon are recognised in profit and loss. On disposal of a net investment in foreign operations, the cumulative gains or losses recognised previously in the foreign currency translation reserve are transferred to profit and loss.

(t) 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.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

(u) Earnings per unit

Basic earnings per unit is calculated as profit after tax attributable to unitholders divided by the weighted average number of ordinary units issued.

Diluted earnings per unit is calculated as profit after tax attributable to unitholders adjusted for any profit recognised in the period in relation to dilutive potential ordinary units divided by the weighted average number of ordinary units and dilutive potential ordinary units.

(v) 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.

(w) 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 - 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.

Judgement – Investment properties

In management's view there are two classes of investment properties: those located in Australia and those located in New Zealand. The investment properties in Australia and New Zealand are shopping centres, but are located in different economic environments. Additionally the New Zealand properties are valued in New Zealand dollars. The fair value hierarchy within which the fair value measurements are categorised is disclosed in note 11.

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 11.

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 26. 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.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

3. Distributions paid and payable

	Cents per unit	Total amount $m	Date of payment or expected date of payment
2015			
SCA Property Group			
Interim distribution [1]	5.6	36.3	30 January 2015
Final distribution [2]	5.8	41.8	28 August 2015
	11.4	78.1	
Retail Trust			
Interim distribution	5.6	36.3	30 January 2015
Final distribution	5.8	41.8	28 August 2015
	11.4	78.1	
2014			
SCA Property Group			
Interim distribution	5.4	35.0	30 January 2014
Final distribution	5.6	36.3	28 August 2014
	11.0	71.3	
Retail Trust			
Interim distribution	5.4	35.0	30 January 2014
Final distribution	5.6	36.3	28 August 2014
	11.0	71.3	

1 The interim distribution of 5.6 cents per stapled unit was declared on 17 December 2014 and was paid on 30 January 2015.

2 The 2015 final distribution of 5.8 cents per stapled unit was declared on 18 June 2015 and is expected to be paid on or about 28 August 2015. 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 which was activated on 5 November 2014 for distributions paid after 14 November 2014. The DRP was not available for any of the distributions declared or paid prior to 14 November 2014.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

4. Earnings per unit

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
Per stapled unit				
Net profit after tax for the period ($ million)	**150.5**	111.6	**150.5**	111.6
Weighted average number of securities used as the denominator in calculating basic earnings per security below	**658,019,274**	646,058,763	**658,019,274**	646,058,763
Basic earnings per unit for net profit after tax (cents)	**22.9**	17.3	**22.9**	17.3
Weighted average number of securities used as the denominator in calculating diluted earnings per security below	**659,574,888**	646,572,319	**659,574,888**	646,572,319
Diluted earnings per unit for net profit after tax (cents)	**22.8**	17.3	**22.8**	17.3

Per unit of each Trust

	Management Trust		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
Net profit after tax for the period ($ million)	**-**	-	**150.5**	111.6
Weighted average number of units (millions)	**658,019,274**	646,058,763	**658,019,274**	646,058,763
Basic earnings per unit for net profit after tax (cents)	**-**	-	**22.9**	17.3
Diluted earnings per unit for net profit after tax (cents)	**-**	-	**22.8**	17.3

5. Transaction costs

	SCA Property Group		Retail Trust	
	30 June 2015 $m	30 June 2014 $m	**30 June 2015 $m**	30 June 2014 $m
Advisers and consultants fees	**0.1**	0.4	**0.1**	**0.4**

Transaction costs in relation to acquisition of investment properties are included in the cost of the investment property. Costs incurred in the current year relate to an unsuccessful property transaction.

6. Finance costs

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Interest expense	**29.9**	26.4	**29.9**	26.4
Swap termination	**14.6**	-	**14.6**	-
Other	**2.2**	-	**2.2**	-
	46.7	26.4	**46.7**	26.4

Swap termination costs relate to the restructuring the interest rate swap book by terminating existing swaps following the A$ medium term fixed rate note issue during the year. Refer note 13.

Other finance costs for the year ended 30 June 2015 consists of expensing of non-cash upfront fees on termination of bilateral facilities following the receipt of funds from the US Notes ($2.2 million and refer note 13).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

7. Taxation

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Current tax	**(2.3)**	(2.4)	**(2.3)**	(2.4)
The prima facie tax on profit before tax is reconciled to the income tax expense provided in the financial statements as follows:				
Net profit before tax	**152.8**	114.0	**152.8**	114.0
Prima facie tax (expense) at 30%	**(45.8)**	(34.2)	**(45.8)**	(34.2)
Tax effect of income that are not assessable/ deductible in determining taxable profit	**43.3**	31.9	**43.3**	31.9
Tax effect of difference between Australian and foreign tax rates	**0.2**	0.2	**0.2**	0.2
Withholding tax paid on interest from New Zealand	**-**	(0.3)	**-**	(0.3)
	(2.3)	(2.4)	**(2.3)**	(2.4)

8. Receivables and Rental guarantee

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Current				
Rental receivable	**4.3**	3.4	**4.3**	3.4
Provision for doubtful debts	**(0.6)**	(0.4)	**(0.6)**	(0.4)
	3.7	3.0	**3.7**	3.0
Rental guarantee invoiced and receivable	**-**	4.1	**-**	4.1
Other receivables	**4.3**	11.9	**4.2**	11.9
Total receivables	**8.0**	19.0	**7.9**	19.0
Rental guarantee	**-**	7.6	**-**	7.6

Refer note 2(l) for accounting policy on rental guarantee receivable.

Ageing of rental receivable1

	SCA Property Group		SCA Property Group	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Current	**2.7**	1.6	**2.7**	1.6
30 days	**0.6**	0.7	**0.6**	0.7
60 days	**0.3**	0.3	**0.3**	0.3
90 days	**0.2**	0.3	**0.2**	0.3
120 days	**0.5**	0.5	**0.5**	0.5
Rental receivable	**4.3**	3.4	**4.3**	3.4

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.

Notes to the Consolidated Financial Statements

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9. Derivative financial instruments

The fair value of interest rate and cross currency derivatives are determined using a generally accepted pricing model based on discounted cash flow analysis using assumptions supported by observable market rates.

The following table represents financial assets and liabilities that were measured and recognised at fair value.

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Current assets				
Interest rate swap contracts	**1.2**	0.6	**1.2**	0.6
Cross currency interest rate swap contracts	**2.0**	-	**2.0**	-
	3.2	0.6	**3.2**	0.6
Non-current assets				
Interest rate swap contracts	**5.4**	2.5	**5.4**	2.5
Cross currency interest rate swap contracts	**41.3**	0.2	**41.3**	0.2
	46.7	2.7	**46.7**	2.7
Current liabilities				
Interest rate swap contracts	**0.1**	2.6	**0.1**	2.6
Non-current liabilities				
Interest rate swap contracts	**0.1**	1.9	**0.1**	1.9

The interest rate swaps and cross currency interest rate swaps are to hedge financing facilities. Refer note 13 and note 26.

As at 30 June 2015 the Group and the Retail Trust had no swaps designated as cash flow hedges. The interest rate swaps disclosed above for 30 June 2014 include both swaps designated as cash flow hedges and swaps that have not been designated as cash flow hedges. During the year the Group terminated the swaps designated as cash flow hedges.

The Group does not speculatively trade in derivative financial instruments and the terms and conditions of the derivative financial instruments are similar to the terms and conditions of the underlying instruments being hedged.

10. Assets classified as held for sale

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Assets classified as held for sale	**60.9**	-	**60.9**	-

As at 30 June 2015 five properties are classified as held for sale as these properties are under a conditional contract of sale. The book value of these properties is equal to their contracted value. Details of these properties are below.

Property	**State**	**Book value cap rate[1] 30 June 2015**	**Book value discount rate 30 June 2015**	**Book value 30 June 2015 $m**
Burwood DM	NSW	6.25%	7.00%	8.6
Fairfield Heights	NSW	6.75%	7.50%	18.0
Griffith North	NSW	6.50%	7.00%	9.2
Inverell BIG W	NSW	8.50%	8.50%	18.4
Katoomba DM	NSW	6.75%	7.00%	6.7
Total Assets classified as held for sale				60.9

1 Capitalisation rate (cap rate) is an approximation of the ratio between the net operating income produced by an investment property and its fair value. This excludes consideration of costs of acquisition or disposal.

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11. Investment properties

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Investment properties	**1,895.4**	1,610.8	**1,895.4**	1,610.8
Investment properties under construction	**-**	30.0	**-**	30.0
Total investment property value	**1,895.4**	1,640.8	**1,895.4**	1,640.8

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Movement in total investment properties				
Opening balance	**1,640.8**	1,487.9	**1,640.8**	1,487.9
Acquisitions, expenditure and work in progress accruals on properties under construction [1]	**256.8**	171.3	**256.8**	171.3
Assets classified as held for sale	**(60.9)**	-	**(60.9)**	-
Disposals	**(16.2)**	(75.7)	**(16.2)**	(75.7)
Additions including tenant incentives, leasing fees and straight-lining of rental income net of amortisation	**16.0**	9.5	**16.0**	9.5
Unrealised gain/ (loss) on property valuations	**67.9**	30.1	**67.9**	30.1
Effect of foreign currency exchange differences	**(9.0)**	17.7	**(9.0)**	17.7
Closing balance	**1,895.4**	1,640.8	**1,895.4**	1,640.8

1 The Group's last property subject to a DMA was Greystanes and it was completed in October 2014. The initial payment was $21.8 million and the final payment made in October 2014 was $16.4 million. Of the final payment an amount of $8.9 million had been reported as a work in progress accrual as at 30 June 2014 based on an estimate of the work completed. The work in progress accrual as at 30 June 2015 is nil.

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For the year ended 30 June 2015

Property	State	Property Type	Book value cap rate [1] 30 June 2015	Book value discount rate 30 June 2015	Book value 30 June 2015 $m	Book value 30 June 2014 $m
Investment properties completed - Australia						
Sub-Regional						
Lilydale	VIC	Sub-Regional	7.00%	8.75%	**88.0**	81.5
Pakenham	VIC	Sub-Regional	7.25%	8.75%	**72.5**	68.0
Central Highlands	QLD	Sub-Regional	7.25%	8.75%	**65.0**	62.6
Whitsunday [3]	QLD	Sub-Regional	8.00%	9.25%	**47.0**	-
Mt Gambier	SA	Sub-Regional	7.52%	8.85%	**66.4**	64.4
Murray Bridge	SA	Sub-Regional	7.50%	8.75%	**63.3**	62.0
Kwinana Marketplace	WA	Sub-Regional	8.25%	9.75%	**93.0**	93.0
Total Sub-Regional					**495.2**	431.5
Neighbourhood						
Berala	NSW	Neighbourhood	7.00%	7.75%	**20.4**	19.0
Cabarita	NSW	Neighbourhood	7.25%	8.00%	**18.2**	16.5
Cardiff	NSW	Neighbourhood	7.25%	8.00%	**19.2**	18.2
Goonellabah	NSW	Neighbourhood	7.50%	8.25%	**17.8**	17.0
Greystanes [2]	NSW	Neighbourhood	7.00%	8.50%	**44.3**	-
Lane Cove	NSW	Neighbourhood	7.00%	9.00%	**44.9**	41.5
Leura	NSW	Neighbourhood	7.50%	8.25%	**13.7**	13.1
Macksville	NSW	Neighbourhood	7.50%	8.50%	**10.9**	10.2
Merimbula	NSW	Neighbourhood	8.00%	8.50%	**14.7**	14.0
Mittagong Village	NSW	Neighbourhood	8.00%	9.00%	**7.8**	7.5
Moama Marketplace	NSW	Neighbourhood	8.00%	8.50%	**11.6**	11.1
Morisset	NSW	Neighbourhood	7.75%	8.50%	**15.7**	14.6
North Orange	NSW	Neighbourhood	7.25%	8.25%	**26.0**	24.4
Swansea	NSW	Neighbourhood	7.75%	8.00%	**11.7**	11.1
Ulladulla	NSW	Neighbourhood	7.50%	8.25%	**17.3**	15.8
West Dubbo	NSW	Neighbourhood	7.50%	9.25%	**13.7**	13.2
Albury	VIC	Neighbourhood	7.50%	8.25%	**19.5**	18.3
Ballarat	VIC	Neighbourhood	7.50%	8.50%	**18.7**	19.0
Cowes	VIC	Neighbourhood	7.50%	8.50%	**17.5**	15.8
Drouin	VIC	Neighbourhood	7.50%	8.50%	**12.7**	12.4
Epping North	VIC	Neighbourhood	7.00%	8.50%	**23.2**	21.0
Highett	VIC	Neighbourhood	7.00%	8.25%	**23.6**	23.2
Langwarrin	VIC	Neighbourhood	7.50%	8.75%	**17.8**	17.8
Ocean Grove	VIC	Neighbourhood	7.50%	9.25%	**31.5**	30.5
Warrnambool East	VIC	Neighbourhood	7.50%	8.50%	**11.9**	10.6
Warrnambool Target	VIC	Neighbourhood	8.00%	9.25%	**19.6**	19.6
Wyndham Vale	VIC	Neighbourhood	7.50%	8.50%	**18.7**	18.5

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Property	State	Property Type	Book value cap rate [1] 30 June 2015	Book value discount rate 30 June 2015	Book value 30 June 2015 $m	Book value 30 June 2014 $m
Investment properties completed - Australia						
Neighbourhood						
Ayr	QLD	Neighbourhood	7.50%	9.00%	**18.9**	18.9
Brookwater Village	QLD	Neighbourhood	7.25%	8.25%	**31.0**	26.6
Carrara	QLD	Neighbourhood	7.00%	8.00%	**16.5**	15.0
Chancellor Park Marketplace	QLD	Neighbourhood	7.75%	8.50%	**29.0**	28.0
Collingwood Park	QLD	Neighbourhood	8.00%	8.75%	**10.0**	10.8
Coorparoo	QLD	Neighbourhood	7.00%	8.25%	**22.8**	20.8
Gladstone	QLD	Neighbourhood	7.25%	8.50%	**26.5**	24.0
Mackay	QLD	Neighbourhood	7.25%	8.00%	**21.9**	21.5
Mission Beach	QLD	Neighbourhood	8.00%	8.75%	**10.2**	9.4
Mt Warren Park [3]	QLD	Neighbourhood	7.00%	8.50%	**14.4**	-
The Markets [3]	QLD	Neighbourhood	7.00%	9.00%	**32.3**	-
Woodford	QLD	Neighbourhood	7.50%	8.25%	**10.5**	8.9
Blakes Crossing	SA	Neighbourhood	7.50%	8.75%	**19.6**	20.0
Walkerville	SA	Neighbourhood	7.00%	8.00%	**21.5**	19.5
Busselton	WA	Neighbourhood	7.25%	7.75%	**21.0**	19.2
Treendale	WA	Neighbourhood	7.25%	8.50%	**27.5**	25.7
Margaret River [5]	WA	Neighbourhood	-	-	**-**	18.7
Burnie [3]	TAS	Neighbourhood	8.52%	8.50%	**20.0**	-
Claremont Plaza [3]	TAS	Neighbourhood	7.53%	8.50%	**30.9**	-
Glenorchy Central [3]	TAS	Neighbourhood	7.66%	9.25%	**21.0**	-
Greenpoint	TAS	Neighbourhood	8.50%	9.25%	**13.5**	13.3
Kingston	TAS	Neighbourhood	7.50%	9.00%	**23.5**	23.0
Meadow Mews [3]	TAS	Neighbourhood	8.11%	8.25%	**44.0**	-
New Town Plaza	TAS	Neighbourhood	7.75%	9.25%	**30.0**	28.8
Prospect Vale [3]	TAS	Neighbourhood	7.50%	9.00%	**26.8**	-
Riverside	TAS	Neighbourhood	8.50%	9.50%	**7.6**	7.2
Shoreline	TAS	Neighbourhood	7.50%	8.75%	**29.0**	27.0
Sorell	TAS	Neighbourhood	7.50%	9.00%	**22.5**	21.4
Lismore	NSW	Neighbourhood	8.75%	9.50%	**27.2**	21.5
Total Neighbourhood					**1,152.2**	883.1
Freestanding						
Burwood DM [6]	NSW	Freestanding	-	-	**-**	7.4
Fairfield Heights [6]	NSW	Freestanding	-	-	**-**	16.2
Griffith North [6]	NSW	Freestanding	-	-	**-**	8.0
Inverell BIG W [6]	NSW	Freestanding	-	-	**-**	16.0
Katoomba DM [6]	NSW	Freestanding	-	-	**-**	6.0
Katoomba Marketplace	NSW	Freestanding	7.25%	7.75%	**40.0**	38.5
Total Freestanding					**40.0**	92.1
Total investment properties completed Australia					**1,687.4**	1,406.7

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

Property	Property Type	Book value cap rate 1 30 June 2015	Book value discount rate 30 June 2015	Book value 30 June 2015 $m	Book value 30 June 2014 $m
Investment properties completed - New Zealand					
Neighbourhood					
Kelvin Grove	Neighbourhood	7.75%	9.25%	**10.2**	10.3
Newtown	Neighbourhood	7.25%	9.00%	**18.8**	19.8
St James	Neighbourhood	7.50%	9.12%	**12.1**	12.0
Takanini	Neighbourhood	7.50%	9.25%	**30.3**	30.4
Warkworth	Neighbourhood	8.00%	9.13%	**15.2**	15.7
Total Neighbourhood				**86.6**	88.2
Freestanding					
Bridge Street	Freestanding	7.38%	9.00%	**13.7**	14.3
Dunedin South	Freestanding	7.50%	9.00%	**14.1**	14.4
Hornby	Freestanding	7.62%	9.37%	**14.7**	14.5
Kerikeri	Freestanding	7.75%	9.00%	**13.7**	13.7
Nelson South	Freestanding	7.62%	9.12%	**9.5**	9.7
Rangiora East	Freestanding	7.75%	9.50%	**11.7**	12.0
Rolleston	Freestanding	7.75%	9.37%	**13.4**	13.2
Stoddard Road	Freestanding	7.25%	9.00%	**17.7**	17.7
Tawa	Freestanding	7.50%	9.25%	**12.9**	13.1
Total Freestanding				**121.4**	122.6
Total investment properties completed New Zealand				**208.0**	210.8
Total investment properties completed portfolio				**1,895.4**	1,617.5
Less amounts classified as rental guarantee [4]				**-**	(6.7)
Total investment properties completed				**1,895.4**	1,610.8

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For the year ended 30 June 2015

Description	Book value 30 June 2015 $m	Book value 30 June 2014 $m
Investment properties under construction		
Australia		
Greystanes, NSW [2]	-	30.9
Total investment properties under construction	-	**30.9**
Less amounts classified as rental guarantee [4]	-	(0.9)
Investment properties completed and under construction	-	30.0
Total completed portfolio:		
- Australia	**1,687.4**	1,406.7
- New Zealand	**208.0**	210.8
	1,895.4	1,617.5
Total development portfolio - Australia	-	30.9
Total investment properties (completed and development portfolio) including rent guarantee [4]	**1,895.4**	1,648.4
Less amounts classified as rental guarantee 4	-	(7.6)
Investment properties completed and under construction	**1,895.4**	1,640.8

1 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. This excludes consideration of costs of acquisition or disposal.

2 Greystanes NSW was completed in October 2014 and transferred to the Investment Properties Completed Portfolio.

3 Properties acquired during the year ended 30 June 2015.

4 Woolworths Limited provided a rental guarantee to the Group to cover vacant tenancies (including incentives) as at December 2012 until the earlier of December 2014; or until the vacant tenancy is let. Development properties purchased from Woolworths Limited also have a rental guarantee under similar terms except the two year period starts from completion of development.

5 Margaret River (WA) was sold in April 2015.

6 Properties under conditional contract of sale. Refer to Note 10.

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 by utilising the information from a combination of asset plans and forecasting tools prepared by the asset management team. Appropriate capitalisation rate, terminal yield and discount rates based on comparable market evidence and recent external valuation parameters are used 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. 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.

Independent valuations are performed by independent and 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.

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. This excludes consideration of costs of acquisition or disposal. 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 percentage rate investment yield reflects the capitalisation rate (cap rate) and includes consideration of the property type, location and tenancy profile together with market sales.

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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 present value. The rate is determined with regards to market evidence and the prior independent valuation.

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.

Category	Fair value hierarchy	Book value 30 June 2015 $m	Valuation technique	Key inputs used to measure fair value	Range of unobservable inputs
Completed portfolio	Level 3	1,895.4	Income capitalisation and DCF [1]	Capitalisation rate Discount rate	7.00% - 8.75% 7.75% - 9.75%

Category	Fair value hierarchy	Book value 30 June 2014 $m	Valuation technique	Key inputs used to measure fair value	Range of unobservable inputs
Completed portfolio	Level 3	1,617.5	Income capitalisation and DCF [1]	Capitalisation rate Discount rate	7.00% – 10.00% 7.50% – 10.00%
Development portfolio	Level 3	30.9	Income capitalisation and DCF [1]	Capitalisation rate Discount rate	8.00% 9.50%

1 Discounted cash flow.

All property investments are categorised as level 3 in the fair value hierarchy (refer note 26(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 both classes of investment properties (refer note 2(w)).

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 include:

– capitalisation rate

– discount rate

– rental growth rate

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For the year ended 30 June 2015

- market rental
- current rental
- turnover or percentage rent
- type of tenants
- lease terms
- level of vacancy
- lease expiry profile
- property expenses
- capital expenditure
- 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 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	**25 bps decrease**	**25 bps increase**	**25 bps decrease**
	$m	**$m**	**$m**	**$m**
30 June 2015				
SCA Property Group				
Investment properties	**(60.7)**	**65.8**	**(60.7)**	**65.8**
Retail Trust				
Investment properties	**(60.7)**	**65.8**	**(60.7)**	**65.8**
30 June 2014				
SCA Property Group				
Investment properties (including development portfolio)	(50.0)	53.3	(50.0)	53.3
Retail Trust				
Investment properties (including development portfolio)	(50.0)	53.3	(50.0)	53.3

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12. Trade and other payables

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Current				
Payables and other creditors [1]	**20.9**	20.7	**20.1**	17.2
Accrual for works on properties under construction	**-**	8.9	**-**	8.9
Income tax payable	**-**	-	**-**	-
Payables to related parties	**-**	-	**5.4**	8.5
	20.9	29.6	**25.5**	34.6

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

13. Interest bearing liabilities

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Unsecured Bank Bilateral Facilities				
- A$ denominated	**155.0**	418.5	**155.0**	418.5
- NZ$ denominated (converted to A$)	**108.3**	120.6	**108.3**	120.6
	263.3	539.1	**263.3**	539.1
Unsecured A$ Medium term note				
- A$ denominated	**175.0**	-	**175.0**	-
Unsecured US Notes				
- A$ denominated	**50.0**	-	**50.0**	-
- US$ denominated (converted to A$)	**194.5**	-	**194.5**	-
	244.5	-	**244.5**	-
Total unsecured debt outstanding	**682.8**	539.1	**682.8**	539.1
Less: unamortised establishment fees	**(2.7)**	(3.3)	**(2.7)**	(3.3)
	680.1	535.8	**680.1**	535.8

Financing facilities and financing resources

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Financing facilities and financing resources				
Bilateral bank facilities				
Committed Bilateral financing facilities available	839.50	600.0	839.5	600.0
Less: amounts drawn down	(682.8)	(539.1)	(682.8)	(539.1)
Less: amounts utilised for bank guarantee	(10.0)	(5.0)	(10.0)	(5.0)
Net Bilateral facilities available	146.7	55.9	146.7	55.9
Add: Cash and cash equivalents	3.7	0.9	2.1	0.9
Financing resources available	150.4	56.8	148.8	56.8

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Debt facilities are carried at amortised cost.

The debt facilities are made up of Bilateral Bank Facilities, A$ medium term notes and US Notes. Details of these debt facilities are below.

Bank bilateral facilities

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

During the year the Group agreed to an extension of maturity and changes in facility limit of several of its bilateral debt facilities.

One of the bilateral facilities can also be used for bank guarantees. As at 30 June 2015, in addition to the bilateral debt facilities drawn above, $10.0 million of the bilateral debt facilities available was used to support a $10.0 million bank guarantee (30 June 2014: $5.0 million of the bilateral debt facilities was used to support a $5.0 million bank guarantee).

The bank guarantee assists with the Responsible Entity's compliance with its Australian Financial Services Licence.

A$ medium term note (A$ MTN)

In April 2015 the Group issued AUD denominated unsecured medium term notes with aggregate face value of $175.0 million (A$ MTN). These notes are fixed rates notes with a coupon of 3.75% and expire in April 2021.

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). These US Notes are rated Baa1 by Moody's Investor Services (Moody's).

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.

The value of the US$150.0 million notes are translated at the prevailing foreign exchange rate. At 30 June 2015 this was AUD 1.00 = USD 0.7712 which resulted in a translated value of the US$150.0 million notes of A$194.5 million. The Group however has economically hedged its exposure to the foreign exchange risk inherent in the carrying value of its US dollar borrowings by using cross currency interest rate swap contracts. Under the cross currency interest rate swap contracts, the Group has agreed to exchange specified principal and interest foreign currency amounts at agreed future dates at a specified exchange rate. Such contracts have enabled 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. Under these swaps the Group has and will receive fixed amounts in US dollars and pay variable interest rates (based on Australian BBSW).

The cross currency interest rate swaps also include an exchange of principal pursuant to which the US$150.0 million received in August 2014 has been swapped to A$159.8 million using an exchange rate of AUD 1.00 = USD 0.9387. On maturity the A$159.8 million will be swapped back to US$150.0 million.

The difference in the value of the USD notes translated at the prevailing exchange rate of AUD 1.00 = USD 0.7712 or A$194.5 million and the amount received of A$159.8 million (being A$34.7 million) has been recognised as an unrealised foreign exchange loss.

The cross currency interest rate swaps are valued for financial reporting purposes separately from the US Notes. Refer note 26.

The foreign currency principal and interest amounts payable on the USD denominated US Notes have been fully economically hedged by the use of cross currency interest rate swaps.

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Unsecured Debt Usage and Maturity

The debt maturity profile in respect of interest bearing liabilities is set out below.

30 June 2015

Unsecured Debt Facilities	Facility Limit $m	Drawn [1] $m	Undrawn $m	Facility Maturity Date
Bank Bilateral Facilities				
Bank bilateral	**25.0**	**-**	**25.0**	**Nov-17**
Bank bilateral	**75.0**	**75.0**	**-**	**Dec-17**
Bank bilateral	**75.0**	**10.0**	**65.0**	**Dec-17**
Bank bilateral	**25.0**	**-**	**25.0**	**Nov-18**
Bank bilateral	**140.0**	**108.3**	**31.7**	**Dec-18**
Bank bilateral	**25.0**	**25.0**	**-**	**Dec-18**
Bank bilateral	**25.0**	**25.0**	**-**	**Dec-18**
Bank bilateral	**30.0**	**30.0**	**-**	**Dec-19**
	420.0	**273.3**	**146.7**	
A$ Medium term note				
A$ denominated	**175.0**	**175.0**	**-**	**Apr-21**
US Notes				
US$ denominated (converted to A$)	**129.7**	**129.7**	**-**	**Aug-27**
US$ denominated (converted to A$)	**64.8**	**64.8**	**-**	**Aug-29**
A$ denominated	**50.0**	**50.0**	**-**	**Aug-29**
	244.5	**244.5**	**-**	
Total unsecured financing facilities	**839.5**	**692.8**	**146.7**	

30 June 2014

Unsecured Bank Bilateral Facilities	Facility Limit $m	Drawn [1] $m	Undrawn $m	Facility Maturity Date
Bank bilateral	150.0	145.0	5.0	Dec-16
Bank bilateral	75.0	75.0	-	Nov-17
Bank bilateral	75.0	75.0	-	Dec-17
Bank bilateral	75.0	75.0	-	Dec-17
Bank bilateral	150.0	120.6	29.4	Jul-18
Bank bilateral	25.0	25.0	-	Nov-18
Bank bilateral	25.0	3.5	21.5	Dec-18
Bank bilateral	25.0	25.0	-	Dec-18
	600.0	544.1	55.9	

1 Drawn includes $10.0 million allocation of facility limit used for a $10.0 million bank guarantee (30 June 2014: $5.0 million respectively).

As at 30 June 2015 the total debt facilities available were $839.5 million (30 June 2014: $600.0 million).

Additional information on the cost of the interest bearing liabilities is in note 26.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

Debt covenants

The Group is required to comply with certain financial covenants in respect of the interest bearing liabilities. The major financial covenants 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 for the year ended and as at 30 June 2015.

Capital management – management gearing

The Group manages its debt by reference to its gearing ratio. Its gearing ratio is determined by: Finance debt, where the US Notes US$ denominated debt is recorded as the A$ amount received and economically hedged in A$, net of cash divided by total tangible assets net of cash and derivatives. As the US Notes USD denominated debt has been fully economically hedged, for this purpose the US Notes US$ denominated debt of US$150.0 million is recorded at its economically hedged value of A$159.8 million. This also results in management gearing being based on a constant currency basis.

The value of the US$ denominated debt of US$150.0 million converted at the prevailing spot rate at 30 June 2015 of 0.7712 was A$194.5 million. The difference of $34.7 million (being the difference between the economically hedged value of $159.8 million and the prevailing spot value of A$194.5 million) has been treated as an unrealised foreign exchange loss.

The Group's gearing was 33.3% as at 30 June 2015 (30 June 2014: 32.6%).

The Group's target gearing range is within 30% to 40% with a preference to be around 35%. The Group's gearing calculation is below.

Gearing (management)	**30 June 2015**	30 June 2014
	$m	$m
Bilateral and A$ notes		
Unsecured bilateral facilities drawn	**263.3**	539.1
Unsecured bilateral facilities used for bank guarantee	**10.0**	5.0
Unsecured A$ medium term notes	**175.0**	-
	448.3	544.1
US Notes		
US$ denominated notes - USD face value	**150.0**	-
Economically hedged exchange rate	**0.9387**	-
US$ denominated notes - AUD equivalent	**159.8**	-
A$ denominated notes	**50.0**	-
Total US Notes	**209.8**	-
Total debt used and drawn AU$ equivalent	**658.1**	544.1
Less: cash and cash equivilents	**(3.7)**	(0.9)
Net debt for gearing	**654.4**	543.2
Total Assets	**2,021.0**	1,672.9
Less: cash and cash equivilents	**(3.7)**	(0.9)
Less: derivative value included in total assets	**(49.9)**	(3.2)
Net total assets for gearing	**1,967.4**	1,668.8
Gearing (management)	**33.3%**	32.6%

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14. Contributed equity

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Equity	**1,228.1**	1,081.9	**1,220.7**	1,075.4
Issue costs	**(28.4)**	(26.5)	**(28.3)**	(26.4)
	1,199.7	1,055.4	**1,192.4**	1,049.0
Equity of Management Trust				
Opening balance	**6.4**	6.3		
Equity issued through distribution reinvestment plan January 2015	**-**	-		
Equity raised through unitholder purchase plan in April 2015	**0.4**	-		
Equity raised through institutional placement in June 2015	**0.5**	-		
Equity issued 29 November 2013	**-**	0.1		
Issue costs	**-**	-		
Closing balance	**7.3**	6.4		
Equity of Retail Trust				
Opening balance	**1,049.0**	1,039.1	**1,049.0**	1,039.1
Equity issued through distribution reinvestment plan January 2015	**4.1**	-	**4.1**	-
Equity raised through unitholder purchase plan in April 2015	**61.7**	-	**61.7**	-
Equity raised through institutional placement in June 2015	**79.5**	-	**79.5**	-
Equity issued 29 November 2013	**-**	9.9	**-**	9.9
Issue costs	**(1.9)**	-	**(1.9)**	-
Closing balance	**1,192.4**	1,049.0	**1,192.4**	1,049.0
Balance at the end of the period is attributable to unit holders of:				
Shopping Centres Australasia Property Management Trust	**7.3**	6.4	**-**	-
Shopping Centres Australasia Property Retail Trust	**1,192.4**	1,049.0	**1,192.4**	1,049.0
	1,199.7	1,055.4	**1,192.4**	1,049.0

Units on Issue

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	millions	millions	**millions**	millions
Opening balance	**648.6**	642.4	**648.6**	642.4
Equity raised through Distribution Reinvestment Plan - 30 January 2015	**2.2**	-	**2.2**	-
Equity raised through Unitholder Purchase Plan - 9 April 2015	**31.1**	-	**31.1**	-
Equity raised through institutional placement - 18 June 2015	**39.6**	-	**39.6**	-

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

Equity issued - 29 November 2013	-	6.2	-	6.2
Closing balance	**721.5**	648.6	**721.5**	648.6

As long as Shopping Centres Australasia Property Group remains jointly quoted, the number of units in each of the Trusts is equal and the unitholders identical. Holders of stapled units 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, unit purchase plan and an institutional placement. Additional information on these issues is below.

Issue of units from distribution reinvestment plan (DRP)

The Group has a DRP in place which was activated on 5 November 2014 for distributions paid after 14 November 2014. The DRP was not available for any of the distributions declared or paid prior to 14 November 2014. The first distribution that the DRP applied to was the distribution paid on 30 January 2015. 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 units 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 2015 was $4.1 million by the issue of 2,211,262 units at a price of $1.85.

Issue of units from unit purchase plan (UPP)

In April 2015 the Group completed a UPP. Under the UPP $62.1 million was raised (excluding issue costs) by the issue of 31,045,000 units at a price of $2.00 each.

Issue of units from Placement

In June 2015 the Group completed an institutional placement. Under the institutional placement $80.0 million was raised (excluding issue costs) by the issue of 39,603,961 units at a price of $2.02 each.

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15. Reserves (net of income tax)

	Retail Trust	
	30 June 2015	30 June 2014
	$m	$m
Cash flow hedge reserve	**-**	(1.0)
Share based payment reserve	**1.1**	0.3
Foreign currency translation reserve	**3.8**	11.0
	4.9	10.3
Movements in reserves		
Cash flow hedge reserve		
Opening balance	**(1.0)**	0.4
Effective portion of changes in the fair value of cash flow hedges during the year	**1.0**	(1.4)
Closing balance	**-**	(1.0)
Share based payment reserve (Note 22)		
Balance at the beginning of the year	**0.3**	-
Employee share based payments	**0.8**	0.3
Closing balance	**1.1**	0.3
Foreign currency translation reserve		
Opening balance	**11.0**	3.6
Translation differences arising during the year	**(7.2)**	7.4
Closing balance	**3.8**	11.0

Cash flow hedge reserve

The cash flow hedge reserve is used to record the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges. The cash flow hedges as at 30 June 2014 have been reclassified to Other Comprehensive Income during the year as they no longer qualify as cash flow hedges.

Share based payment reserve

Refer note 22.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

16. Accumulated profit and loss

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Opening balance	**(0.1)**	(40.4)	**1.6**	(38.7)
Net profit for the year	**150.5**	111.6	**150.5**	111.6
Distributions paid and payable (note 3)	**(78.1)**	(71.3)	**(78.1)**	(71.3)
Closing balance	**72.3**	(0.1)	**74.0**	1.6
Balance at the end of the year is attributable to unit holders of:				
Shopping Centres Australasia Property Management Trust	**(1.7)**	(1.7)		
Shopping Centres Australasia Property Retail Trust	**74.0**	1.6		
	72.3	(0.1)		

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

17. Notes to statements of cash flows

Reconciliation of profit to net cash flow from operating activities is as follows:

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Net profit after tax	**150.5**	111.6	**150.5**	111.6
Net unrealised (gain) / loss on change in fair value of investment properties	**(67.9)**	(30.1)	**(67.9)**	(30.1)
Net unrealised (gain) / loss on change in fair value of financial assets	**2.3**	(4.8)	**2.3**	(4.8)
Net unrealised (gain) / loss on change in fair value of derivatives	**(52.0)**	0.2	**(52.0)**	0.2
Net unrealised (gain) / loss on change in foreign exchange	**34.7**	-	**34.7**	-
Straight-lining of rental income and amortisation of incentives	**(4.4)**	(6.4)	**(4.4)**	(6.4)
Rental guarantee income received	**10.5**	10.7	**10.5**	10.7
(Decrease) / increase in payables	**(8.7)**	(0.3)	**(9.1)**	(0.3)
Non-cash financing expenses	**2.2**	0.9	**2.2**	0.9
Other non-cash items	**3.5**	0.5	**3.6**	0.5
(Increase) / decrease in receivables	**11.0**	(2.0)	**11.1**	(2.1)
Net cash flow from operating activities	**81.7**	80.3	**81.5**	80.2

18. Operating leases

All the completed investment properties (refer note 11) 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 be 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 sum 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 are as follows.

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Within one year	**165.5**	144.1	**165.5**	144.1
Between one and five years	**573.4**	528.1	**573.4**	528.1
After five years	**1,205.4**	1,268.3	**1,205.4**	1,268.3
	1,944.3	1,940.5	**1,944.3**	1,940.5

There was $1.1 million of percentage or turnover rent recognised as income in the current year (30 June 2014: $0.9 million).

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For the year ended 30 June 2015

19. Capital commitments

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

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Within one year	**-**	44.3	**-**	44.3
Between one and five years	**45.6**	-	**45.6**	-
	45.6	44.3	**45.6**	44.3

The 30 June 2015 balance above relates to the Group's agreement to purchase Clemton Park (NSW) on completion of the development via a put and call option arrangement. Under this arrangement in December 2014 SCP paid $2.4 million for the option. On completion of the development of the property will acquire it for $48.0 million less the amount already paid of $2.4 million. The completion of the development is expected to be in late calendar year 2016. Refer note 27.

Prior year balances

The 30 June 2014 balances above related to payments that were made for the acquisition of Claremont (which settled during the year ended 30 June 2015) and to Woolworths Limited following the completion of Greystanes (which was also completed during the year ended 30 June 2015).

20. Segment reporting

The Group and Retail Trust invest in shopping centres located in Australia and New Zealand and the chief decision makers of the Group base their decisions on these segments. Previously the Group further reported on three asset classes, subregional, neighbourhood centres and freestanding properties however this was changed during the year in line with a change in the internal reporting of segments and how the chief decision makers reviews the financial information of the Group. The Management Trust operates only within one segment, Australia. No segmental reporting is shown for Shopping Centres Australasia Property Retail Trust as this is not required under AASB 8.

Notes to the Consolidated Financial Statements

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	Australia		New Zealand		Unallocated		Total	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014	**30 June 2015**	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m	**$m**	$m	**$m**	$m
Income and expenses								
Revenue								
Rental income [1]	**156.4**	136.8	**18.9**	18.2	**-**	-	**175.3**	155.0
Other property income	**0.5**	3.4	**-**	-	**-**	-	**0.5**	3.4
	156.9	140.2	**18.9**	18.2	**-**	-	**175.8**	158.4
Expenses								
Property expenses	**(46.3)**	(40.1)	**(1.9)**	(1.6)	**-**	-	**(48.2)**	(41.7)
Corporate costs	**-**	-	**-**	-	**(11.2)**	(10.9)	**(11.2)**	(10.9)
	(46.3)	(40.1)	**(1.9)**	(1.6)	**(11.2)**	(10.9)	**(59.4)**	(52.6)
Segment result	**110.6**	100.1	**17.0**	16.6	**(11.2)**	(10.9)	**116.4**	105.8
Fair value adjustments on investment properties	**61.7**	23.1	**6.2**	7.0	**-**	-	**67.9**	30.1
Fair value adjustments on derivatives	**-**	-	**-**	-	**52.0**	(0.2)	**52.0**	(0.2)
Fair value adjustments on financial assets	**(2.3)**	4.8	**-**	-	**-**	-	**(2.3)**	4.8
Foreign exchange	**-**	-	**-**	-	**(34.7)**	-	**(34.7)**	-
Transaction costs	**-**	-	**-**	-	**(0.1)**	(0.4)	**(0.1)**	(0.4)
Interest income	**-**	-	**-**	-	**0.3**	0.3	**0.3**	0.3
Financing costs	**-**	-	**-**	-	**(46.7)**	(26.4)	**(46.7)**	(26.4)
Tax	**-**	-	**-**	-	**(2.3)**	(2.4)	**(2.3)**	(2.4)
Net profit/ (loss) after tax for the year attributable to unitholders	**170.0**	128.0	**23.2**	23.6	**(42.7)**	(40.0)	**150.5**	111.6
Assets and liabilities								
Segment assets	**1,761.7**	1,448.7	**208.0**	211.0	**51.4**	13.2	**2,021.1**	1,672.9
Segment liabilities	**(19.5)**	(26.7)	**(2.4)**	(0.7)	**(722.3)**	(579.9)	**(744.2)**	(607.3)

1 For the purposes of segment reporting $97.9 million in rental income (30 June 2014: $91.3 million) was from a single customer.

21. Key management personnel compensation

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

	30 June 2015	30 June 2014
	$	$
Short term benefits	**3,077,279**	2,954,836
Post-employment benefits	**146,896**	150,027
Share-based payment	**748,423**	336,772
Termination benefits	**-**	420,000
Long term benefits	**30,126**	23,640
	4,002,724	3,885,275

The key management personnel during the year were:

- Directors
- Mr Lamb (Company Secretary and General Counsel)

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22. 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 62,200 rights during the year.

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. No stapled securities were granted, issued, vested, exercised or forfeited during the year.

Type and eligibility	Vesting Conditions [1]	Share price at a grant date [3]	Testing date	Vesting date	Maximum number of stapled securities or maximum value of securities to be issued	Fair vale at grant date
STIP (FY15) (Mr Mellowes)	Non-market	$1.70	August 2015	July 2017	$206,000	$0.95 per $1.00
STIP (FY15) (Mr Fleming)	Non-market	$1.70	August 2015	July 2017	$115,000	$0.95 per $1.00
LTIP (FY15 - FY17) (tranche 1) (Messrs Mellowes, Fleming)	Relative TSR [2]	$1.70	July 2017	July 2018	203,014	$0.75 per unit
LTIP (FY15 - FY17) (tranche 1) (Mr Lamb)	Relative TSR [2]	$1.83	July 2017	July 2018	19,434	$0.80 per unit
LTIP (FY15 - FY17) (tranche 2) (Messrs Mellowes, Fleming)	Non-market	$1.70	July 2017	July 2018	203,014	$1.44 per unit
LTIP (FY15 - FY17) (tranche 2) (Mr Lamb)	Non-market	$1.83	July 2017	July 2018	19,434	$1.54 per unit
LTIP (FY15 - FY17) (tranche 3) (Messrs Mellowes, Fleming)	Non-market	$1.70	July 2017	July 2018	203,014	$1.44 per unit
LTIP (FY15 - FY17) (tranche 3) (Mr Lamb)	Non-market	$1.83	July 2017	July 2018	19,434	$1.54 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.

3 Grant date is September 2014.

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Type and eligibility	Vesting Conditions [1]	Share price at a grant date [3]	Testing date	Vesting date	Maximum number of stapled securities or maximum value of securities to be issued	Fair vale at grant date
SPR's (tranche 1) (Mr Mellowes)	Service and non-market	$1.57	July 2013	July 2015	"100,000 securities"	$1.40 per unit
SPR's (tranche 2) (Mr Mellowes)	Service and non-market	$1.57	July 2014	July 2016	"175,000 securities"	$1.31 per unit
STIP (FY14) (Mr Mellowes)	Service and non-market	$1.57	August 2014	July 2016	Maximum of $200,000 or 129,169 securities	$0.79 per $1.00
STIP (FY14) (Mr Fleming)	Service and non-market	$1.57	August 2014	July 2016	$89,468	$0.86 per $1.00
LTIP (FY14 - FY16) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR [2]	$1.57	July 2016	July 2016	$359,250	$0.60 per unit
LTIP (FY14 - FY16) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Service and non-market	$1.57	July 2016	July 2016	$359,250	$1.31 per unit
LTIP (FY14 - FY16) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Relative TSR [2]	$1.57	July 2016	July 2017	$359,250	$0.56 per unit
LTIP (FY14 - FY16) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Service and non-market	$1.57	July 2016	July 2017	$359,250	$1.22 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.

3 Grant date is November 2013.

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. The grant date of the SPR's, STI FY14 and LTIP (FY14 – FY 16) was November 2013.

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 $0.8 million (30 June 2014: $0.3 million).

Key inputs to the pricing models include:

	30 June 2015	30 June 2014
Volatility	20%	20%
Dividend yield	6.0%	6.8%
Risk-free interest rate	2.71% - 2.85%	2.73% - 3.24%

23. Other related party disclosures

Retail Trust has a current payable of $5.4 million to Management Trust (30 June 2014: $8.5m). 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 during the year under this agreement was $11.2 million (30 June 2014: $10.9 million).

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24. Parent entity

	Management Trust [1]		Retail Trust [1, 2]	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Current assets	**-**	0.2	**78.7**	28.4
Non-current assets	**7.3**	6.2	**1,734.4**	1,496.7
Total assets	**7.3**	6.4	**1,813.1**	1,525.1
Current liabilities	**-**	-	**62.8**	73.5
Non-current liabilities	**-**	-	**571.9**	419.7
Total liabilities	**-**	-	**634.7**	493.2
Contributed equity	**7.3**	6.4	**1,192.4**	1,049.0
Reserves	**-**	-	**4.9**	3.2
Accumulated loss	**-**	-	**(18.9)**	(20.3)
Total equity	**7.3**	6.4	**1,178.4**	1,031.9
Net profit/ (loss) after tax	**-**	-	**138.3**	95.8
Other comprehensive income	**-**	-	**-**	2.8
Total comprehensive income	**-**	-	**138.3**	98.6
Commitments for the acquisition of property by the parent	**-**	-	**45.6**	44.3

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 2015 the Group and Retail Trust have the ability to drawdown funds to pay the distribution on 28 August 2015, having available headroom on the Group's facilities of $146.7 million.

25. Subsidiaries

Name of subsidiaries	Place of incorporation and operation	Ownership interest	
		30 June 2015	**30 June 2014**
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	New Zealand	0.1%	0.1%
Shopping Centres Australasia Property Retail Trust	Australia	- [1]	- [1]
SCA Unlisted Retail Fund RE Limited	Australia	100.0%	- [2]
Subsidiaries of Shopping Centres Australasia Property Retail Trust			
Shopping Centres Australasia Property NZ Retail Trust	New Zealand	99.9%	99.9%
SCA Unlisted Retail Fund 1	Australia	100.0%	- [2]

1 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.

2 SCA Unlisted Retail Fund RE Limited and SCA Unlisted Retail Fund 1 were formed during the year ended 30 June 2015.

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26. Financial instruments

(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 unitholders 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 unitholders are in line with the stated distribution policy.

The Group can alter its capital structure by issuing new stapled units, adjusting the amount of distributions paid to unitholders, returning capital to unitholders, buying back stapled units, 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 13.

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% with a preference to be below 35%. The gearing policy includes flexibility to increase gearing beyond 35% if required, provided a reduction back to 35% or below is achievable within a reasonable timeframe.

The gearing ratio at 30 June 2015 was 33.3% (30 June 2014: 32.6%). Refer note 13 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. The majority of the Group's revenue for the current and prior year is from Woolworths Limited which has an A- Standard and Poor's credit rating.

The Group does not have any other significant concentration of credit risk to any single counterparty and 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.

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

	SCA Property Group		Retail Trust	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
	$m	$m	**$m**	$m
Cash and cash equivalents	**3.7**	0.9	**2.1**	0.4
Receivables	**8.0**	19.0	**7.9**	19.0
Derivative financial instruments	**49.9**	3.3	**49.9**	3.3
Rental guarantee	**-**	7.6	**-**	7.6
	61.6	30.8	**59.9**	30.3

The maximum exposure of the Group to credit risk as at 30 June 2015 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 2015 or 30 June 2014. Refer also note 8.

(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 13.

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 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 the reporting date.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

	1 year or less	2 - 3 years	4 - 5 years	More than 5 years	Total
	$m	$m	$m	$m	$m
30 June 2015					
SCA Property Group					
Payables	**20.9**	**-**	**-**	**-**	**20.9**
Distribution payable	**41.8**	**-**	**-**	**-**	**41.8**
Interest bearing liabilities	**29.0**	**131.6**	**229.1**	**515.6**	**905.3**
	91.7	**131.6**	**229.1**	**515.6**	**968.0**
Retail Trust					
Payables	**25.5**	**-**	**-**	**-**	**25.5**
Distribution payable	**41.8**	**-**	**-**	**-**	**41.8**
Interest bearing liabilities	**29.0**	**131.6**	**229.1**	**515.6**	**905.3**
	96.3	**131.6**	**229.1**	**515.6**	**972.6**

	1 year or less	2 - 3 years	4 - 5 years	More than 5 years	Total
	$m	$m	$m	$m	$m
30 June 2014					
SCA Property Group					
Payables	29.6	-	-	-	29.6
Distribution payable	36.3	-	-	-	36.3
Interest bearing liabilities	22.7	187.7	408.0	-	618.4
	88.6	187.7	408.0	-	684.3
Retail Trust					
Payables	34.6	-	-	-	34.6
Distribution payable	36.3	-	-	-	36.3
Interest bearing liabilities	22.7	187.7	408.0	-	618.4
	93.6	187.7	408.0	-	689.3

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 2015 at the rates as at the reporting date. Foreign currencies have been converted at exchange rates at the reporting date.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

	1 year or less	1 - 3 years	3 - 5 years	More than 5 years	Total
	$m	$m	$m	$m	$m
30 June 2015					
SCA Property Group					
Interest rate swaps - net	**1.1**	**3.1**	**1.2**	**1.6**	**7.0**
Cross currency interest rate swaps - net	**2.0**	**3.3**	**0.9**	**27.6**	**33.8**
	3.2	**6.4**	**2.1**	**29.3**	**40.8**
Retail Trust					
Interest rate swaps - net	**1.1**	**3.1**	**1.2**	**1.6**	**7.0**
Cross currency interest rate swaps - net	**2.0**	**3.3**	**0.9**	**27.6**	**33.8**
	3.2	**6.4**	**2.1**	**29.3**	**40.8**

	1 year or less	1 - 3 years	3 - 5 years	More than 5 years	Total
	$m	$m	$m	$m	$m
30 June 2014					
SCA Property Group					
Interest rate swaps - net	(2.0)	0.5	1.2	(1.6)	(1.9)
Cross currency interest rate swaps - net	(3.8)	(2.4)	(2.5)	(33.3)	(42.0)
	(5.8)	(1.9)	(1.3)	(34.9)	(43.9)
Retail Trust					
Interest rate swaps - net	(2.0)	0.5	1.2	(1.6)	(1.9)
Cross currency interest rate swaps - net	(3.8)	(2.4)	(2.5)	(33.3)	(42.0)
	(5.8)	(1.9)	(1.3)	(34.9)	(43.9)

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 New Zealand dollar (NZD) and the United States dollar (USD).

The Group's and the Retail Trust's exposure to the NZD is through owning properties in New Zealand. The Group and the Retail Trust have reduced its exposure to the NZD foreign exchange risk inherent in the carrying value of its New Zealand investments by partially funding their acquisition using borrowings denominated in NZD. The Group's exposure to the impact of exchange rate movements on its earnings from its New Zealand investments is partially mitigated by the NZD interest expense of its NZD borrowings. Distributions from New Zealand to Australia are not hedged.

The table below reflects balances denominated in NZD at 30 June 2015 and 30 June 2014.

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For the year ended 30 June 2015

	SCA Property Group		Retail Trust	
	30 June 2015 NZD	30 June 2014 NZD	**30 June 2015 NZD**	30 June 2014 NZD
	$m	$m	**$m**	$m
Cash and cash equivalents	**0.7**	0.1	**0.7**	0.1
Receivables	**0.2**	0.2	**0.2**	0.2
Derivative financial instruments	**-**	2.3	**-**	2.3
Rental guarantee	**-**	0.2	**-**	0.2
Investment properties	**233.1**	226.4	**233.1**	226.4
Other assets	**-**	0.2	**-**	0.2
Total assets	**234.0**	229.4	**234.0**	229.4
Payables	**3.5**	1.8	**3.5**	1.8
Derivative financial instruments	**0.1**	-	**0.1**	-
Interest bearing liabilities	**121.5**	129.5	**121.5**	129.5
Total liabilities	**125.1**	131.3	**125.1**	131.3
Net exposure	**108.9**	98.1	**108.9**	98.1

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 13.

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 13) by using cross currency interest rate swaps.

Under cross currency 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.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

	1 year or less	2 - 3 years	4 - 5 years	More than 5 years	Total
	$m	$m	$m	$m	$m
30 June 2015					
SCA Property Group					
Buy US dollar - interest					
Amount (AUD)	6.7	13.4	13.4	54.7	88.2
Exchange rate	0.9387	0.9387	0.9387	0.9387	0.9387
Amount (USD)	6.3	12.6	12.6	51.3	82.8
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
Retail Trust					
Buy US dollar - interest					
Amount (AUD)	6.7	13.4	13.4	54.7	88.2
Exchange rate	0.9387	0.9387	0.9387	0.9387	0.9387
Amount (USD)	6.3	12.6	12.6	51.3	82.8
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

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	1 year or less	2 - 3 years	4 - 5 years	More than 5 years	Total
	$m	$m	$m	$m	$m
30 June 2014					
SCA Property Group					
Sell US dollar - Principal					
Amount (USD)	150.0	-	-	-	150.0
Exchange rate	0.9387	-	-	-	0.9387
Amount (AUD)	159.8	-	-	-	159.8
Buy US dollar - interest					
Amount (AUD)	3.3	13.4	13.4	61.4	91.5
Exchange rate	0.9387	0.9387	0.9387	0.9387	0.9387
Amount (USD)	3.1	12.6	12.6	57.6	85.9
Buy US dollar - Principal					
Amount (AUD)	-	-	-	159.8	159.8
Exchange Rate	-	-	-	0.9387	0.9387
Amount (USD)	-	-	-	150.0	150.0
Retail Trust					
Sell US dollar - Principal					
Amount (USD)	150.0	-	-	-	150.0
Exchange rate	0.9387	-	-	-	0.9387
Amount (AUD)	159.8	-	-	-	159.8
Buy US dollar - interest					
Amount (AUD)	3.3	13.4	13.4	61.4	91.5
Exchange rate	0.9387	0.9387	0.9387	0.9387	0.9387
Amount (USD)	3.1	12.6	12.6	57.6	85.9
Buy US dollar - Principal					
Amount (AUD)	-	-	-	159.8	159.8
Exchange rate	-	-	-	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 of had the Australian dollar increased (strengthened) by 10% or decreased (weakened) by 10% at balance sheet date with all other variables held constant.

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	Profit/ loss after tax		Equity	
	Effect of 10% increase in A$ exchange rate	Effect of 10% decrease in A$ exchange rate	Effect of 10% increase in A$ exchange rate	Effect of 10% decrease in A$ exchange rate
	$m	$m	$m	$m
30 June 2015				
SCA Property Group				
A$ equivalent of foreign exchange balances denominated in NZD	**(1.1)**	**1.3**	**(8.8)**	**10.8**
A$ equivalent of foreign exchange balances denominated in USD	**(17.9)**	**14.0**	**(17.9)**	**14.0**
	(19.0)	**15.3**	**(26.7)**	**24.8**
Retail Trust				
A$ equivalent of foreign exchange balances denominated in NZD	**(1.1)**	**1.3**	**(8.8)**	**10.8**
A$ equivalent of foreign exchange balances denominated in USD	**(17.9)**	**14.0**	**(17.9)**	**14.0**
	(19.0)	**15.3**	**(26.7)**	**24.8**
30 June 2014				
SCA Property Group				
A$ equivalent of foreign exchange balances denominated in NZD	(1.2)	1.5	(10.1)	12.4
A$ equivalent of foreign exchange balances denominated in USD	(1.9)	2.3	(1.9)	2.3
	(3.1)	3.8	(12.0)	14.7
Retail Trust				
A$ equivalent of foreign exchange balances denominated in NZD	(1.2)	1.5	(10.1)	12.4
A$ equivalent of foreign exchange balances denominated in USD	(1.9)	2.3	(1.9)	2.3
	(3.1)	3.8	(12.0)	14.7

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 $3.7 million (30 June 2014: $0.9 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 includes 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. As the Group generally only seeks to hedge interest rates for periods up to 6 years and the tenors of the A$ US Notes exceeds 6 years, the A$ US Notes borrowing fixed interest cost has been swapped to floating using fixed to floating swaps.

The requirements under Australian accounting standards in respect of documentation, designation and effectiveness for hedge accounting cannot be met

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in all circumstances. As a result the Group does not apply hedge accounting for any derivatives as at 30 June 2015. Refer to note 2(s).

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 table below.

	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 2015						
Financial assets						
Cash and cash equivalents	**1.7%**	**3.7**	**-**	**-**	**-**	**3.7**
Financial liabilities						
Interest bearing liabilities						
Denominated in AUD - floating	**3.8%**	**(155.0)**	**-**	**-**	**-**	**(155.0)**
Denominated in NZD - floating	**5.0%**	**(108.3)**	**-**	**-**	**-**	**(108.3)**
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%**	**-**	**-**	**-**	**(194.5)**	**(194.5)**
Total financial liabilities		**(263.3)**	**-**	**-**	**(419.5)**	**(682.8)**
Total net financial liabilities		**(259.6)**	**-**	**-**	**(419.5)**	**(679.1)**

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					
	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 2015						
Financial assets						
Cash and cash equivalents	1.7%	2.1	-	-	-	2.1
Financial liabilities						
Interest bearing liabilities						
Denominated in AUD - floating	3.8%	(155.0)	-	-	-	(155.0)
Denominated in NZD - floating	5.0%	(108.3)	-	-	-	(108.3)
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%	-	-	-	(194.5)	(194.5)
Total financial liabilities		(263.3)	-	-	(419.5)	(682.8)
Total net financial liabilities		(261.2)	-	-	(419.5)	(680.7)

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.

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For the year ended 30 June 2015

	June 2016	June 2017	June 2018	June 2019	June 2020	June 2021
	$m	$m	$m	$m	$m	$m
Denominated in AU$						
Interest rate swaps (fixed)	**175.0**	**175.0**	-	-	-	-
Average fixed rate	**1.9%**	**1.9%**	-	-	-	-
Interest rate swaps (floating)	**50.0**	**50.0**	**50.0**	**50.0**	**50.0**	**50.0**
Denominated in NZ$ and in NZ$						
Interest rate swaps (fixed)	**43.8**	-	-	-	-	-
Average fixed rate	**3.3%**	-	-	-	-	-

The Group's exposure to interest rate risk and the effective interest rates on financial assets and liabilities at 30 June 2014 are in the table below.

	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 2014						
Financial assets						
Cash and cash equivalents	2.4%	0.9	-	-	-	0.9
Financial liabilities						
Interest bearing liabilities						-
Denominated in AUD - floating	4.3%	(418.5)	-	-	-	(418.5)
Denominated in NZD - floating	5.1%	(120.6)	-	-	-	(120.6)
Total financial liabilities		(539.1)	-	-	-	(539.1)
Total net financial liabilities		(538.2)	-	-	-	(538.2)

The Retail Trust's exposure to interest rate risk and the effective interest rates on financial assets and liabilities at 30 June 2014 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 2014						
Financial assets						
Cash and cash equivalents	2.4%	0.4	-	-	-	0.4
Financial liabilities						
Interest bearing liabilities						-
Denominated in AUD - floating	4.3%	(418.5)	-	-	-	(418.5)
Denominated in NZD - floating	5.1%	(120.6)	-	-	-	(120.6)
Total financial liabilities		(539.1)	-	-	-	(539.1)
Total net financial liabilities		(538.7)	-	-	-	(538.7)

The maturity profile and the weighted average interest rate of the fixed derivatives (notional principal) held at 30 June 2014 by both the Group and the Retail Trust can be summarised below.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

	June 2015	June 2016	June 2017	June 2018	June 2019	June 2020
	$m	$m	$m	$m	$m	$m
Denominated in AU$						
Interest rate swaps (fixed)	380.0	240.0	190.0	50.0	-	-
Average fixed rate	3.3	3.4	3.5	3.6	-	-
Interest rate swaps (floating)	50.0	50.0	50.0	50.0	50.0	50.0
Denominated in NZ$ and in NZ$						
Interest rate swaps (fixed)	87.5	43.8	43.8	-	-	-
Average fixed rate	3.1	3.3	3.3	-	-	-

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 [1]		Equity	
	100bp higher	100bp lower	100bp higher	100bp lower
	$m	$m	$m	$m
30 June 2015				
SCA Property Group				
Effect of market interest rate movement	(25.4)	25.6	(25.4)	25.6
Retail Trust				
Effect of market interest rate movement	(25.4)	25.6	(25.4)	25.6
30 June 2014				
SCA Property Group				
Effect of market interest rate movement	(20.5)	23.8	(12.9)	15.9
Retail Trust				
Effect of market interest rate movement	(20.5)	23.8	(12.9)	15.9

1 The aim of the Group's interest rate hedging strategy is to reduce the impact on (cash) Distributable Earnings of movements in interest rates. Changes in interest rates result in changes to the non-cash market-to-market valuations of the swaps which flow through the Group's IFRS profit and loss.

(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 2015 (which was AUD 1.00 = USD 0.7712), is $244.5 million (refer Note 13). The amortised cost of the A$ medium term notes is $175.0 million. The fair value of the US Notes and A$ 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 $248.7 million and $170.0 million respectively.

The following table represents financial assets and liabilities that were measured and recognised at fair value at 30 June 2015 and 30 June 2014.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

	SCA Property Group		Retail Trust	
	30 Jun 2015	30 Jun 2014	**30 Jun 2015**	30 Jun 2014
	$m	$m	**$m**	$m
Assets				
Derivatives that qualify as effective under hedge account rules:				
Cash flow hedges	**-**	2.1	**-**	2.1
Other derivatives	**49.9**	1.2	**49.9**	1.2
	49.9	3.3	**49.9**	3.3
Liabilities				
Derivatives that qualify as effective under hedge account rules:				
Cash flow hedges	**-**	3.2	**-**	3.2
Other derivatives	**0.2**	1.3	**0.2**	1.3
	0.2	4.5	**0.2**	4.5

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
30 June 2015				
SCA Property Group				
Financial assets carried at fair value				
Interest rate swaps	-	6.6	-	6.6
Cross currency swaps	-	43.3	-	43.3
	-	49.9	-	49.9
Financial liabilities carried at fair value				
Interest rate swaps	-	0.2	-	0.2
Retail Trust				
Financial assets carried at fair value				
Interest rate swaps	-	6.6	-	6.6
Cross currency swaps	-	43.3	-	43.3
	-	49.9	-	49.9
Financial liabilities carried at fair value				
Interest rate swaps	-	0.2	-	0.2
30 June 2014				
SCA Property Group				
Financial assets carried at fair value				
Interest rate swaps	-	3.1	-	3.1
Cross currency swaps	-	0.2	-	0.2
	-	3.3	-	3.3
Financial liabilities carried at fair value				
Interest rate swaps	-	4.5	-	4.5
Retail Trust				
Financial assets carried at fair value				
Interest rate swaps	-	3.1	-	3.1
Cross currency swaps	-	0.2	-	0.2
	-	3.3	-	3.3
Financial liabilities carried at fair value				
Interest rate swaps	-	4.5	-	4.5

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 does not have any Level 3 financial instruments other than the asset at note 27.

27. Other assets

Other assets of $2.4 million relates to the amount paid for the call option in December 2014 when the Group agreed to purchase Clemton Park (NSW) on completion of the development via a put and call option arrangement. On completion of the development of the SCP will acquire it for $48.0 million less the amount already paid of $2.4 million. The completion of the development is expected to be in late calendar year 2016. The option is classified as a derivative valued at fair value through profit or loss. No revaluations occurred since initial recognition of the $2.4 million. Revaluations in future periods will involve a fair value method based on unobservable inputs. Unobservable inputs are categorised as level 3 in the fair value hierarchy (refer note 26(c) for additional information in relation to the fair value hierarchy) and are consistent with those used to value investment properties.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

28. Auditors' remuneration

	SCA Property Group		Retail Trust	
	30 June 2015	June 2014	**30 June 2015**	June 2014
	$'000	$'000	**$'000**	$'000
Audit and review of the financial statements	**252.5**	191.1	**252.5**	191.1
Assurance and compliance services	**37.8**	36.4	**37.8**	36.4
Other	**13.2**	7.2	**13.2**	7.2
	303.5	234.7	**303.5**	234.7

The auditor of the Group and all of its subsidiaries is Deloitte Touche Tohmatsu.

29. Subsequent events

On 22 July 2015 it was announced that the group intended to establish a funds management business initially comprising the management of SCA Unlisted Fund No 1 (SURF 1). The Group has identified a number of shopping centre properties that it considers to be "non-core" because they are either freestanding stores or have only one or two specialty stores. SURF 1 will contain 5 of these non-core assets all located in New South Wales, being Woolworths Fairfield, Woolworths Griffith North, Dan Murphy's Burwood, Dan Murphy's Katoomba and Inverell Big W. The Group has signed a conditional sale agreement for these properties to be sold to SCA Unlisted Retail Fund RE Limited as Responsible Entity of SURF 1. Under this contract it is expected SURF 1 will acquire these shopping centre properties for $60.9 million from the Group which is a 14% premium to the Group's book value of these properties at 30 June 2014. SURF 1 is due to close on or before 9 September 2015.

Beside the matter noted above, the Directors of the Responsible Entity are not aware of any other matter since the end of the year that has significantly affected or may significantly affect the operations of the Group, the result of those operations, or the state of the Group's affairs in future financial periods.

Directors Declaration

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 68 to 117 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 2015 and of their performance, for the year ended 30 June 2015; 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 2015.

Signed in accordance with a resolution of the Directors.

Philip Marcus Clark AM
Chairman
Sydney

17 August 2015

Independence Auditor's Report

Deloitte Touche Tohmatsu
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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

We have audited the accompanying financial reports of Shopping Centres Australasia Property Management Trust ("the Group"), and Shopping Centres Australasia Property Retail Trust ("SCA Property Retail Trust") which comprise the consolidated balance sheets as at 30 June 2015, the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of cash flows and the consolidated statements of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group and SCA Property Retail Trust as set out on pages 68 to 118. The consolidated stapled entity, as described in Note 1 to the financial report, comprises SCA Property Management Trust and the entities it controlled at the year's end or from time to time during the financial year and SCA Property Retail Trust and entities it controlled at the year's end or from time to time during the financial year. SCA Property Retail Trust, as described in Note 1 to the financial report, comprises SCA Property Retail Trust and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of Shopping Centres Australasia Property Group RE Limited, the Responsible Entity of SCA Property Management Trust and SCA Property Retail Trust ("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 Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

Independence Auditor's Report

Deloitte.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity of SCA Property Management Trust and SCA Property Retail Trust, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial reports of the Group and SCA Property Retail Trust are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entities' financial position as at 30 June 2015 and of their performance for the year ended on that date; and

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

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

AG Collinson
Partner
Chartered Accountants
Sydney, 17 August 2015

Security Analysis

DISTRIBUTION OF EQUITY SECURITIES AS AT 24 AUGUST 2015

Number of securities held by securityholders	No. of holders	Ordinary securities held	% of issues securities
1 - 1,000	54,702	23,632,121	3.28
1,001 - 5,000	12,733	29,680,223	4.11
5,001 - 10,000	5,669	41,517,004	5.75
10,001 - 100,000	4,743	107,971,395	14.96
100,001 - 9,999,999,999	146	518,787,800	71.90
Total	**77,993**	**721,588,543**	**100.00**

SCP only has ordinary stapled securities on issue and as at 24 August, 2015 there were a total of 77,993 holders.

The total number of securityholders with less than a marketable parcel of 262 (using the closing price for SCP securities on 24 August 2015) securities is 4,791 holders and they hold 476,898 securities.

TOP 20 REGISTERED EQUITY SECURITYHOLDERS AS AT 24 AUGUST 2015

Name	Units	% of Units
HSBC Custody Nominees (Australia) Limited	176,463,165	24.45
J P Morgan Nominees Australia Limited	98,386,911	13.63
Citicorp Nominees Pty Limited	54,979,513	7.62
National Nominees Limited	51,828,412	7.18
RBC Investor Services Australia Nominees Pty Limited	21,771,251	3.02
BNP Paribas Noms Pty Ltd	19,728,180	2.73
RBC Investor Services Australia Nominees Pty Limited	13,443,892	1.86
Citicorp Nominees Pty Limited	9,149,769	1.27
Avanteos Investments Limited	6,192,265	0.86
Karatal Holdings Pty Ltd	5,160,715	0.72
Navigator Australia Ltd	4,635,620	0.64
BNP Paribas Nominees Pty Ltd	4,302,800	0.60
Nulis Nominees (Australia) Limited	3,871,709	0.54
UBS Wealth Management Australia Nominees Pty Ltd	2,882,202	0.40
RBC Investor Services Australia Nominees Pty Limited	2,213,057	0.31
HSBC Custody Nominees (Australia) Limited	2,072,593	0.29
Avanteos Investments Limited	2,012,647	0.28
Sandhurst Trustees Ltd	1,705,000	0.24
AMP Life Limited	1,682,528	0.23
National Nominees Limited	1,396,489	0.19
Total units held by top 20	**483,878,718**	**67.06**
Total remaining Holders Balance	**237,709,825**	**32.94**

SUBSTANTIAL SECURITYHOLDERS NOTICES AS AT 24 AUGUST 2015

Ordinary securities	Date of change	Securities held	%
Mondrian Investment Partners Limited	14/04/2015	68,632,257	10.07
The Vanguard Group Inc	29/08/2013	44,590,460	6.94

VOTING RIGHTS AS AT 24 AUGUST 2015

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 1 vote; and

– On a poll, each member of the scheme has 1 vote for each dollar of the value of the total interests they have in the scheme.

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INVESTOR RELATIONS

SCA Property Group (SCP) 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 30 June 2015 being approximately 80,000.

The large reduction in unitholders is predominately due to the completion of a small unitholding sale facility in April 2013 and October 2014. The sale facilities were held to assist those unitholders who held less than $500 of units to sell their units brokerage free.

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, 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.

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 for 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 3 9415 4881 (outside of Australia)

The Registrar
Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001
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 www.investorcentre.com 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.

Shopping Centres Australasia
Property Group RE Limited
ABN 47 158 809 851