26 September 2018

ASX ANNOUNCEMENT

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SCA PROPERTY GROUP (ASX: SCP)

ANNUAL REPORT

SCA Property Group (ASX: SCP) (“SCP”) announces that its Annual Report for 2018 is attached and is being dispatched to those members who have elected to receive it.

ENDS

Media, Institutional investor and analysts, contact:

Mark Fleming
CFO
SCA Property Group
(02) 8243 4900

Unitholders should contact SCP Information Line on 1300 318 976 with any queries.

Property Group

ANNUAL REPORT 2018

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FINANCIAL CALENDAR

December 2018	Estimated interim distribution announcement and units trade ex-distribution
February 2019	Interim results announcement
June 2019	Estimate final distribution announcement and units trade ex-distribution
August 2019	Full-year results announcement
August 2019	Final distribution payment
August 2019	Annual tax statement

UNITHOLDER REGISTER DETAILS

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

RESPONSIBLE ENTITY

Shopping Centres Australasia Property Group RE Limited ABN 47 158 809 851 AFSL 426603

Shopping Centres Australasia Property Group comprises Shopping Centres Australasia Property Management Trust (ARSN 160 612 626) and Shopping Centres Australasia Property Retail Trust (ARSN 160 612 788)

Front cover: Kwinana Marketplace, WA

OUR FY18 PERFORMANCE HIGHLIGHTS

(For period 1 July 2017 to 30 June 2018)

15.30¢

FUNDS FROM OPERATIONS (PER UNIT)

13.90¢

DISTRIBUTIONS TO UNITHOLDERS (PER UNIT)

$175.2m

STATUTORY PROFIT AFTER TAX

SOLID PORTFOLIO PERFORMANCE

98.4%

PORTFOLIO OCCUPANCY

Within target range

6.33%

PORTFOLIO WEIGHTED AVERAGE CAP RATE

Firming by 14 bps

$89.2m

INCREASE IN PROPERTY VALUE

Including acquisitions and revaluation gains

REFINING OUR PORTFOLIO

4

ACQUIRED PROPERTIES

Two Australian neighbourhood centres and two development parcels adjacent to existing assets for $38.3 million

0

DIVESTED

PRUDENT CAPITAL AND COST MANAGEMENT

3.8%

WEIGHTED AVERAGE COST OF DEBT

31.2%

GEARING AT THE LOWER END OF OUR TARGET RANGE

81.6%

OF DRAWN DEBT FIXED OR HEDGED

$130.7m

CASH AND UNDRAWN FACILITIES

0.430%

MANAGEMENT EXPENSE RATIO

MESSAGE FROM THE CHAIRMAN

PHILIP MARCUS CLARK AM
CHAIRMAN, SCA PROPERTY GROUP

On behalf of your Board, I present SCA Property Group's Annual Report, including the audited Financial Statements for the year ended 30 June 2018.

Financial results

SCP has achieved another solid financial result for FY18:

- Earnings are up 4.1% on the prior year at 15.3 cents per unit; and
- Distributions are up 6.1% on the prior year at 13.9 cents per unit.

SCP continues to outperform the S&P/ASX 200 A-REIT Index (Index), this year delivering a Total Shareholder Return (TSR) of 18.4%. SCP has consistently outperformed the Index since it listed in 2012.

Capital management

Prudent capital management settings have been maintained. At 30 June 2018:

- Gearing was 31.2%, which is at the lower end of our targeted range of 30–40%;
- Weighted-average cost of debt was 3.8%;
- Weighted-average term to maturity was 4.9 years; and
- Cash and undrawn facilities was $130.7m.

SCP is well placed to take advantage of any accretive acquisitions or strategic opportunities which may arise in the year ahead.

History of distribution growth

Since listing in 2012, SCP has sought to provide to investors stable, reliable and growing distributions. I am very pleased to report that SCP has fulfilled that promise.

SCP has delivered an average 6.0% p.a. uplift in distributions over the past four full financial years, which have grown from SCP's first full year distribution of 11 cents per unit in FY14 to 13.9 cents per unit in FY18. In total, this is a 26.4% increase over that period.

Board renewal

Last year, the Board undertook an external review, which highlighted the need for succession planning based on the optimum mix of skills needed to provide the most appropriate stewardship of SCP in the medium to long term.

The Board is well engaged in this process and I look forward to providing an update on progress in the next few months.

During the past financial year, Dr Ian Pollard announced his retirement from the Board of SCP. Ian was an extremely diligent and capable Director and I would like to take this opportunity to thank him again for his outstanding contribution to the success of SCP over the past six years.

Community engagement

Our shopping centres are spread across a diverse range of Australian communities. In order to engage with and contribute to these societies, SCP has initiated a Stronger Communities Program, which seeks to implement tailored community strengthening initiatives and respond to specific issues in each local community.

As a practical example of this initiative, SCP sponsored various sessions in one of our major centres which sought to promote increased literacy skills for local children. Last year, we held 11 sessions at this centre with an average of 40–50 children attending each session. We established a book exchange at the centre and, on average, 250 books per week have been donated by local community members.

As a result of the positive feedback and success of the program, we are looking to implement similar programs at all our sub-regional centres and at 25 neighbourhood centres.

13.9¢

DISTRIBUTION (PER UNIT)

91%

PAYOUT RATIO

Acquisition program

Details of FY18 acquisitions are set out in the Annual Report.

During FY18, Management reduced its acquisition program because the market for neighbourhood convenience-based shopping centres was overheated, particularly for assets with a value under $50 million.

The Board strongly endorsed Management's disciplined approach.

Risk management and governance culture

The Board continues to review the robustness of SCP's approach to risk management and internal control, and to oversee the development of the risk management framework. Key to this is the implementation of an approach to risk that recognises the nature and level of risk that the business is willing to accept to achieve its strategic goals and key performance targets. During the year, SCP has considered its most significant risks and has developed risk appetite statements providing acceptable levels of risk tolerance and thresholds, together with an outline of the approach to managing these risks.

The commitment of the Board to a strong governance culture is supported by continuous monitoring, review and promotion of SCP's standards and policies.

Our approach to corporate governance is dictated by our activities and the interests of our unitholders and other key stakeholders such as our tenants and their customers and our employees. We have not allowed ourselves to be caught up in the drift towards activities which have nothing to do with the business in which you have invested.

Additionally, on an annual basis, all employees are required to provide a positive confirmation that they are familiar with, and comply with, SCP's policies and procedures and have disclosed any conflicts of interest. During the year, a Staff Engagement Survey was undertaken. The results were very positive and, pleasingly, ethical standards was identified by our employees as one of the key drivers of staff engagement at SCP.

Outlook

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

- Optimise the earnings from our existing portfolio;
- Execute accretive acquisitions of convenience-based shopping centres, subject to favourable market conditions;
- Invest in value-enhancing development opportunities within our existing portfolio; and
- Continue to grow our funds management business.

We continue to believe that SCP's portfolio of non-discretionary, fresh-foods focused, convenience-based shopping centres will remain a resilient asset class, against the entry of new supermarket competitors and the increasing popularity of internet-based shopping. The improving performance of Woolworths and Coles Supermarkets, and Kmart and Big W discount department stores is the best evidence of this strategy remaining valid in today's retail environment.

On behalf of the Board, I thank our Management and staff who have delivered another good result. I also thank my fellow Directors for their significant contributions to the Group's success.

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

Yours sincerely,

Philip Marcus Clark AM
Chairman, SCA Property Group

MESSAGE FROM THE CEO

ANTHONY MELLOWES
CHIEF EXECUTIVE OFFICER,
SCA PROPERTY GROUP

On behalf of your management team, I am pleased to present SCA Property Group's Annual Report, including the audited Financial Statements, for the year ended 30 June 2018.

Consolidation and renewal

In FY17, we sold our New Zealand portfolio of 14 shopping centres and acquired eight new centres in Australia and a 5% stake in Charter Hall Retail REIT (CQR).

This year has been a year of intensive portfolio management, and renewal and remixing of expiring leases in our portfolio of 77 shopping centres.

We renewed 123 specialty tenancies during the year and delivered a total 6.1% uplift in specialty rents. In the course of renewing those leases, we also took the opportunity of remixing the product offering at some of our centres and maintained our strong bias towards non-discretionary, fresh food.

The review of our specialty mix and renewals has been a key driver of our strong comparative net operating income growth of 2.8% (compared to FY17) which we achieved this year. Comparative net income excludes recent acquisitions and is a very transparent indicator of the performance of our centres.

We have also focused on cost control initiatives and competitive re-tendering of our major supply contracts, which enables us to leverage our buying power nationally. Initiatives include solar power generation, LED lighting, building controls and automation, and HVAC renewal to reduce electricity consumption. We are continuing to benefit from the re-tendering of our electricity supply contracts with a 20% saving on our peak supply tariff compared to FY17.

We are also very cost focused at our Head Office, achieving further reduction in our Management Expense Ratio.

Financial results

This year we achieved a 5.4% increase in Funds from Operations and a 5.6% increase in Adjusted Funds from Operations. Our Total Shareholder Return for FY18 is a market leading 18.4%. Since listing, SCP has outperformed the S&P/ASX 200 A-REIT Index (Index).

Retail environment

There are a number of positives for our business to be taken from the past financial year. Supermarket sales performance was robust, with a 1.9% increase in sales compared to FY17. The discount department store sector remains challenging; however, Kmart is performing strongly and Big W's performance is improving.

Our specialty tenants have also performed well with a reported 3.3% increase in sales compared to FY17.

Strong performance by our anchor tenants draws foot traffic, which in turn improves the performance of our specialty tenants and enables ongoing rental increases which translate into distribution growth for our unitholders.

Developments

We continue to take advantage of the development opportunities in our portfolio. The developments at Kwinana and Mount Gambier were completed successfully during the year, with significant valuation uplifts achieved at both centres. In July 2018, the new Coles anchored neighbourhood centre at Bushland Beach was completed, and the new Woolworths anchored neighbourhood centre at Shell Cove is progressing to plan with an expected completion date of late 1H FY19. We continue to identify and progress other development opportunities in our portfolio, which we plan to complete progressively over the next five years.

31.2%

GEARING

$2.30

NET TANGIBLE ASSETS PER UNIT

Disciplined growth

This year, SCP acquired one neighbourhood asset, completed on a pre-committed development asset and acquired two strategic parcels of land adjoining existing SCP centres.

Management of acquisitions and divestments is a critical element to the ongoing success of SCP. In order for SCP to acquire an asset, it must meet certain financial hurdles required by the Board, it must be accretive to earnings, it must be convenient to access and must be anchored by a suitable anchor supermarket or discount department store. In our portfolio, this is either a Woolworths Limited or Wesfarmers Limited (Coles) anchor. The centre must also be located in a strong and growing community with limited opportunity for competitive impacts.

In FY18, SCP did not see sufficient value in the market and elected to focus on consolidating and improving the performance of its existing portfolio. This has resulted in a slight reduction in our growth in Funds from Operations, but positions us very favourably for opportunities as the market improves as our gearing is at the low end of our range, at 31.2%. In August 2018, we acquired Sturt Mall, a Coles and Kmart anchored sub-regional asset in Wagga Wagga, NSW, for $73 million. This asset met all of our criteria and we are currently working on plans to remix its offer and maximise its efficiency.

Finally, I reaffirm my belief that our fundamental strategy of investing in convenient, non-discretionary neighbourhood and sub-regional assets with a strong bias towards non-discretionary retail remains sound in a constantly changing retail environment.

Kind regards,

A. Mellowes

Anthony Mellowes
Chief Executive Officer
SCA Property Group

ABOUT US

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. The portfolio is focused on convenience retailing across Australia.

As at 30 June 2018, our portfolio consisted of 77 shopping centres valued at $2,511.7 million. Convenience retailing has proven to be a resilient asset class due to its exposure to non-discretionary retail tenants. Many of the Group's convenience-based retail centres have a strong weighting to food sales, due to grocery-based anchors such as supermarkets.

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

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

SHORT HISTORY

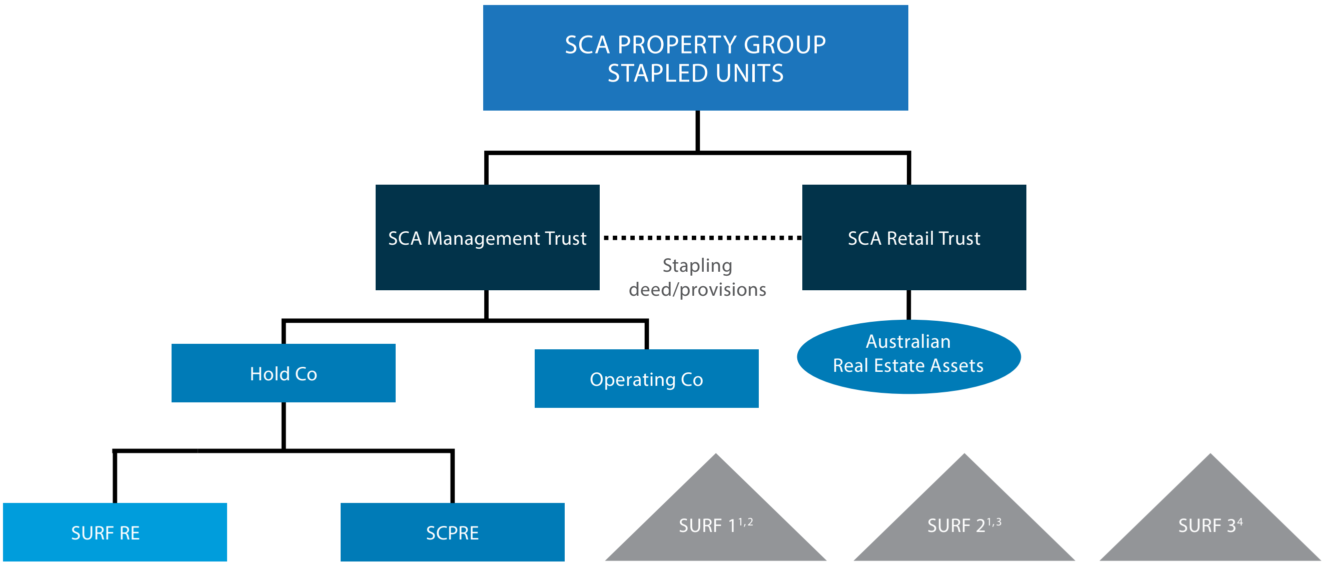
SCA Property Group was created by Woolworths in late 2012 to act as a landlord for a number of its shopping centres. Woolworths transferred its ownership in those shopping centres to SCA Property Group, which was then listed on the ASX as a separate independent real estate investment trust in December 2012.

Woolworths Limited does not have any ownership interest in SCA Property Group.

GROUP STRUCTURE

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

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



Additional notes:

1. SURF RE Limited is the Responsible Entity of SCA Unlisted Retail Fund 1 (SURF 1), SCA Unlisted Retail Fund 2 (SURF 2) and SCA Unlisted Retail Fund 3 (SURF 3)
2. SURF 1 commenced activities on 1 October 2015. SCA Retail Trust owns 24.4% of SURF 1.
3. SURF 2 commenced activities on 2 June 2017. SCA Retail Trust owns 28.6% of SURF 2.
4. SURF 3 commenced activities on 10 July 2018. SCA Retail Trust owns 26.2% of SURF 3


Coles &
Liquorland
Playford
Community Centre
Community Garden
Clemton Park
Shopping Village

OUR PROPERTY PORTFOLIO AS AT 30 JUNE 2018

SCA Property Group's portfolio comprises 69 neighbourhood, 6 sub-regional and 2 development properties located across Australia.

During the year ended 30 June 2018, the Group acquired 2 new neighbourhood assets, Sugarworld QLD anchored by Coles and Shell Cove NSW anchored by Woolworths.

77

INVESTMENT PROPERTIES
Valued at $2,511.7 million

98.4%

PORTFOLIO OCCUPANCY

1,349

SPECIALTY TENANTS

9.7 yrs

AVERAGE AGE OF PORTFOLIO

9.1 yrs

WEIGHTED AVERAGE LEASE EXPIRY

537,264 m^2

GROSS LETTABLE AREA

OUR PROPERTY PORTFOLIO CONTINUED

The total value of the investment properties as at 30 June 2018 was $2,511.7 million (up from $2,364.6 million as at 30 June 2017). The increase in value of the properties during the year was principally due to:

- The acquisition of four properties during the year for $38.3 million;
- Development expenditure (primarily on Bushland Beach) of $28.9 million; and
- Favourable fair value movements of $74.1 million, primarily due to cap rate compression.

The weighted average capitalisation rate for the portfolio is now 6.33%, compared to 6.47% as at 30 June 2017.

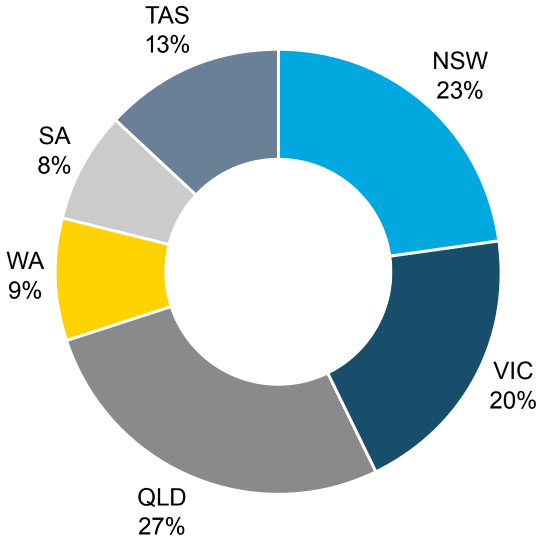
As at 30 June 2018	Number of centres	Number of specialties	GLA (sqm)	Occupancy (% GLA)	Value ($m)	WALE (yrs)	Weighted average cap rate (%)
Neighbourhood	65	1,013	382,190	98.4%	1,855.7	8.6	6.32
Sub-regional	6	309	136,150	98.8%	561.4	10.4	6.36
Development[1]	2	n/a	n/a	n/a	36.7	n/a	n/a
Total Investment Properties	73	1,322	518,340	98.4%	2,453.8	9.1	6.33
Assets Classified as held for sale	4	27	18,924	98.4%	57.9	10.3	6.92
Total Assets	77	1,349	537,264	98.4%	2,511.7	9.1	6.33[2]

GLA means gross lettable area

WALE means weighted average lease expiry

1. Relates to Bushland Beach (QLD) and Shell Cove (NSW) which are development properties as at 30 June 2018
2. Weighted average portfolio cap rate which excludes assets held for sale.

GEOGRAPHIC DIVERSIFICATION (BY VALUE)

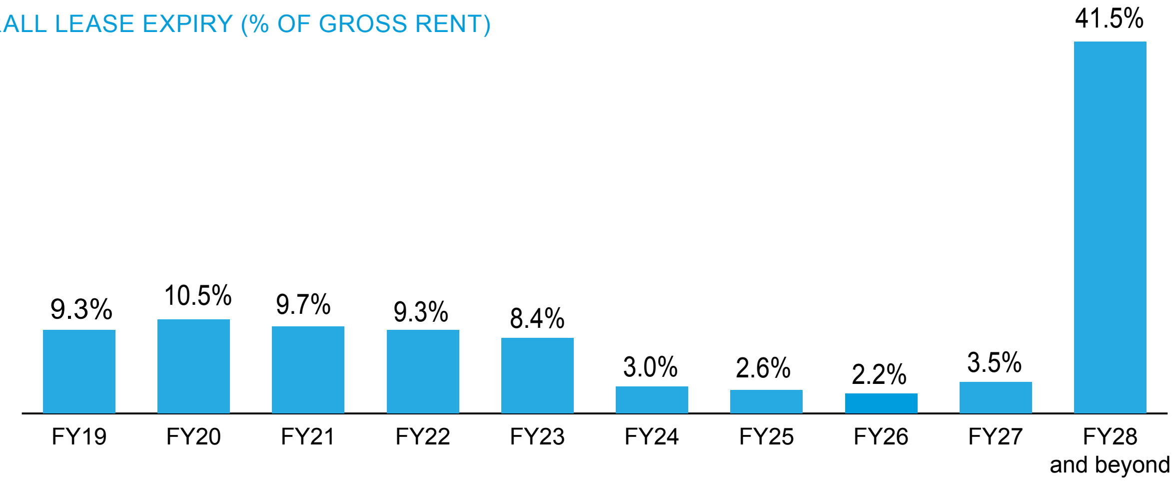


OUR TENANTS

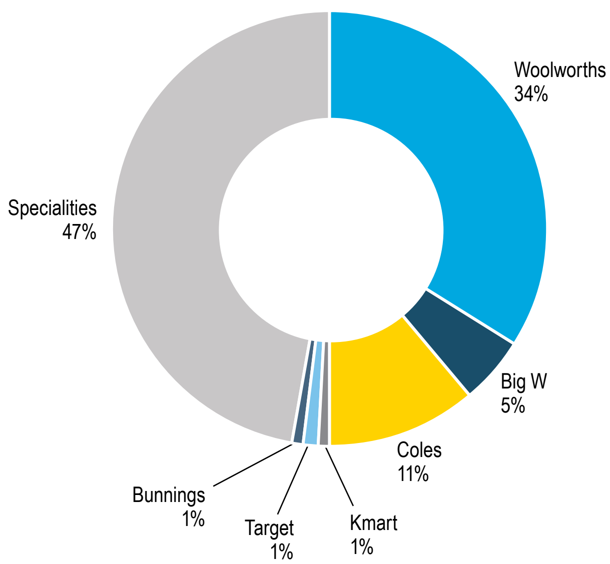
The Group's shopping centres are anchored by long-term leases to high-quality tenants with a weighted average lease expiry of 9.1 years.

Nearly half the portfolio is located in new growth corridors and regions, and largely comprises convenience-based neighbourhood centres with a strong weighting to the non-discretionary retail segment. Woolworths and Wesfarmers-owned anchor tenants represent 53% of gross income. The remaining 47% of gross income comes from specialty tenants skewed toward non-discretionary categories.

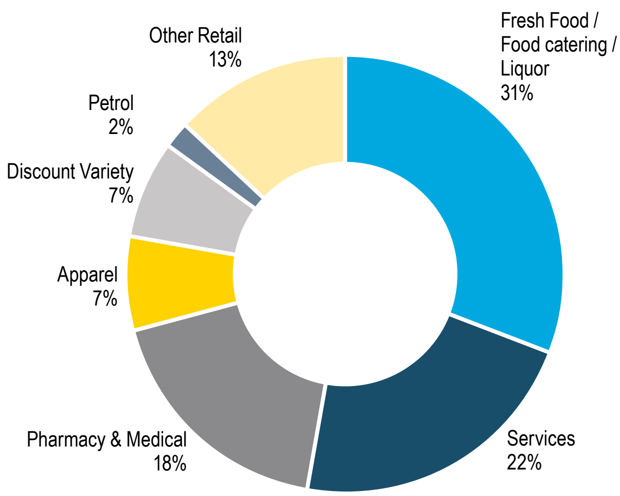
OVERALL LEASE EXPIRY (% OF GROSS RENT)



TENANTS BY CATEGORY (BY GROSS RENT)[1]



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



1. Annualised gross rent excluding vacancy
2. Mini Majors represent 16% of annualised speciality gross rent. Mini major tenants have been split across the relevant categories

OUR STRATEGY

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

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

Focus on convenience-based retail centres

Weighted to non-discretionary retail segments

Long leases to quality anchor tenants

Appropriate capital structure

Growth opportunities

SCP's portfolio is relatively young, with an average age of less than 10 years (weighted by value). This presents both opportunities and challenges, and our strategy for the immediate future is to generate incremental growth by positioning the portfolio to maximise its long-term value.

We are doing this by:

- Optimising the existing portfolio: by increasing the rent per square metre we generate from our specialty tenants, and by controlling our costs;
- Growing the portfolio: by undertaking selected acquisitions and divestments, and by conducting selected small-scale development opportunities in our completed portfolio. We are also building a funds management business, with our third fund SURF 3 completed in July 2018;
- Capital management: we adopt a prudent approach to capital management, with the aim of achieving a sustainably low cost of capital and an appropriate level of gearing; and
- Sustainability: ensuring the sustainability of SCP's business, including a focus on safety, community and the environment.

OPTIMISING THE EXISTING PORTFOLIO

A key priority for the Group is to increase the rent per square metre we generate from our specialty tenants. This can be achieved by remixing our tenancies to higher rent-paying tenants, by annual rental increases that are built into leases, and by increasing rentals at lease expiry. During the 12 months to 30 June 2018, there were 123 specialty tenancy renewals with an average rental increase of 6.1% achieved.

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

GROWING THE PORTFOLIO

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

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

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

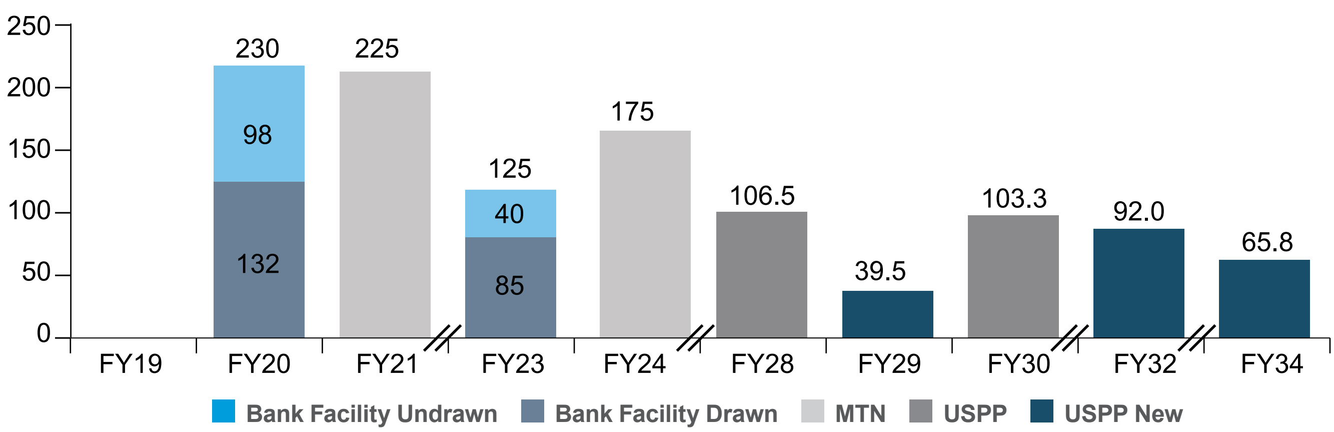
CAPITAL MANAGEMENT

Debt and gearing

We maintain a prudent approach to managing the balance sheet, with gearing of 31.2% as at 30 June 2018, which is at the lower end of our target range of 30–40%. At 30 June 2018, the Group had cash and undrawn facilities of $130.7 million.

We have diversified sources of debt with bank facilities, US Private Placement Notes ("USPP") and Australian medium term notes ("A$MTN"). Our weighted average cost of debt as at 30 June 2018 is 3.8%, which is among the lowest in our sector. The weighted average term to maturity is 4.9 years and the earliest drawn debt expiry is December 2019.

DEBT FACILITIES EXPIRY PROFILE ($M)



Interest rate hedging

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

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

The Directors will monitor this policy to ensure it meets SCP's ongoing objectives and is in the best interests of unitholders. As at 30 June 2018, 81.6% of the Group's debt was fixed or hedged.

Distribution payout ratio

SCP has a target payout ratio of 85–95% of Funds from Operations ("FFO") and less than 100% of Adjusted FFO ("AFFO"). For the year to 30 June 2018, our distribution payout ratio was 91% of FFO and 98% of AFFO.

STABILITY OF OUR EARNINGS

Fifty-three per cent of our rental income comes from Woolworths Limited and Wesfarmers Limited, both of which are of a high credit quality. The remaining 47% of our rental income comes from specialty tenants. We have improved this income stream by reducing specialty vacancy in normalised levels, and by securing quality tenants whom, we believe, will deliver sustainable rental income growth in the future.

We have actively managed our portfolio by 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 31.2% (at the lower end of our target range of 30–40%) and average weighted term to maturity of our debt of 4.9 years, and we have fixed or hedged 81.6% of our debt.

OUR PERFORMANCE

SCP HAS DELIVERED SUPERIOR RETURNS TO UNITHOLDERS

SCP has provided stable and secure distributions that have been supplemented by strong unit price performance during the FY18 financial year, and since the initial public offer.

Over the last four years, SCP has grown Distributions Per Unit by 6% p.a.

Since listing in November 2012, SCP has delivered a total unitholder return (unit price appreciation plus distributions) of 142.2% over that period, and has outperformed the S&P/ASX 200 A-REIT Index over the same period. SCP has continued to outperform the index (13.0% in FY18) to deliver a positive total unitholder return of 18.4%.

STRONG SALES GROWTH IN OUR CENTRES

In FY18, comparable store moving annual turnover ("MAT") growth in our centres averaged 2.1%. Anchor supermarket sales growth of 1.9% has moderated slightly due to the impact of new competition on some stores. Specialty tenant sales growth in Australia remained relatively robust at 3.3%. Continuing sales growth will assist SCP to generate increasing rental income in the future.

Comparable Store MAT[1] Sales Growth by Category (%)

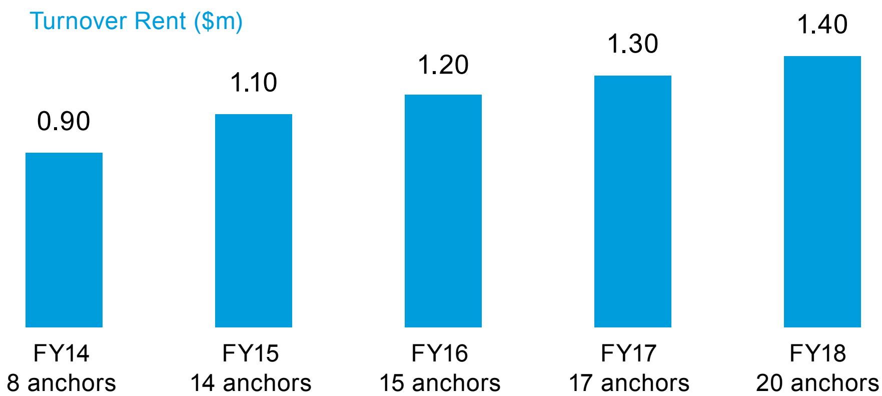
	as at 30 June 2018	as at 30 June 2017
Supermarkets	1.9%	2.2%
Discount Department Stores (DDS)	1.9%	(4.3%)
Mini Majors	2.7%	1.4%
Specialties	3.3%	3.8%
Total	**2.1%**	**1.8%**

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

TURNOVER RENT THRESHOLDS BEING ACHIEVED

Several of our anchor tenants are achieving turnover rent thresholds. Once turnover rent thresholds are achieved, rental income increases with store sales growth. As at 30 June 2018, 20 anchors were generating turnover rent, and for the 12 months to 30 June 2018, turnover rent was $1.4 million. We expect these numbers to increase in coming years as another 14 supermarkets are within 10% of their turnover thresholds.

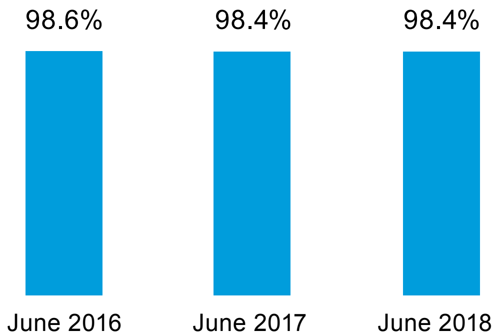
Turnover Rent ($m)



OCCUPANCY RATE REMAINS HIGH

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

Portfolio Occupancy (% of GLA)



SPECIALTY TENANT KEY METRICS

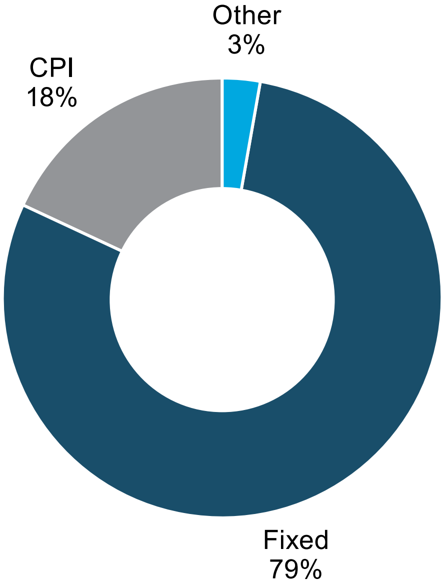
Specialty tenant sales continue to grow, assisted by supermarket volume growth. As a result, average specialty occupancy cost continues to be sustainable at 9.8%. This enables SCP to secure rental increases when leases come up for renewal. During FY18, we had 123 renewals with average increases of 6.1% achieved and no incentives paid. Most specialty leases are for five-year terms and have built-in annual rental increases of 3% to 4%.

Specialty Tenant Metrics	30 June 2018	30 June 2017
Comparable sales MAT growth (%)[1]	3.3%	3.8%
Average specialty occupancy cost (%)[1]	9.8%	9.7%
Average specialty gross rent per square metre	$716	$700
Specialty sales productivity ($ per sqm)[1]	$7,758	$7,801
Renewals		
Number	123	81
Retention (%)	82%	84%
GLA (sqm)	14,969	9,267
Average uplift (%)	6.1%	7.0%
Incentive (months)	0	0
New Leases		
Number	71	68
GLA (sqm)	7,677	8,468
Average uplift (%)	3.6%	4.5%
Incentive (months)	10.9	10

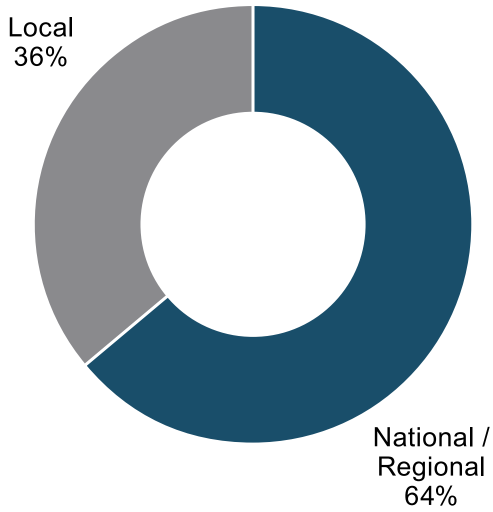
1. Sales growth, occupancy cost and sales productivity metrics only include sales reporting tenants trading over 24 months.

Speciality Lease Composition (as at 30 June 2018)

Annual Increase Mechanism



Tenant Type



OUR PERFORMANCE CONTINUED

ACTIVE PORTFOLIO MANAGEMENT

During FY18, we have actively managed our portfolio by renewing 123 specialty leases on favourable terms and acquiring two Australian neighbourhood shopping centres and two development parcels adjacent to existing assets for $38.3 million.

Sugarworld Shopping Centre (Cairns, QLD)

- Acquisition completed in Oct 2017 for $24.8m (7.01% implied cap rate)
- % of income from Coles: 58%
- Overall WALE: 11.9 years
- Occupancy at acquisition: 89.8%
- Year Built: 2010 (refurbished in 2015)

Shell Cove Town Centre (Shell Cove, NSW)

- Future Woolworths-anchored neighbourhood centre. Development agreement with Frasers
- Land acquisition for $1.5m. Estimated development cost of $21.3m (total cost of $22.8m on completion which would be a 6.69% implied cap rate)
- Expected completion date: Nov 2018

Belmont Bowling Club Site (Belmont, NSW)

- Acquisition completed in Dec 2017 for $4.8m (n/a implied cap rate – land valuation)
- The stratum lot (Bowling Club) is located above our existing Belmont Central Shopping Centre. We now own the entire site and may collapse or amend the scheme at a future date

Coorparoo Childcare Centre (Coorparoo, QLD)

- Acquisition completed in Dec 2017 for $7.2m (5.79% implied cap rate)
- % of income from childcare: 100%
- Overall WALE: 10.0 years
- Occupancy at acquisition: 100%
- Year Built: 2017
- The stratum lot (Childcare Centre) is located above our existing Coorparoo Shopping Centre. We now own the entire site and may collapse or amend the scheme at a future date

DEVELOPMENT PIPELINE

We have identified over $125 million of development and refurbishment opportunities at 24 of our centres over the next five years[1]. These are generally 'bolt-on' developments to our existing centres. During FY18, we made substantial progress on the development of a new Coles-anchored neighbourhood shopping centre at Bushland Beach which is now completed and trading.

		Estimated Capital Investment (A$m)					
Development Type	**Centre(s)**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**
New centre developments	Bushland Beach, Shell Cove[2]	22.4	9.7	-	-	-	-
Centre expansions	Kwinana, Epping North, Tamworth, Belmont, Collingwood Park, Ocean Grove, Greenbank, North Orange, Central Highlands, Gladstone, Mackay, New Town, Wyndham Vale, Jimboomba	5.4	7.5	15.7	17.9	25.6	23.5
Supermarket expansions	Riverside, Treendale, West Dubbo	-	-	0.1	2.5	1.5	2.5
Centre improvements	Whitsunday, Burnie, The Markets, Clemton Park, Murray Bridge	1.1	6.0	4.1	4.0	2.0	2.0
Preliminary & Defensive	Various	-	0.3	0.3	0.3	0.3	0.3
	Total	**28.9**	**23.5**	**20.2**	**24.7**	**29.4**	**28.3**

Major project completed in FY18: Added a third anchor and new specialty shops at Kwinana near Perth, WA. Development completed in late October 2017, with Coles and new tenants commenced trading on 25 October 2017. Total project cost of $20m with a 10% yield on cost and development return over 100%.

1 The exact timing of future developments is subject to prevailing market conditions, anchor tenant commitment and regulatory approvals

2 FY18 includes amount payable for Shell Cove of $13.8m, noting development progress to 30 June 2018 of 65%

OUR PERFORMANCE CONTINUED

FUNDS MANAGEMENT BUSINESS

In July 2018, we completed our third unlisted retail fund, SURF 3, containing four non-core assets acquired from SCP for $57.9 million. We are planning to launch our fourth unlisted retail fund, SURF 4, during FY19. The funds management business will allow SCP to recycle non-core assets, and utilise its expertise and platform to earn capital-light management fees in the future.

Moama Marketplace, NSW

Warnambool Target, VIC

Swansea Woolworths, NSW

Woodford Woolworths, QLD

PRUDENT CAPITAL MANAGEMENT

SCP maintains a prudent approach to managing the balance sheet, with gearing of 31.2% as at 30 June 2018. This is at the lower end of the policy range of 30–40%. Our preference is for gearing to remain below 35% at this point in the cycle.

As at 30 June 2018, the weighted average cost of debt (including amortisation of establishment fees) was 3.8% p.a., and 81.6% of the Group's debt was fixed or hedged.

In August 2014, we received $210 million from an issue of US Private Placement Notes ("USPP"), with a weighted average term to maturity of 14 years. In April 2015, we received $175 million from an Australian Medium Term Note ("A$MTN"), with a maturity of six years. In July 2016, we increased the A$MTN by a further $50 million, and in June 2017 we issued another $175 million of seven-year A$MTNs. Moody's has rated all of these notes Baa1. These transactions have further diversified our sources of debt funding, and the weighted average term to maturity of our debt is now 4.9 years, with no debt drawn expiring until December 2019. In June 2018, we entered into a US$150 million forward-starting USPP with an effective start date of September 2018 at a value of A$197.3 million (being the A$ amount to be received and hedged in A$).

We are well within debt covenant limits of less than 50% gearing and interest cover ratio greater than 2.0x (currently 4.6x).

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

FINANCIAL HIGHLIGHTS

PROFIT AND LOSS

For the financial year ended 30 June 2018, we delivered a statutory net profit after tax of $175.2 million. Our primary measure for cash earnings is Funds from Operations ("FFO"), which was 15.3 cents per unit, 4.1% above the prior year. Our distribution paid to unitholders for the financial year was 13.9 cents per unit, 6.1% above the prior year.

$m	FY18	FY17	% Change
Anchor rental income	108.6	106.3	2.2%
Specialty rental income	95.8	85.4	12.2%
Straight lining & amortisation of incentives	(5.8)	(3.1)	87.1%
Other income	10.3	8.8	17.0%
Insurance income	-	7.1	nm
Gross property income	**208.9**	**204.5**	**2.2%**
Property expenses	(65.6)	(61.9)	6.0%
Property expenses / Gross property income (%)[1]	30.5%	30.7%	(0.6%)
Net property income	**143.3**	**142.6**	**0.5%**
Distribution income	5.6	5.6	-
Funds management income	0.9	1.3	(30.8%)
Net operating income	**149.8**	**149.5**	**0.2%**
Corporate costs	(12.1)	(12.0)	0.8%
Fair value of investment properties	74.1	211.6	(65.0%)
Fair value of derivatives	(0.8)	(24.4)	(96.7%)
Unrealised foreign exchange (loss)/gain	(7.2)	6.6	(209.1%)
Share of net profit from associates	2.1	1.3	61.5%
Realised foreign exchange gain	-	17.0	nm
EBIT	**205.9**	**349.6**	**(41.1%)**
Net interest expense	(30.5)	(29.4)	3.7%
Tax expense	(0.2)	(0.6)	(66.7%)
Net profit after tax	**175.2**	**319.6**	**(45.2%)**

1 For the purpose of this ratio, gross property income includes insurance income of $0.3m related to loss of income ($1.2m in FY17) and excludes straight lining & amortisation of incentives

FINANCIAL HIGHLIGHTS CONTINUED

$m	FY18	FY17	% Change
Net profit after tax (statutory)	**175.2**	**319.6**	**(45.2%)**
Adjustment for non cash items			
Reverse: Straight lining & amortisation	5.8	3.1	87.1%
Reverse: Fair value adjustments			
– Investment properties	(74.1)	(211.6)	(65.0%)
– Derivatives	0.8	24.4	(96.7%)
– Foreign exchange	7.2	(6.6)	(209.1%)
Other adjustments			
– Net unrealised profit from associates	(0.9)	(0.6)	50.0%
– Insurance for loss of income	0.3	(5.9)	(105.1%)
– Realised foreign exchange gain	-	(17.0)	nm
– Debt restructure costs	-	3.0	nm
Funds From Operations (“FFO”)	**114.3**	**108.4**	**5.4%**
Number of units (weighted average)(m)	747.0	737.6	1.3%
FFO per unit (cents) ("EPU")	**15.30**	**14.70**	**4.1%**
Distribution ($m)	103.9	96.8	7.3%
Distribution per unit (cents) ("DPU")	**13.90**	**13.10**	**6.1%**
Payout ratio	91%	89%	1.9%
Estimated tax deferred ratio	21%	11%	90.1%
Less: Maintenance capex	(3.4)	(3.1)	9.7%
Less: Leasing costs and fitout incentives	(5.2)	(5.2)	-
Adjusted FFO (“AFFO”)	**105.7**	**100.1**	**5.6%**
Distribution / AFFO (%)	98.3%	96.7%	1.6%

BALANCE SHEET

As at 30 June 2018, we have net tangible assets of $1,721.0 million (up from $1,633.7 million as at 30 June 2017). Net tangible assets per unit has increased to $2.30 (up from $2.20 as at 30 June 2017).

$m	30 June 2018	30 June 2017	% Change
Cash	3.7	3.6	2.8%
Assets held for sale	57.9	-	nm
Investment properties	2,453.8	2,364.6	3.8%
Investment available for sale	83.4	81.0	3.0%
Other assets	105.2	97.9	7.5%
Total assets	**2,704.0**	**2,547.1**	**6.2%**
Debt	867.5	817.4	6.1%
Accrued distribution	53.2	49.8	6.8%
Other liabilities	62.3	46.2	34.8%
Total liabilities	**983.0**	**913.4**	**7.6%**
Net tangible assets (NTA)	**1,721.0**	**1,633.7**	**5.3%**
Number of units (year-end)(m)	**749.2**	**742.8**	**0.9%**
NTA per unit ($)	**2.30**	**2.20**	**4.5%**
Corporate costs	12.1	12.0	0.8%
External funds under management			
– SURF 1 & 2 total assets	126.1	122.4	3.0%
– Less: SURF 1 & 2 co-investment	(18.0)	(17.2)	4.7%
Assets under management	**2,812.1**	**2,652.3**	**6.0%**
MER[1] (%)	0.430%	0.452%	(4.9%)

1. MER stands for “Management Expense Ratio” and is calculated as Corporate Costs divided by Assets Under Management (including SURF 1 and SURF 2)

FINANCIAL HIGHLIGHTS CONTINUED

SCP Group Metrics	30 June 2014	30 June 2015	30 June 2016	30 June 2017	30 June 2018
Earnings/ Profit and Loss					
Gross property income ($m)	158.4	175.8	204.5	204.5	208.9
Net Profit after Tax ($m)	111.6	150.5	184.7	319.6	175.2
Funds from Operations ($m)	80.4	84.3	100.1	108.4	114.3
FFO per unit (cents per unit)	12.44	12.81	13.75	14.70	15.30
Distribution ($m)	71.3	78.1	89.0	96.8	103.9
Distribution (cents per unit)	11.00	11.40	12.20	13.10	13.90
Payout Ratio (%)	88%	89%	89%	89%	91%
Adjusted Funds from Operations ($m)	79.4	73.7	92.3	100.1	105.7
Distribution/AFFO (%)	90%	106%	96%	97%	98%
Management Expense Ratio (%)	0.65%	0.55%	0.51%	0.45%	0.43%
Balance Sheet					
Net Tangible Assets (cents per unit)	$1.64	$1.77	$1.92	$2.20	$2.30
Net Tangible Assets ($m)	1,065.6	1,276.8	1,408.9	1,633.7	1,721.0
Share Price as at 30 June ($ per unit)	$1.72	$2.13	$2.28	$2.19	$2.45
Closing Units on Issue (million)	648.6	721.5	733.4	742.8	749.1
Market Capitalisation ($m)	$1,116	$1,537	$1,672	$1,627	$1,835
Acquisitions ($m)	145.7	233.0	145.3	274.9	38.3
Disposals ($m)	75.7	16.2	60.9	311.0	-
Debt Metrics					
Gearing (%)	32.6%	33.3%	34.0%	31.8%	31.2%
Average Cost of Debt (%)	4.9%	4.0%	3.7%	3.8%	3.8%
Interest Bearing Liabilties ($m)	535.8	680.1	634.7	817.4	867.5
Average Debt Maturity (years)	3.5	6.3	5.7	5.0	4.9
% of Debt Fixed/Hedged	85.6%	65.0%	68.4%	86.1%	81.6%
Average Hedge Maturity (years)	2.8	3.8	4.2	4.6	3.6
Portfolio Metrics					
Number of Properties	75	82	83	75	77
Weighted Average Cap Rate (%)	7.83%	7.49%	7.13%	6.47%	6.33%
Portfolio Occupancy (%)	97.8%	98.9%	98.6%	98.4%	98.4%
Specialty Vacancy (%)	8.6%	3.9%	4.3%	4.8%	4.8%
Portfolio WALE (by GLA) Years	13.5	12.6	10.9	9.8	9.1
Anchor WALE (by GLA) Years	16.9	15.6	14.0	12.8	12.0
Comparable NOI Growth (%)	ND	3.9%	3.4%	3.0%	2.8%
Supermarket MAT Growth (AUS) (%)	8.4%	2.1%	0.2%	2.2%	1.9%
Anchors in Turnover Rent	8	14	13	16	20
Specialty MAT Growth (AUS) (%)	5.6%	5.6%	5.6%	3.8%	3.3%
Specialty Occupancy Cost (%)	10.4%	9.7%	9.3%	9.7%	9.8%
Specialty Rent psm ($)	ND	$651	$676	$700	$716
Specialty Productivity ($)	ND	$6,711	$7,269	$7,801	$7,758
Number of Specialty Renewals	ND	50	69	81	123
Retention (%)	ND	ND	ND	84%	82%
Specialty Renewals GLA	ND	4,305	7,208	9,267	14,969
Specialty Re-leasing Spreads (renewals) (%)	ND	7.3%	7.5%	7.0%	6.1%
Average Incentives on Renewals (months)	-	-	-	-	-
Number of Specialty New Leases	58	114	58	68	71
Specialty New Leases GLA	6,810	10,107	7,131	8,468	7,677
Average Uplift on New Leases (%)	ND	ND	ND	4.5%	3.6%
Average Incentives on New Deals (months)	ND	13.3	11.9	10.0	10.9

OUR COMMITMENT TO SUSTAINABILITY

Sustainability

Our commitment to sustainability is a key element of our long term planning for the ongoing success of SCP. In 2015, SCP conducted a sustainability-focused materiality assessment with key stakeholders of the business. The result and outcome of the materiality assessment formed the basis of the strategy and three key pillars of the sustainability program.

Our Strategy

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

Objective 1	Objective 2	Objective 3
Stronger Communities	**Environmentally efficient centres**	**Responsible investment**
Strengthen the relationships between our shopping centres and their local communities, and help improve the wellbeing and prosperity of those communities.	Reduce the environmental footprint of our shopping centres, particularly greenhouse gas emissions through energy consumption.	Manage environmental, social and governance (ESG) risks that are material to investment value and communicate our performance on this.
Benefits		
– Improved services and facilities for our local community. – Increased engagement and goodwill with our customers and communities. – Improved standing of our shopping centres as community hubs. – Increased footfall for tenants.	– Reduced environmental impacts. – Reduced operating costs. – Improved quality of environment at shopping centres.	– Reduced risk to asset and investment performance. – Enhanced corporate transparency and reputation.

Management

To enable the implementation of this strategy, we operate a Sustainability Steering Committee that focuses on a corporate-level approach and performance, including our Responsible Investment objective. We have continued to hold an Asset Performance Working Group forum, which includes representatives from our facilities and property management partners. The working group focuses on the practical implementation of our Stronger Communities and Environmentally Efficient Centres objectives. In addition, SCP engages with a property sector sustainability specialist where appropriate to supplement internal expertise and ensure best practice is achieved in our approach.

OUR COMMITMENT TO SUSTAINABILITY CONTINUED

Our progress and commitment

During FY18, there has been continued progress made across our three strategic pillars, as well as our employment and WHS practices. Our focus in FY19 will continue to be on implementation, with a focus on supporting our communities and energy efficiency upgrade projects across our portfolio.

Commitment for FY18	Status (Completed / Advanced)	Commitment for FY19
Stronger communities		
Complete roll-out of Stronger Communities program to most neighbourhood and all sub-regional shopping centres	Advanced: The Stronger Communities program was refined and is being progressively implemented.	Continue and increase the implementation of the Stronger Community program to twenty neighbourhood and all sub-regional shopping centres.
Environmentally Efficient centres		
Implementation of the program for performance improvement measures in centres	Advanced: Rolling energy audits implemented across the portfolio. Tuning of energy-intensive assets such as lighting and HVAC carried out. Replacement of end-of-life building control systems undertaken to provide enhanced control over HVAC and lighting performance.	Continue the program of performance improvement measures in centres. Carry out pilot of building automation systems and demand management controls. Replacement of R22 HVAC plant with new energy-efficient and non-ozone depleting gases at two centres.
Three-year GHG reduction targets set	Completed: Reporting on performance to targets included in annual report.	Continued benchmarking of performance against GHG targets. Review of targets to ensure relevance to performance.
Continue piloting and commence implementation of solar installation Deploy onsite solar generation to three centres	Completed: Three solar plants operational with one additional installation commenced.	Deploy onsite solar generation to a further four centres, taking the total to seven installations.
Deploy LED lighting in eight centres	Completed: Deployment of LED lighting to eight centres. Benchmarking on performance of LED-installed centres complete.	Integrate the deployment of LED lighting, building controls systems and solar energy generation at three centres.
Responsible investment		
Review Sustainability Policy	Completed: Internal review completed. Policy aligns with ESG strategy and overarching business strategy.	Ongoing/annual review
Review and improve Sustainability Report	Completed: 2018 Sustainability Report produced and available on our website.	Ongoing
Conduct an updated materiality assessment of ESG risks and opportunities	Completed	Ongoing/annual review

WHS

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

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

In FY18, the following initiatives were undertaken:

- We implemented the revised strategic framework for the management of WHS both at a corporate level and across our properties. Revisions included an audit that covers systems, people and processes, along with built environment and compliance.
- We participated in Shopping Centre Council of Australia (SCCA) industry workshops with a view to collaborate on safety performance and ensure that best practice methods can be shared across the industry.
- We implemented a reporting capability that will allow SCP to benchmark our safety performance across the portfolio in terms of location, type of incident, causational factors and people impacted.
- Our retail property management teams and externally engaged consultants refined their monthly, quarterly and annual safety and property risk audits to ensure they remain fit for purpose.
- Our retail property management teams implemented contractor management programs and checklists, including regular face-to-face performance and safety appraisals.

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REMUNERATION REPORT

Dear Unitholders

On behalf of the Board, I am pleased to present the SCP Remuneration Report for the year ended 30 June 2018.

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

Remuneration Framework

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

The Board is committed to upholding a Remuneration Framework that is aligned to business strategy, is based on performance, focuses Executives, meets unitholders' expectations and requirements, and encourages Executives to deliver sustainable performance.

During FY18, the Remuneration Committee undertook a complete review of the SCP Remuneration Framework to understand whether it may be enhanced through using a different structure. We considered other remuneration frameworks currently being used in the ASX environment and whether they might be a good fit for SCP. After consideration of a range of alternative models, the Board assessed that the Remuneration Framework currently being used at SCP is the best fit for SCP at the current time and so no major adjustments were recommended to the Board. The Remuneration Committee will continue to stay abreast of changes to remuneration structures and best practice through regular reviews of this kind.

A total fixed remuneration increase of 2% was applied to each of the three Executives in FY18. Full details of this change are set out in this report.

Remuneration review and performance for the year ended 30 June 2018

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

- Funds from operations (FFO) of $114.3 million – an increase of 5.4% on FY17
- Adjusted FFO of $105.7 million – an increase of 5.6% on FY17
- A reduction in SCP's Management Expense Ratio (MER) to 0.43%, down from 0.45% in FY17

The remuneration outcomes for Executives detailed in this report reflect the Framework's alignment with SCP's relative performance and total unitholder returns for FY18.

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

Dr Kirstin Ferguson
Chair, Remuneration Committee

The Remuneration Report has been audited.

REMUNERATION REPORT

Key points to note in relation to this report are:

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

1. REMUNERATION SNAPSHOT

1.1 Remuneration Overview

Key questions	Our approach	Further information
1. Were any changes made to the remuneration structure in FY18?	Increases in Executive total fixed remuneration (TFR) equating to approximately 2% were awarded following an internal benchmarking exercise against the market median undertaken during the period. The Short Term Incentive (STI) and Long Term Incentive (LTI) weightings for Executives remained unchanged for FY18. The FY18 STI and LTI metrics for Executives were largely based on those developed in FY17 and updated for the strategic objectives set for the business in FY18 and also to provide Executives with meaningful and robust stretch targets. There were minor adjustments made to the weightings of the Funds from Operations per Unit (FFOPU) and cash property net operating income (Cash NOI) performance conditions of the STI award, in order to focus Executives on driving recurring income from stabilised assets. Details are set out in sections 3.2 and 3.3	Sections 3.2 and 3.3
2. What is the FY18 STI payout to Executives and why?	The STI performance pool awarded to Executives for FY18 was $694,576, representing a 60.5% payout of the total STI maximum opportunity for the CEO and CFO, and a 64.7% payout for the GC/CS. In respect of the CEO and CFO, 50% of the STI award will be granted by way of deferred equity (subject to unitholder approval). The payout ratio is a direct function of SCP's performance in FY18, which saw Executives deliver the following: – FFO of $114.3 million – an increase of 5.4% on FY17 – Cash NOI was $118.6 million – A reduction in SCP's MER to 0.44%, down from 0.47% in FY17	Section 3.2
3. Did any LTI awards vest in FY17?	The performance period for the FY14 LTI ended on 30 June 2016, and half of the rights awarded to Executives vested on 24 August 2016. The remaining half of the FY14 LTI rights vested on 3 July 2017. Details of the FY14 LTI performance period and hurdles were set out in section 3.3 of the FY16 Remuneration Report. The performance period for the distributable earnings per unit (DEPU) and return on equity (ROE) performance conditions for the FY15 LTI ended on 30 June 2017, and the performance period for the relative total securityholder return (TSR) performance condition ended on 30 September 2017. Performance was assessed at maximum as a consequence of SCP's strong results over the performance period, which represents a 100% payout of the total FY15 LTI maximum opportunity for each Executive. The FY15 LTI rights vested in August 2018.	
4. Did the Board exercise discretion when considering Executive awards in FY18?	Where a formulaic application of the relevant remuneration metrics is likely to produce a material and perverse remuneration outcome, or where it is in the best interests of unitholders for the Board to do so, the Board may exercise its discretion in determining awards. The Board did not exercise discretion in determining the FY18 awards to Executives.	
5. Were any changes made to NED fees in FY18?	Total NED remuneration payable in FY18 was $1,090,838, down from $1,095,827 in FY17. The decrease in overall NED remuneration in FY18 is attributable to the resignation of Dr Ian Pollard on 30 April 2018. The decrease was partially offset by a 2% increase in NED fees effective 1 January 2018.	Section 4.1

Key questions	Our approach	Further information
Remuneration Framework		
6. How does the Board set remuneration hurdles?	The Board focuses the STI and LTI performance conditions and hurdles on those areas where it believes the Executives can create the best value for unitholders, while at the same time ensuring that the hurdles build on prior year performance, and provide Executives with meaningful and robust stretch within SCP's stated risk parameters. These areas include: – Securing sustainable FFOPU and earnings growth within SCP's stated risk parameters; – Driving NOI at the portfolio level, focusing on the underlying cashflow quality for the current period and for future periods; – Appropriately managing corporate cost relative to the scale of funds managed, measured by the MER; – Ensuring SCP has a competitive cost of capital through appropriate capital management practices ensuring medium and long-term competitiveness in the market; and – Demonstrating the personal characteristics and qualities expected of high-quality management personnel.	Section 2.1
7. How and when does the Board determine if it uses discretion?	Refer to key question 4.	
8. What portion of remuneration is at-risk?	The Maximum STI and LTI awards are based on performance and are therefore considered at-risk. – 60% of the CEO's TRO is at-risk; – 50% of the CFO's TRO is at-risk; and – 31% of the GC/CS's TRO is at-risk.	Section 3.1
9. Are there any clawback provisions for incentives?	All incentives contain 'malus' provisions allowing for the forfeiture of unvested rights in certain circumstances including in the event of termination for cause or for failing to meet prescribed minimum business and individual performance standards.	
10. Do all Board members, including Executive Directors, hold units in SCP?	Yes, all members of the SCP Board, including both Executive Directors, hold units in SCP.	
Short-Term Incentives ("STI")		
11. What are the STI performance measures that determine if the STI vests?	The FY18 performance measures are: – FFOPU; – MER; – Cash NOI; and – Personal component. These performance measures were chosen as they are directly linked to SCP's strategic objectives.	Sections 3.2 and 3.3
12. Are any STI payments deferred?	Yes, 50% of STIs for the CEO and CFO are in the form of deferred rights, with a two-year deferral period.	Section 3.3
13. Are STI payments capped?	Yes, the total maximum STI opportunity as a percentage of TFR is as follows: – CEO – 75% of TFR; – CFO – 50% of TFR; and – GC/CS – 25% of TFR.	Section 3.3
14. Are distributions paid on unvested STI awards?	On vesting, each STI right awarded entitles the relevant Executive to receive one stapled unit in SCP plus an additional number of stapled units calculated on the basis of the distributions that would have been paid in respect of those stapled units over the two year STI deferral period.	Section 3.3
15. Have any adjustments, positive or negative, been made to the STI payments?	No adjustments were made to the FY18 STI payments.	Section 3.2

Key questions	Our approach	Further information
Long-Term Incentives ("LTI")		
16. What are the performance measures that determine if the LTI awards vest?	FY18 LTI rights will be tested against three performance hurdles over a three-year performance period followed by a one year deferral (total vesting period is four years). The performance hurdles are weighted as follows: – Relative TSR against the S&P/ASX 200 A-REIT Accumulation Index (33.33% of grant); – Specified FFOPU growth (33.33% of grant); and – Specified ROE (33.33% of grant). These performance conditions were chosen as they are directly linked to SCP's strategic objectives.	Sections 3.3 and 3.5
17. Does the LTI have re-testing?	No, there is no re-testing.	
18. Are distributions paid on unvested LTI awards?	On vesting, each LTI right awarded entitles the relevant Executive to receive one stapled unit in SCP plus an additional number of stapled units calculated on the basis of the distributions that would have been paid in respect of those stapled units over the four year LTI deferral period.	Section 3.3
19. Is LTI grant quantum based on "fair value" or "face value"?	In the year of issue, LTI grant quantum is determined based on the face value of SCP units, calculated by dividing the intended LTI grant value by the volume weighted average price for the five trading days following the release of the prior period's full year results.	
20. Can LTI participants hedge their unvested rights?	No. LTI participants must not use any hedging strategy that has the effect of reducing or eliminating the impact of market movements on any unvested rights that are still subject to disposal restrictions.	Section 3.3
21. Does SCP buy securities or issue new securities to satisfy unit-based awards?	SCP has issued new units to satisfy unit-based awards to date, however SCP may elect to buy units in certain circumstances.	
Executive agreements		
22. What is the maximum an Executive can receive on termination?	Termination payments will be managed differently in various termination scenarios, depending upon whether the Executive ceases employment with or without cause.	Section 3.7
Board structure		
23. How is the Board assessing the skills of NEDs to ensure appropriate and rigorous performance review?	An external Board performance review commenced at the end of FY17. Please refer to section 1.6 of SCP's Corporate Governance Statement for further information. A more detailed review of the skills of Board members is included in the Directors' Report.	

1.2 SCP'S Key Management Personnel

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

Name	Position as at 30 June 2018	Board appointment date
Non-Executive Directors (NEDs)		
Philip Marcus Clark AM	Chair - Board Chair - Nomination Committee	19 September 2012
Dr Kirstin Ferguson	Chair - Remuneration Committee Member – Nomination Committee	1 January 2015
James Hodgkinson OAM	Member - Nomination Committee Member - Audit, Risk Management and Compliance Committee Member - Remuneration Committee Member - Investment Committee	26 September 2012
Philip Redmond	Member - Investment Committee Member – Nomination Committee Chair - Audit, Risk Management and Compliance Committee	26 September 2012
Belinda Robson	Member - Remuneration Committee Chair - Investment Committee Member - Audit, Risk Management and Compliance Committee Member - Nomination Committee	27 September 2012
Executive Directors		
Anthony Mellowes	Chief Executive Officer Member - Investment Committee	Appointed as Director: 2 October 2012 Appointed as Chief Executive Officer from 1 July 2013
Mark Fleming	Chief Financial Officer Member - Investment Committee	Appointed as Chief Financial Officer from 20 August 2013 Appointed as Director: 26 May 2015
Other Executives		
Mark Lamb	General Counsel and Company Secretary	26 September 2012

Dr Ian Pollard, appointed 26 September 2012 as a Non-Executive Director, resigned and ceased to be a Director on 30 April 2018.

1.3 Actual cash remuneration earned in respect of FY18

The table below sets out the actual value of remuneration earned by each Executive during FY18. The reason the figures in this table are different from those shown in the statutory remuneration table in section 3.6 is because the latter table includes an apportioned accounting value for all STI and LTI equity grants (some of which remain subject to satisfaction of performance and service conditions and so may not ultimately vest).

The table below represents:

- Fixed remuneration including superannuation
- Cash STI – the non-deferred portion of STI payments to be made in September 2018 in recognition of performance during FY18
- Equity that vested during the year that relates to prior years' awards. The value ascribed to this equity is based on the closing value on the day the equity vested. This value is not the same as the value used for financial reporting.

ACTUAL CASH REMUNERATION EARNED IN FY18

Executive KMP	Year	Fixed remuneration including superannuation $[1]	Cash STI $[2]	Deferred STI vested equity number units[3]	Deferred STI vested equity value $[4]	LTI vested equity number units[5]	LTI vested equity value $[6]	Other remuneration $	Total remuneration $[7]
Anthony Mellowes	**2018**	**905,624**	**206,456**	**85,377**	**186,975**	**322,922**	**697,511**	**0**	**1,996,566**
	2017	888,125	269,063	54,805	126,051	497,923	1,145,222	0	2,428,461
Mark Fleming	**2018**	**621,749**	**94,531**	**48,319**	**105,818**	**106,564**	**230,178**	**0**	**1,052,276**
	2017	609,000	123,000	33,127	76,192	106,565	245,099	0	1,053,291
Mark Lamb	**2018**	**559,317**	**92,602**	**0**	**0**	**41,671**	**90,009**	**0**	**741,928**
	2017	556,092	116,684	0	0	41,672	95,845	0	768,621
Total	**2018**	**2,086,690**	**393,589**	**133,696**	**292,793**	**471,157**	**1,017,698**	**0**	**3,790,770**
	2017	2,053,217	508,747	87,932	202,243	646,160	1,486,166	0	4,250,373

1. Fixed remuneration comprises fixed remuneration including superannuation contributions. Annual reviews of fixed remuneration are effective 1 October.
2. Cash STI payments are paid shortly after the end of the financial year to which they are attributed.
3. Deferred STI vested equity units were issued on 10 August 2017 and 24 August 2016 in respect of the financial year ending 2 years previously respectively.
4. Value of STI is calculated by reference to the closing price on the day of issue which was 10 August 2017: $2.19 and 24 August 2016 $2.30. This price does not represent the value for financial reporting.
5. LTI vested units were issued on 3 July 2017 and 24 August 2017 in respect of the plans covering the preceding period. For the prior year it also includes 175,000 SPR's in respect of Mr Mellowes.
6. The LTI vested value is calculated by reference to the closing price on the day of issue which was 3 July 2017 $2.16 and 24 August 2016 $2.30.
7. Total remuneration is made up of: fixed remuneration including superannuation $ plus Cash STI $ plus Deferred STI equity value $ plus LTI equity vested value $.

2. REMUNERATION POLICY

2.1 SCP's remuneration principles, policy and philosophy

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

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

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

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

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

2. ***Appropriately align the interests of Executives and unitholders.***

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

This philosophy is substantially the same as for FY17. The Committee continues to benefit from discussions with key stakeholders and where appropriate will take these views into account in formulating SCP's remuneration strategy.

2.2 Remuneration governance

Role of the Remuneration Committee

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

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

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

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

How remuneration decisions are made

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

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

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

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

External advisers and independence

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

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

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

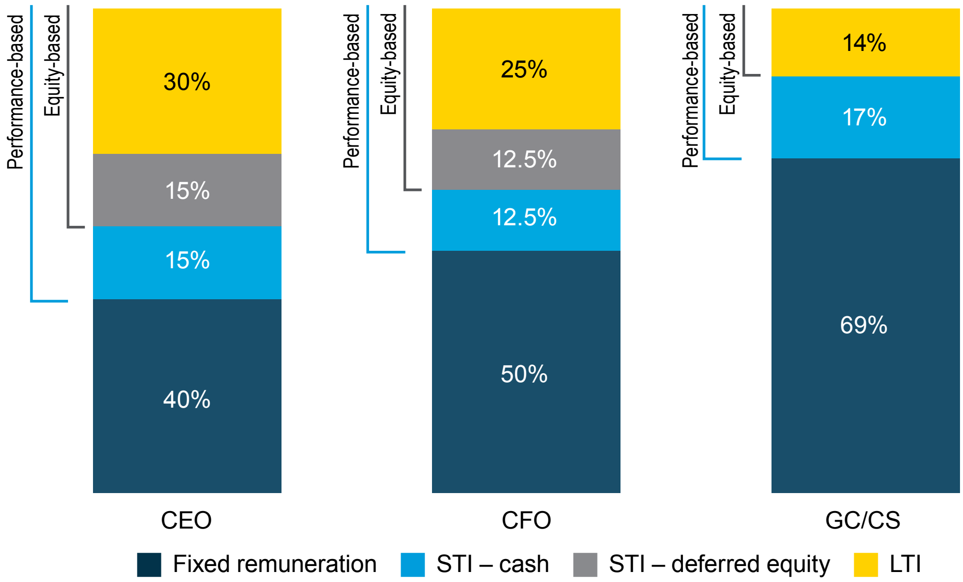
Neither Guerdon Associates or Egan Associates made any 'remuneration recommendations' (as defined in the Corporations Act) in relation to any KMP during FY18.

3. EXECUTIVE REMUNERATION

3.1 Executive remuneration at SCP

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

SCP's Executive remuneration is performance based, equity linked, and multi-year focused. The graph below sets out the remuneration structure and maximum incentive mix for each Executive for FY18.



3.2 FY18 STI Outcomes

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

STI is awarded annually based on the achievement of the relevant performance conditions. The weighting of these performance conditions reflects SCP's FY18 strategic drivers around maximising cash NOI, lowering the MER to competitive levels through managing costs relative to the size of SCP's portfolio of assets, while maintaining a competitive and conservative capital structure. Building on SCP's achievements in the prior financial year, each performance condition comprises stretch for Executives so as to ensure that "at-risk" pay is genuinely "at-risk". The degree of stretch is carefully balanced with SCP's stated risk appetite.

As noted in section 1.1, there were minor adjustments made to the weightings of the FFOPU and Cash NOI performance conditions of the STI award, in order to focus Executives on driving recurring income from stabilised assets. Details are set out below:

CEO/CFO

Performance Condition	FY17 weighting	FY18 weighting
FFOPU	40%	35%
MER	15%	15%
Cash NOI	25%	30%
Non-financial	20%	20%

GC/CS

Performance Condition	FY17 weighting	FY18 weighting
FFOPU	40%	35%
MER	15%	15%
Cash NOI	15%	20%
Non-financial	30%	30%

The Remuneration Committee has assessed performance against each performance condition to determine STI vesting outcomes for FY18. The following table sets out SCP's performance highlights and the resulting STI outcomes:

Weighting of total STI Award	Measure	FY18 performance highlights
35% for CEO, CFO and GC/CS	**FFOPU** This condition rewards performance where FFOPU as shown in SCP's FY18 audited Financial Statements exceeds specified levels. The KPI was selected to focus Executives on active portfolio and operational management in the context of SCP's adopted risk profile. The hurdles were set having regard to the mix and characteristics of SCP's portfolio of assets and the Board's expectations of earnings performance.	FFOPU was 15.30 cents, which is a 4.1% increase over FY17. Performance was below Target, but above Threshold (as detailed in section 3.3).
15% for CEO, CFO and GC/CS	**MER** This condition rewards performance where SCP's MER, as at 30 June 2018, is less than specified levels. The KPI was selected to focus Executives on efficiently resourcing the operations of SCP. Threshold, target and maximum levels were set considering SCP's budget and referencing its A-REIT peers.	MER was 0.44%*, down from 0.47% in FY17. Performance was below Target, but above Threshold (as detailed in section 3.3). *MER for remuneration purposes only includes total funds under management. This is the sum of investment properties, assets held for sale and selected other assets. Market reported MER is based on total assets under management.
30% for CEO and CFO 20% for GC/CS	**Cash NOI** This condition rewards performance where the FY18 cash NOI from shopping centres owned by SCP for at least one year as at 30 June 2017 (but excluding assets subject to development and assets sold and acquired during FY18) is greater than specified levels. The KPI was selected to focus Executives on improving occupancy levels, maximising rental receipts and managing expenses. This metric looks through to the underlying quality of the cashflows with a focus on recurring income from stabilised assets.	FY18 cash NOI was $118.6m. Performance was below Target, but above Threshold (as detailed in section 3.3).

Weighting of total STI Award	Measure	FY18 performance highlights
20% for CEO and CFO 30% for GC/CS	**Personal performance** The personal performance component assesses individual contributions based on factors judged as important for adding value. While the factors assessed are common to Executives, the expectations of each person will vary depending on the focus and accountabilities of their position. Therefore the weighting of these factors may vary for each Executive. These factors include: – **(People)** Maintain an effective team of people through recruitment, performance management 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, promoting strong and positive relationships with major tenants balancing commercial parameters and potential future opportunities and ensuring positive and productive relationships with external contractors, service providers and regulatory bodies (property management companies, auditors, lawyers, banks, etc.). – **(Operational Performance)** including optimising the performance of SCP's centres, successfully completing Board-approved development projects (e.g. Kwinana) and identifying and commencing other development opportunities. Ensure appropriate policies are in place and followed and a sound and effective system of risk management and internal controls are in place.	Performance was above Target, but below Maximum. Six-monthly reviews are held with each Executive to evaluate and monitor performance against personal objectives.

The following table shows the actual STI outcomes for each of the Executive KMP for FY18 including the value of STI equity based on a volume weighted average price of $2.44:

FY18 STI Outcomes

	STI target (% of Fixed Remuneration)	STI max (% of Fixed Remuneration)	Actual STI (% max)	STI forfeited (% max)	Actual STI (total) $
Anthony Mellowes	56.25%	75%	60.50%	39.50%	412,912
Mark Fleming	37.50%	50%	60.50%	39.50%	189,062
Mark Lamb	18.75%	25%	64.70%	35.30%	92,602

3.3 How remuneration was structured in FY18

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

TFR – how does it work?

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

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

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

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

STIs – how does it work?

Purpose	The STI is designed to motivate and reward Executives for achieving or exceeding annual strategic objectives set for SCP over the short term and is aligned with value creation. STI recognises individual contributions to SCP's performance.
Eligibility	The eligible Executives for FY18 are the CEO, Anthony Mellowes, the CFO, Mark Fleming and the General Counsel / Company Secretary, Mark Lamb.
Instrument	For the CEO and CFO, 50% of the actual STI award is delivered in cash, and 50% in the form of deferred rights to units in SCP. All other Executives receive their STI award in cash only. For the CEO and CFO, each vested STI right entitles the relevant Executive to receive one stapled unit in SCP plus an additional number of stapled units calculated on the basis of the distributions that would have been paid in respect of those stapled units had they been on issue over the two-year deferral period. The additional units are calculated as the number of units that would have been acquired if distributions as announced to the ASX during the vesting period had been paid and reinvested in units, applying the formula set out in clause 3.3 of SCA Property Group's Distribution Reinvestment Plan (DRP) (whether or not that plan is operative at the relevant time) assuming no discount. Fractions of stapled units will be rounded down to the nearest whole number and no residual positive balance carried forward. No distributions accrue in respect of STI rights that lapse.
Awards	Specific quantifiable performance measures have been determined by the Board, based upon recommendations made by the Remuneration Committee. These performance criteria, and their weighting, reflect the FY18 strategic priorities for SCP as detailed in this report. Award payout levels have been calibrated between threshold (minimum expected performance), target and maximum (exceptional performance, which is significantly above agreed targets and guidance). Target is set at 75% of maximum for all STI financial and operational management performance conditions. Maximum STI opportunities for each Executive are as follows: CEO – 75% of TFR; CFO – 50% of TFR; and GC/CS – 25% of TFR. Awards can range from zero up to the maximum percentage stated above, based upon the level of performance against STI performance measures.

Performance measures	For each performance measure, a threshold, target and maximum performance target is set. Award payouts reflect the level of performance achieved during the relevant financial year.			
	Category	**Measure**	**Weighting of total STI Award**	**Rationale for using measure**
	Financial	FFOPU	35% for CEO, CFO and GC/CS	Focuses Management on active portfolio and operational management in the context of SCP's adopted risk profile
	Financial	MER	15% for CEO, CFO and GC/CS	To ensure Management sufficiently and efficiently resource the operations of SCP
	Financial	Cash NOI	30% for CEO and CFO 20% for GC/CS	Focuses Management on improving occupancy levels, maximising rental receipts and managing expenses
	Non-financial	Personal (factors include people management, strategy, stakeholder relations and operational performance)	20% for CEO and CFO 30% for GC/CS	Management are assessed on factors judged as important for adding security holder value
Performance schedule – FFOPU (All Executives)		**% of relevant STI award that vests**		
	Threshold	0%		
	50% of max	50%		
	Target	75%		
	Maximum	100%		
Performance schedule – MER (All Executives)		**% of relevant STI award that vests**		
	Threshold	0%		
	50% of max	50%		
	Target	75%		
	Maximum	100%		
Performance schedule – Cash NOI (All Executives)		**% of relevant STI award that vests**		
	Threshold	0%		
	50% of max	50%		
	Target	75%		
	Maximum	100%		
Adjustments	Where a formulaic application of the metrics is likely to produce a material and perverse remuneration outcome, or where it is in the best interests of unitholders for the Board to do so, the Board may exercise its discretion in determining awards. The purpose of preserving this discretion is to allow the Board to ensure remuneration amounts and structure are at all times appropriate and to prevent any unintended vesting of awards that would arise from a purely formulaic application of the STI metrics. No adjustments were made to the FY18 STI payments.			
Deferral	FY18 STI rights awarded to the CEO and the CFO vest on or about 1 July 2020.			
Termination/ Forfeiture	If an Executive ceases employment by way of termination by SCP without cause, redundancy, diminution of responsibility, retirement, death or disability or other circumstances approved by the Board, the STI is tested based upon full year performance and paid in cash in the normal course, based on the pro rata period of the financial year worked by the Executive. In the event of the Executive's resignation or termination by SCP for cause prior to the end of the performance period, all STI unpaid cash entitlements are forfeited.			

Clawback	Consistent with good governance and to reinforce the importance of integrity and risk management in SCP's Remuneration Framework, SCP's incentive plan contains broadly framed malus provisions that allow the Board in its sole discretion to determine that all, or part, of any unvested incentive awards be forfeited in certain circumstances. These circumstances include, but are not limited to: – A material misstatement or omission in the financial statements of SCP; – If actions or inactions seriously damage SCP's reputation or put SCP at significant risk; – If FFO is not maintained in the deferral; and/or – A material abnormal occurrence results in an unintended increase in the award.
Hedging	Participants are prohibited from hedging their unvested deferred rights.

LTIs – how does it work?

Purpose	The LTI is aimed at aligning Executive and unitholder value while also providing a retention tool, as the LTI is intended to vest over time.		
Eligibility	The eligible Executives for the current period are the CEO, Anthony Mellowes, the CFO, Mark Fleming and the GC/CS, Mark Lamb.		
Instrument	Each vested LTI right entitles the relevant Executive (or participant) to receive one stapled unit in SCP plus an additional number of stapled units calculated on the basis of the distributions that would have been paid in respect of those stapled units over the four-year performance period. The additional units are calculated as the number of units that would have been acquired if distributions as announced to the ASX during the vesting period had been paid and reinvested in units, applying the formula set out in clause 3.3 of SCA Property Group's DRP (whether or not that plan is operative at the relevant time) assuming no discount. Fractions of stapled units will be rounded down to the nearest whole number and no residual positive balance carried forward. No distributions accrue in respect of LTI rights that lapse.		
LTI performance rights granted in FY18	The number of performance rights granted to Executives in FY18 is as follows: – Anthony Mellowes – 311,828 LTI rights; – Mark Fleming – 142,778 LTI rights; and – Mark Lamb – 52,314 LTI rights.		
Grant price	The grant price has been calculated by dividing the relevant award opportunity by the volume weighted average price of SCP units on the ASX for the 5 trading days following the release of SCP's 2017 full year results, being $2.1887.		
Performance hurdles (each apply to one third of the LTI grant)	**Relative TSR (Tranche 1)**	**FFOPU (Tranche 2)**	**ROE (Tranche 3)**
	Measures SCP's TSR performance over the Tranche 1 performance period (being from 1 October 2017 to 30 September 2020) relative to the change in the S&P/ASX 200 A-REIT Accumulation Index over that same period.	This condition requires the growth in SCP's FFOPU over the Tranche 2 performance period (being from 1 July 2017 to 30 June 2020) above the Base Point to exceed a certain level as detailed below. The FY18 "Base Point" for measuring the rate of FFOPU growth is 14.70 cents per unit.	This condition requires SCP's total ROE over the Tranche 3 performance period (being from 1 July 2017 to 30 June 2020) to exceed a certain level, as detailed below.
Vesting schedule – Relative TSR		**Position of SCP relative to S&P/ASX 200 A-REIT Accumulation Index**	**% of Tranche 1 LTI rights that vest**
	At or below Threshold	Less than or equal to Index return	0%
	Between Threshold and Maximum	Between Index return and Index return plus 4.0% p.a. compound	Vest on a straight line basis between 0% at Threshold and 100% at Maximum
	Maximum	At or above Index return plus 4.0% p.a. compound	100%

Vesting Schedule - FFOPU		**Growth in FFOPU over performance period above Base Point**	**% of Tranche 2 LTI rights that vest**
	At or below Threshold	Less than or equal to 3.0% p.a.	0%
	Between Threshold and Maximum	Between 3.0% and 5.0% p.a.	Vest on a straight line basis between 0% at Threshold and 100% at Maximum
	Maximum	At or above 5.0% p.a.	100%
Vesting Schedule - ROE		**ROE over performance period**	**% of Tranche 3 LTI rights that vest**
	At or below Threshold	Less than 9.0% p.a.	0%
	Between Threshold and Maximum	Between 9.0% p.a. and 11.5% p.a.	Vest on a straight line basis between 0% at Threshold and 100% at Maximum
	Maximum	At or above 11.5% p.a.	100%
Vesting/delivery	The performance rights can only be exercised if and when the performance conditions are achieved. The performance period is a three-year period, ending on the dates specified above. Any rights awarded then vest at the end of a further one-year deferral period ending on 30 June 2021, unless the Board exercises its discretion to forfeit the awarded rights under the malus provisions of the SCA Property Group Executive Incentive Plan Rules. Any rights which do not vest following testing of the performance conditions are forfeited.		
Adjustments	Where a formulaic application of the metrics is likely to produce a material and perverse remuneration outcome, or where it is in the best interests of unitholders for the Board to do so, the Board may exercise its discretion in determining awards. The purpose of preserving this discretion is to allow the Board to ensure remuneration amounts and structure are at all times appropriate and to prevent any unintended vesting of awards that would arise from a purely formulaic application of the LTI metrics.		
Termination/ forfeiture	If an Executive ceases employment prior to the end of the performance period by way of termination by SCP without cause, redundancy, diminution of responsibility, retirement, death or disability or other circumstances approved by the Board, in general, a pro rata number of LTI rights will be determined from the date of award to the date of termination (including any period of notice paid in lieu). This pro rata portion will continue on foot under the same terms and performance conditions. All unvested LTI rights will lapse if the Executive is terminated by SCP for cause.		
Clawback	Consistent with good governance and to reinforce the importance of integrity and risk management in SCP's reward framework, each of SCP's incentive plans contains broadly framed malus provisions that allow the Board in its sole discretion to determine that all, or part, of any unvested incentive awards be forfeited in certain circumstances. These circumstances include, but are not limited to: – A material misstatement or omission in the financial statements of SCP; – If actions or inactions seriously damage SCP's reputation or put SCP at significant risk; – If FFO is not maintained; and/or – A material abnormal occurrence results in an unintended increase in the award.		
Hedging	Participants are prohibited from hedging their unvested performance rights.		

3.4 Past financial performance

The tables below set out summary information about the Group's earnings and FFO, stapled security ("unit") net tangible assets (NTA) and ASX price for the last five complete financial years.

Past financial performance

	FY18 Results	FY17 Results	FY16 Results	FY15 Results	FY14 Results
Statutory profit (after tax)	$175.2m	$319.6m	$184.7m	$150.5m	$111.6m
Statutory profit (after tax) cents per unit	23.5	43.3	25.4	22.9	17.3
FFO	$114.3m	$108.4m	$100.1m	$84.3m	$80.4m
FFO cents per unit	15.30	14.70	13.75	12.81	12.44
Distributions paid and payable (cents per unit)	13.90	13.10	12.20	11.40	11.00

FFO and FFO cents per unit and sustainable growth in FFO cents per unit are also a significant input in reviewing the Group's performance and may impact incentives. FFO and FFO cents per unit for the 2018 financial year exceeded the 2017 financial year.

Operational	FY18 Results	FY17 Results	FY16 Results	FY15 Results	FY14 Results	FY18 v FY17
Net tangible assets per unit	$2.30	$2.20	$1.92	$1.77	$1.64	4.55%
Unit price (as at 30 June)	$2.45	$2.19	$2.28	$2.13	$1.72	11.87%
Management Expense Ratio (MER) %	0.43%	0.45%	0.51%	0.55%	0.65%	(4.44%)

In addition over the financial year ended 30 June 2018, the TSR, including the distribution declared on 13 June 2018 of 7.1 cents per unit and paid on 30 August 2018, was 18.4%.

This compares to the S&P/ASX 200 A-REIT Accumulation Index total return for the same period of 13.0%.

3.5 LTI grants in FY18

The table below presents the LTI grants to Executives made during FY18 that are due to vest on 1 July 2021, subject to performance conditions. The maximum total value of the LTI grants is based on the estimated fair value calculated at the time of the grant and amortised in accordance with the accounting standard requirements.

LTI grants in FY18

2018	LTI max as % of fixed remuneration	Performance measure	Number of performance rights granted	Fair value per performance right ($)	Maximum total value of grant ($)
Anthony Mellowes	75%	Relative TSR	103,943	1.10	114,337
		FFOPU	103,943	2.23	231,792
		ROE	103,943	2.23	231,792
Total			**311,828**		**577,921**
Mark Fleming	50%	Relative TSR	47,593	1.10	52,352
		FFOPU	47,593	2.23	106,132
		ROE	47,593	2.23	106,132
Total			**142,778**		**264,615**
Mark Lamb	20%	Relative TSR	17,438	1.10	19,182
		FFOPU	17,438	2.23	38,887
		ROE	17,438	2.23	38,887
Total			**52,314**		**96,955**

Performance right movements during the year

Type and eligibility	Vesting conditions[1]	Share price at grant date	Grant date	Testing date	Vesting date	Maximum number of stapled securities or maximum value of securities to be issued	Fair value at grant date	
STI (FY18) (Mr Mellowes)	Non-market	$2.23	Aug-17	Jul-18	Jul-20	$341,250	$0.98	per $1.00
STI (FY18) (Mr Fleming)	Non-market	$2.23	Aug-17	Jul-18	Jul-20	$156,250	$0.98	per $1.00
LTI (FY18 - FY20) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR[2]	$2.23	Aug-17	Sep-20	Jul-21	168,973	$1.10	per unit
LTI (FY18 - FY20) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.23	Aug-17	Jun-20	Jul-21	168,973	$2.23	per unit
LTI (FY18 - FY20) (tranche 3) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.23	Aug-17	Jun-20	Jul-21	168,973	$2.23	per unit

1 Service and non-market conditions include financial and non-financial targets along with a deferred vesting period.

2 Relative TSR is Relative Total Securityholder Return measured against the S&P/ASX 200 A-REIT Accumulation Index.

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

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

Key inputs to the pricing models include:

	30 June 2018
Volatility	16%
Dividend yield	6.2%
Risk-free interest rate	1.97% - 2.12%

3.6 Total remuneration earned in FY18 Table of executive remuneration paid or accrued

Potential remuneration granted in FY18

	Maximum Potential Cash STI			Maximum Potential Equity STI			Maximum Potential Equity LTI		
Executive	% of TFR	$[1]	% of total potential max rem	% of TFR	$[1]	% of total potential max rem	% of TFR	$[3]	% of total potential max rem
Anthony Mellowes	37.5%[2]	341,250	15%	37.5%[2]	334,425	15%	75%	577,921	27%
Mark Fleming	25.0%[2]	156,250	13%	25.0%[2]	153,125	13%	50%	264,615	23%
Mark Lamb	25.0%	143,125	17%	-	-	-	20%	96,955	13%

1. STI incentives for Mr Mellowes 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' (AASB 2).
2. In FY18 Mr Mellowes' STI opportunity was 75% of his TFR and Mr Fleming's STI opportunity was 50% of his TFR. STI incentives for Mr Mellowes and Mr Fleming are payable 50% in cash and 50% in equity and the percentage maximum has been equally allocated between cash and equity.
3. For Mr Mellowes the LTI maximum incentive is $682,500, for Mr Fleming is $312,500 and for Mr Lamb is $114,500. All of the LTI awarded in equity and the dollar values shown here represent the fair value under AASB 2 of equity instruments granted.

The following table shows the actual remuneration paid or accrued during the financial year to 30 June 2018[1]:

Table of Executive remuneration paid or accrued

Executive		Salary & fees[2] $	Cash bonus[3] $	Total $	Super $	Long service leave $	Share based payments[4] $	Total $
Anthony Mellowes, CEO	**2018**	**880,624**	**206,456**	**1,087,080**	**25,000**	**28,675**	**695,569**	**1,836,324**
	2017	853,125	269,063	1,122,188	35,000	19,785	670,590	1,847,563
Mark Fleming, CFO	**2018**	**596,750**	**94,531**	**691,281**	**25,000**	**19,302**	**296,117**	**1,031,700**
	2017	579,000	123,000	702,000	30,000	13,563	277,832	1,023,395
Mark Lamb, GC/CS	**2018**	**534,317**	**92,601**	**626,918**	**25,000**	**16,826**	**68,030**	**736,774**
	2017	531,188	116,684	647,872	24,904	12,765	64,710	750,251
Total	**2018**	**2,011,691**	**393,588**	**2,405,279**	**75,000**	**64,803**	**1,059,716**	**3,604,798**
	2017	1,963,313	508,747	2,472,060	89,904	46,113	1,013,132	3,621,209

1 Amounts recognised above were determined subsequent to the release of the financial statements on 7 August 2018. 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 will be paid to Executives in September 2018 under the Short Term Incentive Plan for performance over the 2018 financial year.

4 The values for equity based remuneration have been determined in accordance with AASB2 and represent the current year amortisation of the fair value of rights over the vesting period adjusted for service and non-market vesting conditions. The share based payments are made up of special performance rights (SPRs) (Tranche 2) (Mr Mellowes 2017 only), STI equity and LTI equity. Please refer to the following table for additional details of the share based payments.

The break-up of the amounts recognised for performance based compensation relevant for the financial year ended 30 June 2018, including details of the share based payments accrued in respect of the current year and prior year plans using the valuation of equity in accordance with AASB 2, are presented below:

Performance based component of actual remuneration in 2018

	Actual cash STI		Actual Equity STI		Actual Equity LTI		Total Equity STI and LTI
Executives	**$**	**% of total remuneration**	**$**	**% of total remuneration**	**$**	**% of total remuneration**	**$**
Anthony Mellowes, CEO	206,456	11%	253,313	14%	442,256	24%	695,569
Mark Fleming, CFO	94,531	9%	115,850	11%	180,267	17%	296,117
Mark Lamb, GC/CS	92,601	13%	-	-	68,030	9%	68,030

Equity holdings of Executives

Executives	Held at 1 July 2017	Vested during year	Changes during the period	Held at 30 June 2018	Number of unvested rights as at 30 June 2018	Total interest in SCP units
Anthony Mellowes, CEO	662,020	408,299	(466,742)	603,577	1,627,279	2,230,856
Mark Fleming, CFO	70,000	154,883	(84,883)	140,000	695,118	835,118
Mark Lamb, GC/CS	42,895	41,671	3,945	88,511	215,481	254,674

3.7 Service agreements for Executive KMP

There were no changes to the service agreements for Executives in FY18.

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

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

Executive Director, Chief Executive Officer: Anthony Mellowes

Contract duration	Commenced 1 July 2013, open ended
TFR as at 30 June 2018	$910,000. 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 FY18 that included: **FY18 STI: Maximum opportunity:** 75% of TFR. **FY18 LTI: Maximum opportunity:** 75% of TFR.
Non-compete period	Up to 12 months
Non-solicitation period	Up to 12 months
Notice by SCP	9 months
Notice by Executive	9 months
Termination payments to compensate for non-solicitation/non-compete clause in certain circumstances	Maximum benefit from termination payment and payment in lieu of notice is 12 months based on prior year fixed and variable remuneration.

Executive Director, Chief Financial Officer: Mark Fleming

Contract duration	Commenced 20 August 2013, open ended.
TFR as at 30 June 2018	$625,000. 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 the SCP's plans for performance based remuneration and in FY18 that included: **FY18 STI: Maximum opportunity:** 50% of TFR **FY18 LTI: Maximum opportunity:** 50% of TFR
Non-compete period	6 months
Non-solicitation period	6 months
Notice by SCP	6 months
Notice by Executive	3 months
Termination payments to compensate for non-solicitation/non-compete clause in certain circumstances	Maximum benefit from termination payment and payment in lieu of notice is 6 months based on prior year fixed and variable remuneration.

General Counsel and Company Secretary: Mark Lamb

Contract duration	Commenced 26 September 2012, open ended.
TFR as at 30 June 2018	$572,500. Includes salary, superannuation, motor vehicle and other salary sacrifice employee benefits.
Review of TFR	Reviewed annually effective from 1 October with no obligation to adjust.
Variable remuneration eligibility	The GC/CS is eligible to participate in SCP's plans for performance based remuneration and in FY18 that included: **FY18 STI: Maximum opportunity:** 25% of TFR **FY18 LTI: Maximum opportunity:** 20% of TFR
Non-compete period	Up to 12 months
Non-solicitation period	Up to 12 months
Notice by SCP	6 months
Notice by executive	3 months
Termination payments to compensate for non-solicitation/non-compete clause in certain circumstances	TFR for 6 months

Termination provisions

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

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

4. NON-EXECUTIVE DIRECTOR REMUNERATION

4.1 Board remuneration strategy

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

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

A review of NED remuneration was undertaken by the Committee in October 2017. In recognising the varying commitments of each NED and in line with current market practice, the base fees paid to NEDs, excluding the Chair, were increased by 2%. This increase took effect from 1 January 2018. The Board Chair and Committee fees including fees paid to the Chair of the respective Committee were unchanged.

Total NED remuneration payable in FY18 was $1,090,838 down slightly from the $1,095,827 in FY17. The decrease in overall NED fees payable in FY18 is attributable to the resignation of a director on 30 April 2018 (this director is in the process of being replaced). This was partially offset by a 2% increase in NED fees effective 1 January 2018.

4.2 Total remuneration for Non-Executive Directors

The schedule of fees for NEDs for calendar years is set out in the table below and fees are annual fees, unless otherwise stated.

Non-Executive Director Board and Committee fees

	Board		ARMCC		Remuneration		Investment		Nomination	
	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**
Chair	333,854	**333,854**	21,012	**21,012**	21,012	**21,012**	15,300	**15,300**	5,253	**5,253**
Member	126,072	**128,593**	10,506	**10,506**	10,506	**10,506**	10,200	**10,200**	-	**-**

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

Total remuneration for Non-Executive Directors

Non-Executive Director	Year	Director fees $	Superannuation $	Committee fees $	Total $
Philip Clark AM	**2018**	**315,071**	**18,783**	**-**	**333,854**
	2017	311,798	18,835	-	330,633
Dr Kirstin Ferguson	**2018**	**114,444**	**12,888**	**21,222**	**148,554**
	2017	114,006	12,636	19,001	145,643
James Hodgkinson OAM	**2018**	**113,309**	**14,023**	**34,304**	**161,636**
	2017	114,284	13,990	32,975	161,249
Dr Ian Pollard	**2018**	**95,181**	**10,718**	**17,650**	**123,549**
	2017	114,006	12,636	19,001	145,643
Philip Redmond	**2018**	**113,083**	**14,248**	**36,905**	**164,236**
	2017	114,422	13,990	32,837	161,249
Belinda Robson	**2018**	**113,537**	**13,795**	**31,677**	**159,009**
	2017	114,323	13,136	23,951	151,410
Total	**2018**	**864,625**	**84,455**	**141,758**	**1,090,838**
	2017	882,839	85,223	127,765	1,095,827

4.3 Non-Executive Director Unitholding

Non-Executive Director Unitholdings

Non-Executive Director	Held as at 30 June 2017	Changes during the year	Held as at 30 June 2018
Philip Clark AM	52,000	18,000	70,000
Dr Kirstin Ferguson	10,000	-	10,000
James Hodgkinson OAM	184,285	-	184,285
Philip Redmond	67,500	-	67,500
Belinda Robson	17,142	-	17,142

Additionally, Dr Ian Pollard was a Director during the year until his resignation on 30 April 2018. At 30 June 2017 Dr Ian Pollard held 103,571 stapled securities in the Group. Dr Ian Pollard's holdings of stapled securities in the Group did not change from 30 June 2017 until his resignation on 30 April 2018.

5. ADDITIONAL INFORMATION

5.1 Events subsequent

FY19 STI (unaudited)

As SCP's objectives remain substantially the same as for FY18, the FY19 short term performance conditions are the same as set for FY18, however the weightings of each performance condition, together with the metrics and hurdles, have been adjusted in line with FY19 strategic objectives.

There are 4 separate performance conditions for the FY19 STI Award:

- FFOPU – performance is rewarded where FFOPU exceeds specified levels;
- MER – performance is rewarded where SCP's MER as at 30 June 2019 is less than specified levels;
- Cash NOI – performance is rewarded where property portfolio NOI from the shopping centres based on the NOI in SCA Property Group's audited financial statements as at 30 June 2019 exceeds specified levels; and
- Personal component – performance is rewarded where the Executive's performance is assessed as strong to exceptional against the personal performance targets.

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.

FY19 LTI (unaudited)

Again, the FY19 long term performance conditions and weightings are the same as set for FY18. High level changes to the hurdles made in FY19 are set out below. The ranges below are designed as stretch targets for strong to exceptional performance. They do not represent Management or the Board's forecasts, and nor should they be taken as guidance as to likely or potential future outcomes.

The LTI rights are subject to a 4-year vesting period comprising a 3-year forward-looking performance period and a 1-year deferral period (together the "vesting period"). Any rights which do not vest following testing of the performance conditions are forfeited.

The LTI rights that meet the performance hurdles will vest in one instalment on or about 1 July 2022, being 4 years from the commencement of the performance period.

The performance conditions for the FY19 LTI are as follows:

Relative TSR performance condition - weighting 33.33% (relative TSR Tranche)

Subject to satisfaction of the performance conditions, the relative TSR Tranche will vest on the following basis:

	Position of SCA Property Group relative to 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% 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% p.a. compound	100%	33.33%

FFOPU performance condition - weighting 33.33% (FFOPU Tranche)

The FY19 "base point" for measuring the rate of FFOPU growth is 15.30 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.

Subject to satisfaction of the performance conditions, the FFOPU Tranche will vest on the following basis:

	Growth in FFOPU over LTI 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 - weighting 33.33% (ROE Tranche)

Subject to satisfaction of the performance conditions, the ROE Tranche will vest on the following basis:

	ROE over LTI 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 11.5% 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 11.5% p.a.	100%	33.33%

Signed pursuant to a resolution of Directors.

Philip Marcus Clark AM
Chairman, SCA Property Group

5.2 Definitions

Cash NOI means cash property net operating income

CEO means Chief Executive Officer

CFO means Chief Financial Officer

DEPU means Distributable Earnings per Unit

DRP means Distribution Reinvestment Plan

FBT means Fringe Benefits Tax

FFO means Funds from Operations

FFOPU means Funds from Operations per Unit

GC/CS means General Counsel/Company Secretary

IPO means Initial Public Offering

KMP means Key Management Personnel

KPI means key performance indicator

LTI means Long-Term Incentive

MER means Management Expense Ratio

NEDs means Non-Executive Directors

NOI means net operating income

NTA means net tangible assets

TFR means total fixed remuneration

TRO means total remuneration opportunity

TSR means total securityholder return

ROE means return on equity

SPR means special performance rights

STI means Short-Term Incentive

6. INDEPENDENT AUDITORS REPORT

Deloitte.

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

We have audited the accompanying remuneration report of Shopping Centres Australasia Property Group ("SCA Property Group") comprising Shopping Centres Australasia Property Retail Trust and Shopping Centres Australasia Property Management Trust and their controlled entities as set out on pages 31 to 54 of the annual report of SCA Property Group for the year ended 30 June 2018.

In our opinion, the remuneration report of SCA Property Group, for the year ended 30 June 2018, has been prepared in material respects in accordance with section 300A of the Corporations Act 2001.

Basis for Opinion

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

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

Responsibilities of the Board of Directors for the Remuneration Report

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

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

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the remuneration report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

Deloitte.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SCA Property Group's internal control.

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

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A. Coleman.

Andrew J Coleman
Partner
Chartered Accountants
Sydney, 10 September 2018

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DIRECTORS' AND FINANCIAL REPORT

Directors' Report

Shopping Centres Australasia Property Group (SCA Property Group (SCP or SCA) or the Group) comprises the stapled securities 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 presents its report together with the Trusts' Financial Reports for the year ended 30 June 2018 and the auditor's report thereon.

The Trusts' Financial Report for the year ended 30 June 2018 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 the Trusts. The financial information for the Group is taken from the Consolidated Financial Reports and notes.

1. Directors

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

Mr Philip Marcus Clark AM (appointed 19 September 2012)

Non-Executive Director and Chair

Independent:	Yes.
Other listed Directorships held in last 3 years:	Non-Executive Director of Ingenia Communities Group (June 2012 to December 2017) and Chair and Non-Executive Director of Hunter Hall Global Value Limited (July 2013 to December 2015).
Special responsibilities and other positions held:	Member of Nominations Committee (and Chair from May 2018). Other positions held unrelated to the Group includes member of the JP Morgan Australia Advisory Council and Chairs a number of Government and private company boards and advisory boards.
Other Experience:	Mr Clark was the Managing Partner of the law firm Minter Ellison from 1995 to 2005. Prior to joining Minter Ellison, Mr Clark was a Director and Head of Corporate with ABN Amro Australia, and prior to that he was the Managing Partner of the law firm Mallesons Stephen Jaques for 16 years. Mr Clark was made a member of the Order of Australia in June 2007 for service to the legal profession and business. Mr Clark has been a Director of responsible entities of several listed AREITs, in addition to the Group. Mr Clark brings specific skills in the following areas: • M & A and capital markets; • Audit, risk management and compliance; • Corporate governance; • Real estate, including property management, portfolio and investment management, asset management and funds management; • Remuneration; • Workplace health and safety; and • Stakeholder engagement.
Qualifications:	BA, LLB, and MBA (Columbia University).

Dr Kirstin Ferguson (appointed 1 January 2015)

Non-Executive Director

Independent:	Yes.
Other listed Directorships held in last 3 years:	Non-Executive Director of EML Payments Limited (February 2018 to date) and Non-Executive Director of CIMIC Group Limited (July 2014 to November 2016).
Special responsibilities and other positions held:	Chair of Remuneration Committee and member of Nominations Committee (from May 2018). Other positions currently held unrelated to the Group include Non-Executive Director of the Australian Broadcasting Corporation (November 2015 to date), Non-Executive Director of Hyne & Sons Pty Limited (August 2013 to date) and Non-Executive Director of the Layne Beachley Aim for the Stars Foundation (November 2016 to date). Dr Ferguson is also the creator of the global, online #CelebratingWomen campaign.

Other experience:	Dr Ferguson is an experienced Non-Executive Director on ASX100, ASX200, government, not-for-profit and significant private company boards. Dr Ferguson has a PhD in corporate culture and governance from QUT Business School where she is also an Adjunct Professor (April 2015 to date). Dr Ferguson was formerly the global CEO of the workplace health and safety organisation, Sentis Pty Limited, and Director Corporate Services at Deacons (now Norton Rose Fulbright). Dr Ferguson has listed company experience including roles as a Non-Executive Director of CIMIC Group Limited (July 2014 to November 2016) and Dart Energy Limited (November 2012 to March 2013), as well as board roles with SunWater Limited (October 2008 to August 2015), the Queensland Rugby Union (April 2011 to April 2013) and Queensland Theatre Company (May 2013 to May 2016). Dr Ferguson was also the Independent Chair of the Thiess Advisory Board (February 2013 to June 2014). Dr Ferguson brings specific skills in the following areas: • Remuneration; • Organisational culture; • Diversity; • Risk and compliance; • Workplace health and safety; • Stakeholder engagement; and • Social media.
Qualifications:	PhD, LLB (Honours), BA (Honours), FAICD and a member of Chief Executive Women.

Mr James Hodgkinson OAM (appointed 26 September 2012)

Non-Executive Director

Independent:	Yes.
Other listed Directorships held in last 3 years:	None.
Special responsibilities and other positions held:	Member of the following Committees: Nominations Committee (Chair until April 2018 and member from May 2018); Remuneration Committee; Audit, Risk Management and Compliance Committee and Investment Committee. Other positions held unrelated to the Group include Founding Governor of the Cerebral Palsy Foundation and Founder and Chair of the Cerebral Palsy Alliance of New South Wales 20/Twenty Challenge. Also an advisor to the Ray White Group.
Other experience:	Formerly an Executive Director of the Macquarie Group and a division head within Macquarie's Real Estate Group. In his career at the Macquarie Group he gained broad real estate and funds management experience and Executive and Senior Management experience as a business and transaction leader, listed entity Executive Director and CEO. Other real estate experience includes Non-Executive Director of Goodman Group from February 2003 to September 2011. Additionally he has initiated and assisted in the fund raising initiatives and strategic support of a number of community based organisations. Formerly served as a member of the Advisory Committee of the Macquarie Foundation. Mr Hodgkinson brings specific skills in the following areas: • Real estate, including property and development management, portfolio and investment management, asset management and funds management; • M & A and capital markets; • Investment banking and corporate finance; • Staff management; • Marketing and investor relations; and • Stakeholder engagement.
Qualifications:	BEcon, CPA, FAPI, and FRICS.

Dr Ian Pollard (appointed 26 September 2012; resigned 30 April 2018)

Non-Executive Director

Independent:	Yes.

Other listed Directorships held in last 3 years:	Non-Executive Director and Chair of Billabong International Limited (2012 to April 2018) and Director of Milton Corporation Limited (1998 to date).
Special responsibilities and other positions held:	Chair of Audit, Risk Management and Compliance Committee (until April 2018) and member of Nomination Committee (until April 2018).
Other experience:	Dr Pollard has been a company Director for over 30 years and author of a number of books on both corporate finance and growth in human capital. In addition Dr Pollard is an actuary, Rhodes Scholar and an Adjunct Professor at UTS Business School. Other positions held unrelated to the Group include Chair of RGA Reinsurance Company of Australia Limited, Director of the Wentworth Group of Concerned Scientists, and an Executive coach with Foresight's Global Coaching. Formerly a Director and Chair of a number of listed companies.
Qualifications:	BA, MA (First Class Honours) (Oxon), DPhil, D.Bus (Hon) (Macq), FIAA, FAICD.

Mr Philip Redmond (appointed 26 September 2012)

Non-Executive Director

Independent:	Yes.
Other listed Directorships held in last 3 years:	Non-Executive Director Galileo Funds Management Limited the Responsible Entity for Galileo Japan Trust (2006 to October 2016).
Special responsibilities and other positions held:	Member of: Audit, Risk Management and Compliance Committee (member until April 2018 and then Chair from May 2018); Remuneration Committee (until April 2018); Nominations Committee (from May 2018); and Investment Committee (Chair until April 2018 and a member from May 2018).
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. In addition, Mr Redmond has been a non-executive director for a number of responsible entities in the listed A-REIT sector. Mr Redmond brings specific skills in the following areas: • Real estate, including property and development management, portfolio and investment management, asset management and funds management; • Investment banking and corporate finance; • M&A and capital markets; • Equity placements and entitlement offers; • Valuations; • Development of strategy and policy for real estate investment funds; and • Risk management.
Qualifications:	Bachelor of Applied Science (Valuation), Master of Business Administration (AGSM) and MAICD.

Ms Belinda Robson (appointed 27 September 2012)

Non-Executive Director

Independent:	Yes.
Other listed Directorships held in last 3 years:	None.
Special responsibilities and other positions held:	Member of the following Committees: Audit, Risk Management and Compliance Committee; Remuneration Committee; Nominations Committee (from May 2018); and Investment Committee (Chair from May 2018). Other positions held unrelated to the Group include Non-Executive Director of several Lendlease Asian Retail Investment Funds and a Non-Executive Director of GPT Funds Management Limited.

Other experience:	Ms Robson is an experienced real estate executive and people leader, having previously worked with Lendlease Group for over 22 years in a range of roles including as Fund Manager of Australian Prime Property Retail Fund (APPF Retail) (APPF Retail is managed by the Lendlease Group). As Fund Manager of APPF Retail Ms Robson's responsibilities included portfolio and fund management and the development and implementation of the fund strategy, as well as reporting to the Fund Board and its Investor Advisory Board. Ms Robson's previous roles with Lendlease Group include Head of Operations, Australian Prime Property Fund Series, and Portfolio Manager, Australian Prime Property Fund Retail as well as multiple senior roles in the retail management business. Ms Robson brings specific skills in the following areas: • Real estate, in particular retail assets, spanning all aspects of real estate including property and development management, portfolio and investment management, asset management and funds management; • Retail industry, investor and consumer sentiment experience and the way in which retail formats should and can evolve to capitalise on sector opportunities; • M & A and capital markets; • Corporate governance; • Remuneration; and • Secured international experience.
Qualifications:	BComm (Honours).

Mr Anthony Mellowes (appointed Executive Director 2 October 2012)

Executive Director and CEO

Independent:	No.
Other listed Directorships held in last 3 years:	None.
Special responsibilities and other positions held:	In addition to be being an Executive Director and Chief Executive Officer (CEO), Mr Mellowes is a member of the Investment Committee and is an Executive Director of SCA Unlisted Retail Fund RE Limited.
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 Lendlease Group and Westfield Limited. Mr Mellowes was appointed Chief Executive Officer of SCA Property Group on 16 May 2013 after previously acting as interim Chief Executive Officer since the Group's listing on 26 November 2012. Mr Mellowes was a key member of the Woolworths Limited team which created SCA Property Group. Mr Mellowes brings specific skills in the following areas: • Real estate, in particular retail assets, spanning all aspects of real estate including property and development management, portfolio and investment management and funds management; • Retail experience spanning all retail asset classes; • M&A and capital markets; and • Equity placements.
Qualifications:	Bachelor of Financial Administration and completion of Macquarie Graduate School of Management's Strategic Management Program.

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

Executive Director and CFO

Independent:	No.
Other listed Directorships held in last 3 years:	None.
Special responsibilities and other positions held:	In addition to being an Executive Director and CFO, Mr Fleming is a member of the Investment Committee and an alternative Executive Director of SCA Unlisted Retail Fund RE Limited for Mr Mellowes.

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

Mr Fleming brings specific skills in the following areas:

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

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

Company Secretary

Mr Mark Lamb (appointed 26 September 2012)

General Counsel and Company Secretary

Experience: Mr Lamb is an experienced transaction lawyer with over 20 years experience in private practice as a Partner of Corrs Chambers Westgarth (and subsequently Herbert Geer) and 10 years in the listed sector including as General Counsel and Company Secretary of ING Real Estate, prior to joining SCA.

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

Qualifications: LLB.

Directors' relevant interests

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

Director	Number of stapled securities at 30 June 2017	Net movement increase / (decrease)	Number of vested stapled securities at date of this report	Number of unvested performance rights at date of this report
P Clark AM	52,000	18,000	70,000	-
K Ferguson	10,000	-	10,000	-
J Hodgkinson OAM	184,285	-	184,285	-
P Redmond	67,500	-	67,500	-
B Robson	17,142	-	17,142	-
A Mellowes	662,020	(58,443)	603,577	1,627,279
M Fleming	70,000	70,000	140,000	695,118

Additionally, Dr Ian Pollard was a director during the year until his resignation on 30 April 2018. At 30 June 2017 Dr Ian Pollard held 103,571 stapled securities in the Group. Dr Ian Pollard's holdings of stapled securities in the Group did not change from 30 June 2017 until his resignation on 30 April 2018.

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)	18
Audit, Risk Management and Compliance Committee (ARMCC)	5
Remuneration Committee (Remuneration)	6
Nomination Committee (Nomination)	3
Investment Committee (Investment)	7

	Board			ARMCC			Remuneration			Nomination			Investment		
Director	**A**	**B**	**C**	**A**	**B**	**C**	**A**	**B**	**C**	**A**	**B**	**C**	**A**	**B**	**C**
P Clark AM	18	18	-	-	-	4	-	-	2	3	3	-	-	-	1
K Ferguson	18	17	-	-	-	1	6	6	-	-	-	2	-	-	1
J Hodgkinson OAM	18	15	-	5	4	-	6	5	-	3	2	-	7	7	-
I Pollard	14	14	-	4	4	-	-	-	1	3	3	-	-	-	-
P Redmond	18	18	-	5	5	-	5	5	-	-	-	2	7	7	-
B Robson	18	17	-	5	5	-	6	5	-	-	-	2	7	7	-
A Mellowes	18	17	-	-	-	5	-	-	5	-	-	1	7	7	-
M Fleming	18	17	-	-	-	5	-	-	4	-	-	1	7	7	-

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

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

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

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

2. Principal activities

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

3. Property portfolio

The investment portfolio as at 30 June 2018 consisted of 77 shopping centres including 4 shopping classified as held for sale (30 June 2017: 75 shopping centres). The investment portfolio consists of sub-regional and neighbourhood retail shopping centres, with around half the portfolio located in new growth corridors and regions, and a strong weighting toward non-discretionary retail segments.

The Group also manages five retail properties for SCA Unlisted Retail Fund (SURF 1) valued at $71.0 million and two retail properties for SCA Unlisted Property Fund 2 (SURF 2) valued at $55.1 million at 30 June 2018. SURF 1 and SURF 2 are part of the Group's funds management business. Refer **Funds Management**.

Acquisitions

SCP during the period completed the acquisition of one shopping centre, being Sugarworld Shopping Centre in Cairns QLD (acquired for $24.8 million (excluding transaction costs)) and one development property, being Shell Cove Town Centre in NSW (land acquired for $1.5 million and expected to complete in late 2018).

Additionally, SCP completed the acquisition of the Belmont Bowling Club (strata) located above our Belmont Central Shopping Centre in NSW (acquired for $4.8 million (excluding transaction cost), and the Coorparoo Childcare Centre (strata), located above our Coorparoo Shopping Centre in QLD (acquired for $7.2 million (excluding transaction costs)). As a result of these acquisitions, SCP now owns the entire respective sites at Belmont and Coorparoo.

Assets classified as held for sale

The Group signed conditional contracts to sell four retail properties to SCA Unlisted Retail Fund 3 (SURF 3) prior to June 2018 therefore these properties were classified as held for sale for financial reporting purposes. The book value of these properties is equal to their contracted value of $57.9 million. This sale was completed on 10 July 2018.

Revaluations

All properties are internally valued each June and December. Additionally during the year a number of properties were independently valued including 15 investment properties as at 30 June 2018. The weighted average capitalisation rate as at 30 June 2018 was 6.33% (30 June 2017: 6.47%).

The total value of investment properties as at 30 June 2018 was $2,453.8 million (30 June 2017: $2,364.6 million). The change in value during the year of the investment properties was due principally to:

- The acquisition of the properties discussed above (refer **Acquisitions**) less the properties held for sale (refer **Assets classified as held for sale**); and

- Firming of the portfolio capitalisation rate by 14bps to 6.33% (30 June 2017: 6.47%) which resulted in a $74.1 million favourable unrealised fair value movement (30 June 2017: $211.6 million).

4. Funds Management

The Group also manages five retail properties for SCA Unlisted Retail Fund (SURF 1) valued at $71.0 million and two retail properties for SCA Unlisted Property Fund 2 (SURF 2) valued at $55.1 million at 30 June 2018. SURF 1 and SURF 2 are part of the Group's funds management business.

In May 2018 the Group launched its third unlisted retail fund - SCA Unlisted Retail Fund 3 (SURF 3). SURF 3 commenced operations on 10 July 2018 and purchased four properties from the Group being Moama Marketplace (NSW), Swansea Woolworths (NSW), Warrnambool Target (VIC) and Woodford Woolworths (QLD). These properties were acquired from the Group at book value for $57.9 million. The income from these properties is heavily weighted towards the anchors with relatively few specialty stores. These properties are regarded by the Group as non-core.

5. Operational and financial review

Operational review

The Group remains focused on:

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

Financial review

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

		SCA Property Group		Retail Trust	
		30 Jun 2018	30 Jun 2017	**30 Jun 2018**	30 Jun 2017
Net profit after tax including discontinued operations	($m)	**175.2**	319.6	**175.1**	319.4
Basic earnings per security (weighted for securities on issue during the year) for net profit after tax including discontinued operation	(cents per security)	**23.5**	43.3	**23.4**	43.3
Diluted earnings per security for net profit after tax including discontinued operation	(cents per security)	**23.4**	43.2	**23.4**	43.1
Funds from operations	($m)	**114.3**	108.4	**114.2**	108.2
Funds from operations per security (weighted for securities on issue during the year)	(cents per security)	**15.30**	14.70	**15.29**	14.67
Distributions paid and payable to security holders	($m)	**103.9**	96.8	**103.9**	96.8
Distributions	(cents per security)	**13.9**	13.1	**13.9**	13.1
Net tangible assets	($ per security)	**2.30**	2.20	**2.29**	2.19

Funds from Operations and Adjusted Funds from Operations

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

	SCA Property Group		Retail Trust	
	30 Jun 2018	30 Jun 2017	**30 Jun 2018**	30 Jun 2017
	$m	$m	**$m**	$m
Net profit after tax (statutory) including discontinued operation	**175.2**	319.6	**175.1**	319.4
Adjustments for non cash items included in statutory profit				
Reverse: Straight-lining of rental income and amortisation of incentives	**5.8**	3.1	**5.8**	3.1
Reverse: Fair value or unrealised adjustments				
- Investment properties	**(74.1)**	(211.6)	**(74.1)**	(211.6)
- Derivatives	**0.8**	24.4	**0.8**	24.4
- Foreign exchange	**7.2**	(6.6)	**7.2**	(6.6)
Other Adjustments				
Whitsunday Insurance Funds				
- Reverse: amount received included in statutory profit	**-**	(7.1)	**-**	(7.1)
- Add: insurance for loss of income	**0.3**	1.2	**0.3**	1.2
Reverse: Realised foreign exchange gain	**-**	(17.0)	**-**	(17.0)
Reverse: Debt restructure costs	**-**	3.0	**-**	3.0
Reverse: Net unrealised profit from associates	**(0.9)**	(0.6)	**(0.9)**	(0.6)
Funds from Operations	**114.3**	108.4	**114.2**	108.2
Less: Maintenance capital expenditure	**(3.4)**	(3.1)	**(3.4)**	(3.1)
Less: Capital leasing incentives and leasing costs	**(5.2)**	(5.2)	**(5.2)**	(5.2)
Adjusted Funds from Operations	**105.7**	100.1	**105.6**	99.9

6. Contributed equity

The Group has a Dividend Reinvestment Plan (DRP) under which security holders may elect to have their distribution entitlements satisfied by the issue of new securities at the time of the payment of the distribution rather than being paid in cash. The DRP was in place for the distribution declared in December 2017 (paid in January 2018) and the distribution declared in June 2017 (paid in August 2017). The DRP will be in operation for the distribution declared on 13 June 2018 (payable on 30 August 2018).

Equity issued during the year was as follows:

- **July 2017 - Executive security based compensation:** On 3 July 2017, the Group issued 471,157 securities at nil consideration to Executives.
- **August 2017 - Executive security based compensation:** On 10 August 2017, the Group issued 133,696 securities at nil consideration to Executives.
- **August 2017 – Distribution Reinvestment Plan (DRP):** The DRP applied to the distribution declared on 16 June 2017 and paid on 31 August 2017. Under this DRP, $6.2 million was raised from the issue of 2,920,576 securities at a price of $2.13.
- **December 2017 – Staff security based compensation:** On 20 December 2017, the Group issued 11,070 securities at nil consideration to Staff.
- **January 2018 - Distribution Reinvestment Plan (DRP):** The DRP applied to the distribution declared on 13 December 2017 and paid on 29 January 2018. Under this DRP, $6.5 million was raised from the issue of 2,865,747 securities at a price of $2.25.

7. Significant changes and developments during the year

Investment properties - acquisitions and assets held for sale

During the year, the Group completed the acquisitions of Sugarworld Shopping Centre, Shell Cove Town Centre (development asset), the Belmont Bowling Club (strata) and the Coorparoo Childcare Centre (strata).

The Group signed a conditional sale agreement for four non-core properties to be sold to SCA Unlisted Retail Fund RE Limited as Responsible Entity of SCA Unlisted Retail Fund 3 for $57.9 million. The properties are Moama Marketplace (NSW), Swansea Woolworths (NSW), Warrnambool Target (VIC) and Woodford Woolworths (QLD). The sale was completed on 10 July 2018.

Additional details of these are above under the **Property Portfolio** and **Funds Management** respective sections.

Capital management - debt

During the year the Group agreed to refinancing and extension of its debt facilities. Bilateral bank debt facilities of $215.0 million with expiries between November 2018 and February 2019 were cancelled and replaced with $125.0 million of facilities expiring in November 2022 and December 2022. The next debt expiry is bi lateral bank debt of $230.0 million in December 2019.

In June 2018 the Group agreed with US private investors to issue unsecured US$ denominated notes with an aggregate face value of US$150.0 million (equivalent to A$197.3 million). The funds from these notes will become available in September 2018. The maturity of these notes is US$30.0 million expiring 2028 (10 years), US$70.0 million expiring 2031 (13 years) and US$50.0 million expiring 2033 (15 years).

The principal and coupon obligations have been swapped back to Australian dollars (floating interest rates) such that the Group has no exposure to any currency risk. These US notes will be used to repay bilateral revolving debt and have been rated Baa1 by Moody's.

As at 30 June 2018 the Group had undrawn debt facilities and cash of $130.7 million (30 June 2017: $264.6 million). After the issue of the Notes referred to above in September 2018 the undrawn debt facilities and cash available to the Group will be $328.0 million.

The average debt facility maturity of the Group at 30 June 2018 was 6.3 years (30 June 2017: 5.0 years) including the US$ denominated notes above.

As at 30 June 2018 81.6% of the Group's debt was fixed or hedged (30 June 2017: 86.1%).

Gearing

The Group maintains a prudent approach to managing the balance sheet with gearing of 31.2% as at 30 June 2018 (30 June 2017: 31.4%). The Group's target gearing range is 30% to 40%, however the Group has a preference for gearing to remain below 35% at this point in the cycle.

8. Major business risk profile

Risk	Description	Mitigation
Earnings concentration	The source of the majority of SCA's earnings is rental income from anchor tenants. The following events may lead to a decrease in earnings stability: - a change in control or ownership structure of an anchor tenant resulting in a decline in credit quality of anchor tenants; and/or - a change in anchor tenants' network plans e.g. store closures, rate of new store rollouts; and/or - reduction in anchor tenant sales growth.	Concentration risk within the portfolio is actively managed, primarily, by way of a targeted acquisition and divestment program, which is overseen by an Investment Committee, and also by recognising and adapting to changing market dynamics, including online shopping and click & collect initiatives, with directed asset refurbishment and/or re-development plans.
Speciality leasing	Specialty tenant leases contribute significantly to SCA's earnings. Increases in lease vacancies, defaults or non-renewals may have a negative impact on SCA's results.	Specialty tenancies are actively managed by: continuing to remix tenancies towards non-discretionary categories; continuing to ensure diversified sources of specialty tenant income; building annual rental increases into leases; utilising technological developments eg data analytics to support centre marketing strategies; and supporting the development of community engagement strategies.
Funding & liquidity	Lack of availability of capital or debt to fund acquisitions, inability to refinance debt and/or material increase in costs associated with debt funding may negatively impact on financial performance. Decrease in property valuations may impact on financing covenants.	Ensuring the availability of capital for acquisitions and refinancing is managed by: a conservative gearing policy; diversification of funding sources eg bank debt, corporate note program, and US debt; maintaining and building new equity relationships; development of key banking and other debt relationships; staggered debt maturities across multiple years; and actively managed debt maturities and refinancing to ensure debt maturities can be funded. Interest rate exposures are managed via the Group's hedging policy and strategy. Risk of breaching financing covenants is managed via forecasting future compliance with covenants including scenario testing for expected changes in key covenant inputs. Debt and equity markets are actively monitored including for current debt and equity pricing and availability.
Portfolio composition	Sub-optimal composition of SCA's property portfolio may negatively impact on SCA's returns to investors.	A highly experienced management team ensures that proposed acquisitions of new retail centres are subject to rigorous due diligence and valuation processes. The Investment Committee oversees portfolio composition ensuring that acquisitions, divestments and developments are value accretive and consistent with the core business strategy set by the Board.

9. 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 holders of securities. It intends to achieve this by:

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

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

10. 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.

11. Indemnification and insurance of Directors, Officers and Auditor

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

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

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

12. 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 70.

13. 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 any 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 that 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.

14. Subsequent events

In May 2018 the Group launched its third unlisted retail fund - SCA Unlisted Retail Fund 3 (SURF 3). SURF 3 commenced operations on 10 July 2018 and purchased four properties from the Group being Moama Marketplace (NSW), Swansea Woolworths (NSW), Warrnambool Target (VIC) and Woodford Woolworths (QLD). The income from these properties is heavily weighted towards the anchors with relatively few specialty stores and are regarded by the Group as non-core. The sale price for these properties was $57.9 million, and the Group has retained an equity interest of 26.2% in SURF 3.

In June 2016 the Group acquired a neighbourhood centre known as Bushland Beach Plaza (Queensland) and entered into a development management agreement to develop an expanded neighbourhood shopping centre anchored by a Coles supermarket. This development was completed in July 2018.

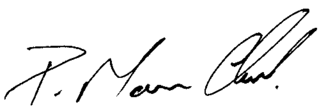
On 2 August 2018 the Group acquired Sturt Mall, a Coles/ Kmart anchored centre (Wagga Wagga NSW) for $73.0 million (plus acquisition costs including stamp duty).

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

15. Rounding of amounts

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

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



Chair
Sydney
6 August 2018

Deloitte.

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6 August 2018

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

Dear Directors

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

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

As lead audit partner for the audit of the financial statements of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust for the year ended 30 June 2018, 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

A. Coleman.

Andrew J Coleman
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Touche Tohmatsu Limited

	Notes	SCA Property Group 30 Jun 2018 $m	SCA Property Group 30 Jun 2017 $m	Retail Trust 30 Jun 2018 $m	Retail Trust 30 Jun 2017 $m
Continuing operations					
Revenue					
Rental income		**208.9**	194.0	**208.9**	194.0
Other income		**-**	3.4	**-**	3.4
Fund management revenue		**0.9**	1.3	**-**	-
Insurance income		**-**	7.1	**-**	7.1
Distribution income	29	**5.6**	5.6	**5.6**	5.6
		215.4	211.4	**214.5**	210.1
Expenses					
Property expenses		**(65.6)**	(61.7)	**(65.6)**	(61.7)
Corporate costs		**(12.1)**	(12.0)	**(11.5)**	(11.5)
		137.7	137.7	**137.4**	136.9
Unrealised gain/(loss) including change in fair value through profit or loss					
- Investment properties	10	**74.1**	211.6	**74.1**	211.6
- Derivatives		**(0.8)**	(24.4)	**(0.8)**	(24.4)
- Foreign exchange		**(7.2)**	6.6	**(7.2)**	6.6
- Share of net profit from associates	27	**2.1**	1.3	**2.1**	1.3
Realised Gain - Foreign Exchange		**-**	17.0	**-**	17.0
Earnings before interest and tax (EBIT)		**205.9**	349.8	**205.6**	349.0
Interest income		**0.2**	0.3	**0.2**	0.3
Finance costs	6	**(30.7)**	(28.6)	**(30.7)**	(28.6)
Net profit before tax		**175.4**	321.5	**175.1**	320.7
Tax	7	**(0.2)**	(0.6)	**-**	-
Net profit after tax from continuing operations		**175.2**	320.9	**175.1**	320.7
Discontinued operations					
Net profit after tax from discontinued operation	8	**-**	(1.3)	**-**	(1.3)
Net profit after tax		**175.2**	319.6	**175.1**	319.4
Net profit after tax attributable to security holders of:					
SCA Property Management Trust		**0.1**	0.2		
SCA Property Retail Trust (non-controlling interest)		**175.1**	319.4		
		175.2	319.6		
Distributions per stapled security (cents)					
Distributions per unit	3	**13.9**	13.1	**13.9**	13.1
Basic earnings per stapled security (cents)	4				
Continuing operations		**23.5**	43.5	**23.4**	43.5
Discontinued operation		**-**	(0.2)	**-**	(0.2)
Continuing and discontinuing		**23.5**	43.3	**23.4**	43.3
Diluted earnings per stapled security (cents)	4				
Continuing operations		**23.4**	43.3	**23.4**	43.3
Discontinued operation		**-**	(0.2)	**-**	(0.2)
Continuing and discontinuing		**23.4**	43.2	**23.4**	43.1
Basic earnings per security (cents)	4				
SCA Property Management Trust		**-**	-		
Diluted earnings per unit of (cents)	4				
SCA Property Management Trust		**-**	-		

Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018

		SCA Property Group		Retail Trust	
	Notes	**30 Jun 2018**	30 Jun 2017	**30 Jun 2018**	30 Jun 2017
		$m	$m	**$m**	$m
Net profit after tax for the year		**175.2**	319.6	**175.1**	319.4
Other comprehensive income					
Items that may be classified subsequently to profit or loss					
Movement in foreign currency translation reserves:					
Net exchange differences on translation of foreign operations up to date of disposal		**-**	1.7	**-**	1.7
Reclassification of foreign currency translation reserve		**-**	(17.0)	**-**	(17.0)
Movement on revaluation of Investment - available for sale	14	**2.4**	(2.8)	**2.4**	(2.8)
Total comprehensive income		**177.6**	301.5	**177.5**	301.3
Total comprehensive income for the period attributable to unitholders of:					
SCA Property Management Trust		**0.1**	0.2		
SCA Property Retail Trust (non-controlling interest)		**177.5**	301.3		
Total comprehensive income		**177.6**	301.5		

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 2018

	Notes	SCA Property Group		Retail Trust	
		30 Jun 2018	30 Jun 2017	**30 Jun 2018**	30 Jun 2017
		$m	$m	**$m**	$m
Current assets					
Cash and cash equivalents		**3.7**	3.6	**2.5**	2.0
Receivables	9	**23.6**	22.4	**23.1**	21.4
Derivative financial instruments	25	**0.3**	0.3	**0.3**	0.3
Other assets	26	**1.3**	1.5	**1.3**	1.5
		28.9	27.8	**27.2**	25.2
Assets classified as held for sale	5	**57.9**	-	**57.9**	-
Total current assets		**86.8**	27.8	**85.1**	25.2
Non-current assets					
Investment properties	10	**2,453.8**	2,364.6	**2,453.8**	2,364.6
Derivative financial instruments	25	**62.0**	56.5	**62.0**	56.5
Investment in associates	27	**18.0**	17.2	**18.0**	17.2
Investment - available for sale	29	**83.4**	81.0	**83.4**	81.0
Total non-current assets		**2,617.2**	2,519.3	**2,617.2**	2,519.3
Total assets		**2,704.0**	2,547.1	**2,702.3**	2,544.5
Current liabilities					
Payables	11	**53.3**	43.4	**60.8**	50.0
Distribution payable	3	**53.2**	49.8	**53.2**	49.8
Derivative financial instruments	25	**6.4**	0.1	**6.4**	0.1
Provisions		**2.1**	2.4	**-**	-
Total current liabilities		**115.0**	95.7	**120.4**	99.9
Non-current liabilities					
Interest bearing liabilities	12	**867.5**	817.4	**867.5**	817.4
Provisions		**0.5**	0.3	**-**	-
Total non-current liabilities		**868.0**	817.7	**867.5**	817.4
Total liabilities		**983.0**	913.4	**987.9**	917.3
Net assets		**1,721.0**	1,633.7	**1,714.4**	1,627.2
Equity					
Contributed Equity	13	**7.5**	7.5	**1,248.0**	1,235.3
Reserves	14	**-**	-	**3.5**	0.2
Accumulated profit/(loss)	15	**(0.9)**	(1.0)	**462.9**	391.7
Non-controlling interest		**1,714.4**	1,627.2	**-**	-
Total Equity		**1,721.0**	1,633.7	**1,714.4**	1,627.2

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

		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 2017		**7.5**	**(1.0)**	**6.5**	**1,627.2**	**1,633.7**
Net profit/ (loss) after tax for the period		**-**	**0.1**	**0.1**	**175.1**	**175.2**
Other comprehensive income for the period, net of tax		**-**	**-**	**-**	**2.4**	**2.4**
Total comprehensive income/ (loss) for the period		**-**	**0.1**	**0.1**	**177.5**	**177.6**
Transactions with unitholders in their capacity as equity holders:						
Employee share based payments	14	**-**	**-**	**-**	**0.9**	**0.9**
Equity issued	13	**-**	**-**	**-**	**12.7**	**12.7**
Distributions paid and payable	3	**-**	**-**	**-**	**(103.9)**	**(103.9)**
		-	**-**	**-**	**(90.3)**	**(90.3)**
Balance at 30 June 2018		**7.5**	**(0.9)**	**6.6**	**1,714.4**	**1,721.0**
Balance at 1 July 2016		7.4	(1.2)	6.2	1,402.7	1,408.9
Net profit/ (loss) after tax for the period		-	0.2	0.2	319.4	319.6
Other comprehensive income for the period, net of tax		-	-	-	(18.1)	(18.1)
Total comprehensive income/ (loss) for the period		-	0.2	0.2	301.3	301.5
Transactions with unitholders in their capacity as equity holders:						
Employee share based payments	14	-	-	-	1.3	1.3
Equity issued	13	0.1	-	0.1	18.7	18.8
Distributions payable	3	-	-	-	(96.8)	(96.8)
		0.1	-	0.1	(76.8)	(76.7)
Balance at 30 June 2017		7.5	(1.0)	6.5	1,627.2	1,633.7

		Retail Trust					
		Contributed equity[1]	Reserves			Accumulated profit/(loss)	Total
			Availble for sale	Foreign currency	Share based		
	Notes	$m	$m	$m	$m	$m	$m
Balance at 1 July 2017		**1,235.3**	**(2.8)**	**-**	**3.0**	**391.7**	**1,627.2**
Net profit/ (loss) after tax for the period		**-**	**-**	**-**	**-**	**175.1**	**175.1**
Other comprehensive income for the period, net of tax		**-**	**2.4**	**-**	**-**	**-**	**2.4**
Total comprehensive income/ (loss) for the period		**-**	**2.4**	**-**	**-**	**175.1**	**177.5**
Transactions with unitholders in their capacity as equity holders:							
Employee share based payments	14	**-**	**-**	**-**	**0.9**	**-**	**0.9**
Equity issued	13	**12.7**	**-**	**-**	**-**	**-**	**12.7**
Distributions paid and payable	3	-	-	-	-	**(103.9)**	**(103.9)**
		12.7	**-**	**-**	**0.9**	**(103.9)**	**(90.3)**
Balance at 30 June 2018		**1,248.0**	**(0.4)**	**-**	**3.9**	**462.9**	**1,714.4**
Balance at 1 July 2016		1,216.6	-	15.3	1.7	169.1	1,402.7
Net profit/ (loss) after tax for the period		-	-	-	-	319.4	319.4
Other comprehensive income for the period, net of tax		-	(2.8)	(15.3)	-	-	(18.1)
Total comprehensive income/ (loss) for the period		-	(2.8)	(15.3)	-	319.4	301.3
Transactions with unitholders in their capacity as equity holders:							
Employee share based payments	14	-	-	-	1.3	-	1.3
Equity issued	13	18.7	-	-	-	-	18.7
Distributions payable	3	-	-	-	-	(96.8)	(96.8)
		18.7	-	-	1.3	(96.8)	(76.8)
Balance at 30 June 2017		1,235.3	(2.8)	-	3.0	391.7	1,627.2

[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 2018

Continuing and discontinued operation		SCA Property Group		Retail Trust	
	Notes	**30 Jun 2018**	30 Jun 2017	**30 Jun 2018**	30 Jun 2017
		$m	$m	**$m**	$m
Cash flows from operating activities					
Property and other income received (inclusive of GST)		**244.6**	222.9	**243.6**	221.6
Insurance proceeds		**-**	7.1	**-**	7.1
Property expenses paid (inclusive of GST)		**(75.7)**	(64.5)	**(75.7)**	(64.5)
Corporate costs paid (inclusive of GST)		**(12.0)**	(11.8)	**(10.6)**	(10.8)
Interest received		**0.2**	0.3	**0.2**	0.3
Finance costs paid		**(30.4)**	(28.7)	**(30.4)**	(28.7)
Taxes paid including GST		**(12.4)**	(12.9)	**(12.4)**	(12.7)
Net cash flow from operating activities	16	**114.3**	112.4	**114.7**	112.3
Cash flows from investing activities					
Payments for investment properties purchased and capital expenditure		**(76.1)**	(314.4)	**(76.1)**	(314.4)
Net proceeds from investment properties sold		**-**	311.0	**-**	311.0
Payments for other assets		**-**	(83.8)	**-**	(83.8)
Distribution received from associate		**1.1**	0.6	**1.1**	0.6
Investments in associates		**-**	(8.5)	**-**	(8.5)
Distribution received from available for sale investment		**5.6**	2.8	**5.6**	2.8
Net cash flow from investing activities		**(69.4)**	(92.3)	**(69.4)**	(92.3)
Cash flow from financing activities					
Proceeds from equity raising		**12.7**	18.8	**12.7**	18.7
Net proceeds from borrowings		**249.0**	583.2	**249.0**	583.2
Repayment of borrowings		**(206.0)**	(530.1)	**(206.0)**	(530.1)
Distributions paid		**(100.5)**	(92.5)	**(100.5)**	(92.5)
Net cash flow from financing activities		**(44.8)**	(20.6)	**(44.8)**	(20.7)
Net change in cash and cash equivalents held		0.1	(0.5)	0.5	(0.7)
Cash and cash equivalents at the beginning of the year		**3.6**	4.1	**2.0**	2.7
Cash and cash equivalents at the end of the year		**3.7**	3.6	**2.5**	2.0

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

1. Corporate information

Shopping Centres Australasia Property Group (the Group) comprises the stapling of the securities 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 6 August 2018.

2. Significant accounting policies

(a) Basis of preparation

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

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

Historical cost convention

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

Going concern

These consolidated Financial Statements are prepared on the going concern basis. In preparing these consolidated Financial Statements the Directors note that the Group and Retail Trust are in a net current asset deficiency position, due to minimal cash and cash equivalents, as it is the policy of the Group and Retail Trust to use surplus cash to repay debt. At 30 June 2018 the Group and Retail Trust have the ability to drawdown sufficient funds to pay the current liabilities and the capital commitments (refer note 18), having available cash and non-current undrawn debt facilities of $130.7 million.

Rounding

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

i. Statement of compliance

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

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

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

ii. New and amended accounting standards and interpretations

In the current year, the Group has applied amendments to AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2017, and therefore relevant for the current year end. The application of these amendments does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Application of new and revised Accounting Standards not yet effective

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

Standard/Interpretation and nature of the change and impact
AASB 9 'Financial Instruments' (and the relevant amending standards) (AASB 9): The standard introduces a number of new and revised classifications of financial assets and liabilities compared to *AASB 139 'Financial Instruments: Recognition and Measurement' (AASB 139)* and addresses the classification, measurement and de recognition of these financial assets and financial liabilities. *AASB 9* introduces new rules for hedge accounting and a new methodology for measurement of impairment of financial assets including accounting for expected credit loss. The Group does not apply hedge accounting and recognises financial assets and liabilities to which AASB 9 will apply as follows: **Classification under AASB 139** → **Classification under AASB 9** Financial assets and liabilities at amortised cost → Financial assets and liabilities at amortised cost Derivatives at fair value through profit or loss → Derivatives at fair value through profit or loss Investment – available for sale → Investment – fair value through other comprehensive income Based on a review of these instruments, the recognition and measurement of these instruments is not expected to change apart from the investment classified as available for sale which will now be "investment – fair value through other comprehensive income". If and when this investment is derecognised, the cumulative gain or loss will not be recognised in profit or loss and will be recognised in other comprehensive income. Apart from this impact, it is anticipated that the financial statements of the Group will not be significantly impacted by these amendments. The expected credit loss model for calculating impairment of financial assets is not expected to have a material impact on the Group. The Group will apply the standard from 1 July 2018.
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective date of AASB 15' (AASB 15): AASB 15 will replace *AASB 118 'Revenue'* which covers revenue arising from the sale of goods and the rendering of services and *AASB 111 'Construction Contracts'* which covers construction contracts. The new standard introduces a five-step model to determine when and how much revenue should be recognised. The standard permits either a full retrospective or a modified retrospective approach for the adoption. The Group has assessed of the impact of this change on the recognition and measurement of revenues of the Group and related disclosures in the financial statements. The Group's lease agreements are the source of the substantially all of the Group's revenue. Based on a review of the lease agreements it is expected that the recognition of this type of revenue by the Group will not be impacted by the new standard and therefore is not expected to have a material impact on the financial results. However some changes in the presentation of certain revenue items and additional disclosure may be required. Further consideration will be required on adoption of *AASB 16 'Leases'* in relation to recoverable outgoings which will continue to be recognised under *AASB 117 'Leases'* until adoption of the new Standard. The Group will apply the standard from 1 July 2018.
AASB 16 'Leases' (AASB 16): AASB 16 introduces new requirements in relation to lease classification and recognition, measurement and presentation and disclosures of leases for lessees and lessors. For lessees a (right-of-use) asset and a lease liability will be recognised on the balance sheet in respect of all leases subject to limited exceptions. The accounting for lessors will not significantly change. Given that the Group is not a party to any significant lease agreements (as lessee), and on the basis that this remains the same, the new standard is not expected to have a material impact on the recognition and measurement of lease-related revenues, assets or liabilities. The Group will apply the standard from 1 July 2020.

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

(b) Basis of consolidation

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

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

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

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

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

Investments in associates

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

(c) Revenue recognition

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

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

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

All other revenues are recognised on an accruals basis.

(d) Finance costs

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

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

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

(e) Taxation

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

The Retail Trust is the property owning trust and is treated as a trust for Australian tax purposes. Under current Australian income tax legislation, the Retail Trust is not liable to Australian income tax, including capital gains tax, provided that members are presently entitled to the income of the Trust as determined in accordance with the Trust's constitution. Management Trust is treated as a company for Australian tax purposes which means it is subject to income tax.

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

(f) Goods and services tax (GST)

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

Receivables and payables are stated with the amounts of GST included. The net amount of GST receivable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(g) Discontinued operation

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

(h) Foreign currency

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

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

(i) Cash and cash equivalents

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

(j) Trade and other receivables

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

(k) Investment properties

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

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition, the investment properties are stated at fair value. Fair value of investment properties is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is given by current prices in an active market suitable for similar property in the same location and condition. Gains and losses arising from changes in the fair values of investment properties are recognised in profit and loss in the period in which they arise.

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

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

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

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

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

(l) Recoverable amount of assets

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

(m) Payables

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

Distribution

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

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

(n) Employee benefits

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.

(o) 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.

(p) Derivative and other financial instruments

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

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

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

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

(q) 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 securities are recognised in equity as a reduction of the proceeds received.

(r) Earnings per security

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

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

(s) 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.

(t) Investment – Available for sale

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

(u) 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 will be sold less than one 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.

(v) Use of estimates and judgements

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

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

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

Judgement – Classification and carrying value of investments

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

Judgement - Selection of parent entity

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

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

Estimate - Valuation of property investments

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

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

Estimate - Valuation of financial instruments

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

3. Distributions paid and payable

	Cents per unit	Total amount $m	Date of payment or expected date of payment
2018 SCA Property Group & Retail Trust			
Interim distribution[1]	**6.8**	**50.7**	29 January 2018
Final distribution[2]	**7.1**	**53.2**	30 August 2018
	13.9	**103.9**	
2017 SCA Property Group & Retail Trust			
Interim distribution	6.4	47.0	30 January 2017
Final distribution	6.7	49.8	31 August 2017
	13.1	96.8	

[1] The interim distribution of 6.8 cents per security was declared on 13 December 2017 and was paid on 29 January 2018.

[2] The 2018 final distribution of 7.1 cents per security was declared on 13 June 2018 and is expected to be paid on or about 30 August 2018. The tax components will be advised on or about that time.

The Management Trust has not declared or paid any distributions. The Group has a Distribution Reinvestment Plan (DRP) in place. The DRP was in place for the distribution declared in June 2017 (paid in August 2017) and for the distribution declared in December 2017 (and paid in January 2018). Further the DRP is in place for the distribution declared in June 2018 (expected to be paid on or about 30 August 2018).

Under the DRP Plan Rules the DRP issue price was determined at a discount of 1.0% to the arithmetic average of the daily volume weighted average market price of security traded on the ASX during the 10 business days commencing on the business day after the record date. The equity raised through the DRP on 31 August 2017 was $6.2 million by the issue of 2,920,576 securities at a price of $2.13. The equity raised through the DRP on 29 January 2018 was $6.5 million by the issue of 2,865,747 securities at a price of $2.25.

4. Earnings per security

	SCA Property Group		Retail Trust		Management Trust	
	30 Jun 2018	30 Jun 2017	**30 Jun 2018**	30 Jun 2017	**30 Jun 2018**	30 Jun 2017
Per stapled security						
Profit from continuing operations	**175.2**	320.9	**175.1**	320.7	**0.1**	0.2
Profit from discontinued operation	**-**	(1.3)	**-**	(1.3)	**-**	-
Net profit after tax for the period ($ million)	**175.2**	319.6	**175.1**	319.4	**0.1**	0.2
Weighted average number of securities used as the denominator in calculating basic earnings per security below	**746,979,400**	737,609,884	**746,979,400**	737,609,884	**746,979,400**	737,609,884
Basic earnings per security for net profit after tax (cents)						
Continuing operations	**23.5**	43.5	**23.4**	43.5	**-**	-
Discontinued operation	**-**	(0.2)	**-**	(0.2)	**-**	-
Continuing and discontinued earnings per security	**23.5**	43.3	**23.4**	43.3	**-**	-
Weighted average number of securities used as the denominator in calculating diluted earnings per security below	**749,776,399**	740,245,731	**749,776,399**	740,245,731	**749,776,399**	740,245,731
Diluted earnings per security for net profit after tax (cents)						
Continuing operations	**23.4**	43.3	**23.4**	43.3	**-**	-
Discontinued operation	**-**	(0.2)	**-**	(0.2)	**-**	-
Continuing and discontinued earnings per security	**23.4**	43.2	**23.4**	43.1	**-**	-

5. Assets classified as held for sale

	SCA Property Group & Retail Trust	
	30 Jun 2018	30 Jun 2017
	$m	$m
Assets classified as held for sale	**57.9**	-

In May 2018 the Group launched its third unlisted retail fund - SCA Unlisted Retail Fund 3 (SURF 3). SURF 3 commenced operations on 10 July 2018 and purchased four properties from the Group being Moama Marketplace (NSW), Swansea Woolworths (NSW), Warrnambool Target (VIC) and Woodford Woolworths (QLD). The Group signed conditional contracts to sell these properties to SURF 3 prior to June 2018 and therefore they are classified as held for sale for financial reporting purposes. The book value of these properties is equal to their contracted value of $57.9 million. Details of these properties are below.

Property	State	Property Type	Book value cap rate 30 Jun 2018	Book value discount rate 30 Jun 2018	Book value 30 Jun 2018 $m
Moama Marketplace	NSW	Neighbourhood	7.00%	7.25%	**14.0**
Swansea	NSW	Neighbourhood	6.00%	6.50%	**15.3**
Warrnambool Target	VIC	Neighbourhood	8.25%	7.25%	**16.0**
Woodford	QLD	Neighbourhood	6.25%	6.25%	**12.6**
Total Assets classified as held for sale					**57.9**

6. Finance costs

	SCA Property Group & Retail Trust	
	30 Jun 2018	30 Jun 2017
	$m	$m
Interest expense	**30.7**	25.6
Swap termination	**-**	3.0
	30.7	**28.6**

7. Taxation

	SCA Property Group		Retail Trust	
	30 Jun 2018	30 Jun 2017	**30 Jun 2018**	30 Jun 2017
	$m	$m	**$m**	$m
Profit before income tax - continuing operations	**175.4**	321.5	**175.1**	320.7
Profit before income tax - discontinued operation	**-**	(1.3)	**-**	(1.3)
	175.4	320.2	**175.1**	319.4
Prima facie tax (expense) at 30%	**(52.6)**	(96.1)	**(52.5)**	(95.8)
Tax effect of income that is not assessable/ deductible in determining taxable profit	**52.4**	95.5	**52.5**	95.8
	(0.2)	(0.6)	**-**	-
Tax expense is attributable to:				
Profit from continuing operations	**(0.2)**	(0.6)	**-**	-
Profit from discontinued operation	**-**	-	**-**	-
	(0.2)	(0.6)	**-**	-

8. Discontinued operation and disposal group held for sale

During the year ended 30 June 2017, the Group completed the sale of its New Zealand investment. The financial performance of the component of the Group classified as a discontinued operation to the date of disposal was:

	SCA Property Group & Retail Trust	
	30 Jun 2018	30 Jun 2017
	$m	$m
Revenue	-	2.9
Property expenses	-	(0.2)
NZ Management Fee	-	(2.9)
Earnings before interest and tax (EBIT)	-	(0.2)
Finance costs	-	(1.1)
Net profit before tax	-	(1.3)
Net (loss)/profit after tax from discontinued operation	-	(1.3)
Cash flows from discontinued operation		
Net cash flows from operating activities	-	(1.3)
Net cash flows from investing activities	-	0.1
Net cash flows from financing activities	-	1.2
Net cash flows	-	-

9. Receivables

	SCA Property Group		Retail Trust	
	30 Jun 2018	30 Jun 2017	**30 Jun 2018**	30 Jun 2017
	$m	$m	**$m**	$m
Current				
Rental receivable	**3.0**	2.7	**3.0**	2.7
Provision for doubtful debts	**(0.8)**	(0.7)	**(0.8)**	(0.7)
	2.2	2.0	**2.2**	2.0
Other receivables	**21.4**	20.4	**20.9**	19.4
Total receivables	**23.6**	22.4	**23.1**	21.4

Ageing of rental receivable[1]

	SCA Property Group		Retail Trust	
	30 Jun 2018	30 Jun 2017	**30 Jun 2018**	30 Jun 2017
	$m	$m	**$m**	$m
Current	**1.7**	1.2	**1.7**	1.2
30 days	**0.7**	0.7	**0.7**	0.7
60 days	**0.3**	0.3	**0.3**	0.3
90 days	**0.1**	0.2	**0.1**	0.2
120 days	**0.2**	0.3	**0.2**	0.3
Rental receivable	**3.0**	2.7	**3.0**	2.7

[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 rental receivables included in ageing above.

10. Investment properties

	SCA Property Group & Retail Trust	
	30 Jun 2018	30 Jun 2017
	$m	$m
Movement in total investment properties		
Opening balance	**2,364.6**	1,888.0
Assets classified as held for sale	**(57.9)**	-
Acquisitions and development expenditure [1]	**69.7**	313.7
Disposals	**-**	(54.9)
Additions including tenant incentives, leasing fees and straight-lining of rental income net of amortisation	**3.3**	6.2
Unrealised movement recognised in Profit or Loss on property valuations	**74.1**	211.6
Closing balance	**2,453.8**	2,364.6

[1] Development expenditure for the year ended 30 June 2018 includes capitalised interest of $0.5 million based on the capitalisation interest rate of 3.8% on qualifying assets (30 June 2017: $0.1m).

Investment properties

Property	State	Property Type	Book value cap rate 30 Jun 2018	Book value discount rate 30 Jun 2018	Book value 30 Jun 2018 $m	Book value 30 June 2017 $m
Sub-Regional						
Lilydale	VIC	Sub-Regional	6.00%	7.25%	**114.0**	109.0
Pakenham	VIC	Sub-Regional	6.00%	7.00%	**91.5**	89.0
Central Highlands	QLD	Sub-Regional	7.00%	7.50%	**65.3**	66.0
Mt Gambier	SA	Sub-Regional	6.48%	7.68%	**74.5**	73.3
Murray Bridge	SA	Sub-Regional	7.00%	7.25%	**66.0**	70.5
Kwinana Marketplace	WA	Sub-Regional	6.25%	7.50%	**150.1**	129.7
Total Sub-Regional					**561.4**	537.5
Neighbourhood						
Belmont[4]	NSW	Neighbourhood	7.00%	8.00%	**32.5**	28.5
Berala	NSW	Neighbourhood	5.50%	6.75%	**27.3**	24.7
Cabarita	NSW	Neighbourhood	6.25%	7.50%	**22.0**	21.8
Cardiff	NSW	Neighbourhood	6.00%	6.75%	**26.0**	24.0
Clemton Park	NSW	Neighbourhood	6.00%	7.00%	**52.0**	55.5
Goonellabah	NSW	Neighbourhood	6.75%	7.50%	**21.0**	21.4
Greystanes	NSW	Neighbourhood	5.75%	7.25%	**59.3**	52.6
Griffin Plaza	NSW	Neighbourhood	6.75%	7.25%	**26.1**	26.0
Lane Cove	NSW	Neighbourhood	5.75%	7.50%	**59.5**	58.5
Leura	NSW	Neighbourhood	5.25%	6.50%	**19.9**	18.0
Lismore	NSW	Neighbourhood	6.75%	7.25%	**34.0**	34.6
Macksville	NSW	Neighbourhood	5.75%	6.75%	**14.0**	13.0
Merimbula	NSW	Neighbourhood	6.25%	7.00%	**20.3**	18.7
Moama[3]	NSW	Neighbourhood	-	-	**-**	13.8
Morisset	NSW	Neighbourhood	7.00%	7.25%	**18.9**	18.8
Muswellbrook	NSW	Neighbourhood	6.50%	7.50%	**32.5**	29.3
Northgate	NSW	Neighbourhood	6.50%	7.25%	**16.2**	16.5
North Orange	NSW	Neighbourhood	6.25%	7.50%	**32.6**	29.5
Shell Cove[2]	NSW	Neighbourhood	N/A	N/A	**15.3**	-
Swansea[3]	NSW	Neighbourhood	-	-	**-**	14.5
Ulladulla	NSW	Neighbourhood	6.00%	6.75%	**23.8**	20.3
West Dubbo	NSW	Neighbourhood	6.25%	7.00%	**18.5**	16.9
Albury	VIC	Neighbourhood	6.50%	6.75%	**23.2**	22.0
Ballarat	VIC	Neighbourhood	7.00%	6.50%	**18.0**	18.4
Cowes	VIC	Neighbourhood	6.75%	7.00%	**19.0**	19.2
Drouin	VIC	Neighbourhood	5.75%	5.25%	**16.4**	14.9
Epping North	VIC	Neighbourhood	5.50%	6.00%	**31.7**	30.4
Highett	VIC	Neighbourhood	5.50%	6.00%	**33.1**	30.0
Langwarrin	VIC	Neighbourhood	5.50%	6.50%	**25.0**	25.0
Ocean Grove	VIC	Neighbourhood	6.25%	7.25%	**38.5**	35.3

Investment properties (continued)						
Property	**State**	**Property Type**	**Book value cap rate 30 Jun 2018**	**Book value discount rate 30 Jun 2018**	**Book value 30 Jun 2018 $m**	**Book value 30 June 2017 $m**
Neighbourhood						
Warrnambool East	VIC	Neighbourhood	6.00%	6.50%	**16.9**	14.8
Warrnambool Target[3]	VIC	Neighbourhood	-	-	**-**	18.2
Wonthaggi	VIC	Neighbourhood	6.75%	7.50%	**44.6**	45.4
Wyndham Vale	VIC	Neighbourhood	5.75%	6.25%	**24.0**	22.6
Annandale	QLD	Neighbourhood	7.25%	8.50%	**30.2**	33.5
Ayr	QLD	Neighbourhood	6.75%	8.00%	**19.5**	19.4
Brookwater Village	QLD	Neighbourhood	6.25%	7.25%	**36.3**	35.2
Bushland Beach	QLD	Neighbourhood	N/A	N/A	**21.4**	12.8
Carrara	QLD	Neighbourhood	6.50%	6.75%	**18.4**	18.1
Chancellor Park Marketplace	QLD	Neighbourhood	6.00%	6.25%	**46.9**	44.4
Collingwood Park	QLD	Neighbourhood	6.50%	7.00%	**11.4**	11.2
Coorparoo[5]	QLD	Neighbourhood	5.75%	6.50%	**37.0**	26.0
Gladstone	QLD	Neighbourhood	7.00%	7.25%	**24.8**	27.5
Greenbank	QLD	Neighbourhood	6.25%	7.75%	**22.1**	23.7
Jimboomba	QLD	Neighbourhood	6.25%	7.25%	**29.0**	27.5
Lillybrook	QLD	Neighbourhood	6.00%	7.00%	**30.3**	26.5
Mackay	QLD	Neighbourhood	6.50%	6.50%	**26.2**	23.6
Marian Town Centre	QLD	Neighbourhood	7.00%	7.50%	**32.5**	33.0
Mission Beach	QLD	Neighbourhood	6.50%	7.00%	**12.0**	11.4
Mt Warren Park	QLD	Neighbourhood	6.25%	7.00%	**16.4**	16.4
Mudgeeraba	QLD	Neighbourhood	6.00%	7.50%	**36.2**	35.8
Sugarworld Shopping Centre[2]	QLD	Neighbourhood	6.75%	7.50%	**24.8**	-
The Markets	QLD	Neighbourhood	6.75%	6.75%	**31.5**	33.0
Whitsunday	QLD	Neighbourhood	7.25%	7.50%	**36.0**	38.3
Woodford[3]	QLD	Neighbourhood	-	-	**-**	12.3
Worongary	QLD	Neighbourhood	6.00%	7.00%	**47.4**	46.3
Blakes Crossing	SA	Neighbourhood	6.50%	6.50%	**22.7**	22.1
Walkerville	SA	Neighbourhood	6.00%	7.50%	**25.5**	24.0
Busselton	WA	Neighbourhood	6.00%	6.50%	**27.1**	24.9
Treendale	WA	Neighbourhood	6.25%	7.50%	**34.4**	34.4
Burnie	TAS	Neighbourhood	7.50%	8.00%	**21.8**	21.0
Claremont Plaza	TAS	Neighbourhood	6.50%	7.75%	**36.6**	34.0
Glenorchy Central	TAS	Neighbourhood	6.75%	7.25%	**25.9**	25.8
Greenpoint	TAS	Neighbourhood	7.25%	8.00%	**15.6**	15.0
Kingston	TAS	Neighbourhood	6.30%	8.02%	**27.1**	26.6
Meadow Mews	TAS	Neighbourhood	6.50%	7.75%	**58.0**	55.0
New Town Plaza	TAS	Neighbourhood	6.50%	7.00%	**42.0**	37.0
Prospect Vale	TAS	Neighbourhood	6.75%	7.75%	**29.0**	27.7
Riverside	TAS	Neighbourhood	7.25%	7.00%	**8.8**	8.3
Shoreline	TAS	Neighbourhood	6.25%	6.75%	**37.3**	35.9
Sorell	TAS	Neighbourhood	6.25%	7.25%	**28.3**	26.4
Total Neighbourhood					**1,892.4**	1,827.1
Total investment properties Australia					**2,453.8**	2,364.6

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

[2] Properties acquired during the year ended 30 June 2018. Shell Cove is a development asset. As at 30 June 2018, the value of $15.3m represents the acquisition cost of the land and estimated percentage completion of development costs.

[3] Properties under conditional contract of sale. Refer to note 5.

[4] Belmont Bowling Club (strata) located above our Belmont Central Shopping Centre in NSW was acquired during the period for $4.8 million and is included in the FY18 valuation.

[5] Coorparoo Childcare Centre (strata) located above our Coorparoo Shopping Centre in QLD was acquired during the period for $7.2 million and is included in the FY18 valuation.

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 internally valued every June and December and a number are selected for external independent valuation at each balance date. The properties selected for external valuation are choosen based on consideration of properties with significant change (such as a significant difference between book value and internal valuation, a development project or a significant change in the circumstances at the property including a significant change in the trading of the location) and ensuring the sample is representative. The internal valuations are performed on a basis consistent with the methodology of the most recent external valuations. This includes using appropriate capitalisation rates, terminal yields and discount rates based on comparable market evidence and recent external valuation parameters to produce a capitalisation based valuation and a discounted cash flow valuation.

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

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

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

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

Fair value measurement, valuation technique and inputs

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

Category	Fair value hierarchy	Book value 30 June 2018 $m	Valuation technique	Key inputs used to measure fair value	Range of unobservable inputs
Investment Properties	Level 3	2,453.8	Income capitalisation and DCF[1]	Capitalisation rate Discount rate	5.25% - 7.50% 5.25% - 8.50%
Category	**Fair value hierarchy**	**Book value 30 June 2017 $m**	**Valuation technique**	**Key inputs used to measure fair value**	**Range of unobservable inputs**
Investment Properties	Level 3	2,364.6	Income capitalisation and DCF[1]	Capitalisation rate Discount rate	5.50% - 8.00% 5.25% - 8.50%

[1] Discounted cash flow.

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

Capitalisation method

Capitalisation rate (or cap rate) for the purpose of this report is an approximation of the ratio between the net operating income produced by an investment property and its fair value. The net operating income is determined considering the estimated gross passing income after adjustment for anticipated operating costs, potential future income from existing vacancies and an ongoing vacancy and bad debt allowance. This produces a net income on a fully leased basis which is capitalised in perpetuity from the valuation date at an appropriate investment yield. The adopted investment yield reflects the capitalisation rate (cap rate) and includes consideration of the property type, location and tenancy profile together with market sales and other matters such market rents, current rents including possible rent reversion, capital expenditure, lease expiry profile including vacancy, type of tenants, capital expenditure and sales growth of the centre.

Discounted cash flows (DCF)

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the cashflows associated with the ownership of a property (including income and capital and transaction costs (including disposal costs)) over the property's life including an exit or terminal value. The DCF method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate discount rate is applied to establish the present value of the income stream associated with the real property. The discount rate is the rate of return used to convert a monetary sum, payable or receivable in the future, into a present value. The rate is determined with regards to market evidence.

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

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

Sensitivity information

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

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

Sensitivity analysis

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

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

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

Sensitivity analysis – capitalisation rate

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

The following sensitivity analysis from the investment properties 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 2018				
SCA Property Group & Retail Trust				
Investment properties	**(93.0)**	**100.9**	**(93.0)**	**100.9**
30 June 2017				
SCA Property Group & Retail Trust				
Investment properties	(84.2)	91.0	(84.2)	91.0

11. Trade and other payables

	SCA Property Group		Retail Trust	
	30 Jun 2018	30 Jun 2017	**30 Jun 2018**	30 Jun 2017
	$m	$m	**$m**	$m
Current				
Trade payables and other creditors [1]	**53.1**	42.8	**53.3**	42.3
Income tax payable	**0.2**	0.6	**-**	0.2
Payables to related parties	**-**	-	**7.5**	7.5
	53.3	**43.4**	**60.8**	**50.0**

[1] Trade payables and other creditors at 30 June 2018 includes $13.8 million in respect of Shell Cove. Refer note 18. This amount is payable upon completion of Shell Cove and it is expected to be completed in the first half of FY19. Excluding the amount in respect of Shell Cove, other trade payables and other creditors are generally payable within 30 days.

12. Interest bearing liabilities

	SCA Property Group & Retail Trust	
	30 Jun 2018	30 Jun 2017
	$m	$m
Unsecured Bank Bilateral Facilities		
- A$ denominated	**217.0**	174.0
Unsecured A$ Medium term note		
- A$ denominated	**400.0**	400.0
Unsecured US Notes		
- A$ denominated	**50.0**	50.0
- US$ denominated (converted to A$)	**202.6**	195.4
Total unsecured debt outstanding	**869.6**	819.4
- Less: unamortised establishment fees and unamoritsed MTN discount and premium	**(2.1)**	(2.0)
Interest bearing liabilities	**867.5**	817.4

Financing facilities and financing resources

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

Bank bilateral facilities

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

One of the bilateral facilities can also be used for bank guarantees. As at 30 June 2018, in addition to the bilateral facilities drawn above, $11.0 million of a bilateral facility available was used to support a $11.0 million bank guarantee (30 June 2017: $10.0 million). The bank guarantee assists with the Group's obligations under its Australian Financial Services Licences.

During the year the Group agreed to refinancing and extension of its debt facilities. Bilateral debt facilities of $215.0 million with expiries between November 2018 and February 2019 were cancelled and replaced with $125 million of facilities expiring in November 2022 and December 2022. The next debt expiry is bilateral bank debt of $230.0 million in December 2019.

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

	SCA Property Group & Retail Trust	
	30 Jun 2018	30 Jun 2017
	$m	$m
Financing facilities and financing resources		
Bilateral bank facilities		
Committed Bilateral financing facilities available	**355.0**	445.0
Less: amounts drawn down		
- Continuing operations	**(217.0)**	(174.0)
Less: amounts utilised for bank guarantee	**(11.0)**	(10.0)
Net Bilateral facilities available	**127.0**	261.0
Add: cash and cash equivalents	**3.7**	3.6
Financing resources available	**130.7**	264.6

As at 30 June 2018 the Group had undrawn debt facilities and cash of $130.7 million (30 June 2017: $264.6 million). After the issue of the US notes referred to below in September 2018 the undrawn debt facilities and cash available to the Group will be $328.0 million. The US Notes will be used to repay bilateral revolving debt.

A$ medium term notes (A$ MTN)

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

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

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

US Notes

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

Additionally in June 2018 the Group agreed with US private investors to issue unsecured notes with an aggregate face value of US$150.0 million (equivalent to A$197.3 million). The funds from these notes will become available in September 2018. The maturity of these notes is US$30.0 million expiring 2028 (10 years), US$70.0 million expiring 2031 (13 years) and US$50.0 million expiring 2033 (15 years). The principal and coupon obligations have been fully economically swapped back to Australian dollars (floating interest rates). These US notes will be used to repay bilateral revolving debt and have been rated Baa1 by Moody’s.

Debt covenants

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

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

The Group was in compliance with all of the financial covenants and obligations for the period ended and as at 30 June 2018.

Capital Management – management gearing

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

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

As the US notes USD denominated debt has been fully economically hedged, for the purpose of the management determination of gearing US$ denominated debt of US$150.0 million is recorded at its economically hedged value of A$209.8 million. This also results in management gearing being based on a constant currency basis. The US notes agreed to in June 2018 will be used to repay bilateral debt and will be included at their economically hedged value (A$197.3 million) when drawn in September 2018.

The Group's gearing was 31.2% as at 30 June 2018 (30 June 2017: 31.4%). The Group's target gearing range is 30% to 40%, however the Group has a preference for gearing to remain below 35% at this point in the cycle. The Group's gearing calculation is below.

Gearing (management)	**30 Jun 2018 $m**	30 Jun 2017 $m
Bilateral and A$ notes		
Unsecured bilateral facilities drawn	**217.0**	174.0
Unsecured A$ medium term notes	**400.0**	400.0
	617.0	574.0
US Notes		
US$ denominated notes - USD face value	**150.0**	150.0
Economically hedged exchange rate	**0.9387**	0.9387
US$ denominated notes - AUD equivalent	**159.8**	159.8
A$ denominated notes	**50.0**	50.0
Total US Notes	**209.8**	209.8
Total debt used and drawn AU$ equivalent	**826.8**	783.8
Less: cash and cash equivalents	**(3.7)**	(3.6)
Net finance debt for gearing	**823.1**	780.2
Total assets	**2,704.0**	2,547.1
Less: cash and cash equivalents	**(3.7)**	(3.6)
Less: derivative value included in total assets	**(62.3)**	(56.8)
Net total assets for gearing	**2,638.0**	2,486.7
Gearing (management)[1]	**31.2%**	31.4%

[1] As noted under Bank bilateral facilities, the Group also has $11.0 million (30 June 2017: $10.0 million) used to support bank guarantees. The bank guarantees assist with the Group's compliance with its Australian Financial Services Licenses obligations. The value of these guarantees has been excluded from management's net finance debt used for gearing which is consistent with the approach taken by the Group's credit rating agency to determine net debt.

13. Contributed equity

	SCA Property Group		Retail Trust	
	30 Jun 2018	30 Jun 2017	**30 Jun 2018**	30 Jun 2017
	$m	$m	**$m**	$m
Equity	**1,283.9**	1,271.2	**1,276.3**	1,263.6
Issue costs	**(28.4)**	(28.4)	**(28.3)**	(28.3)
	1,255.5	1,242.8	**1,248.0**	1,235.3
	Management Trust		**Retail Trust**	
Opening balance	**7.5**	7.4	**1,235.3**	1,216.6
Equity raised through Distribution Reinvestment Plan - January 2017	**-**	0.1	**-**	18.7
Equity raised through Distribution Reinvestment Plan - August 2017	**-**	-	**6.2**	-
Equity raised through Distribution Reinvestment Plan - January 2018	**-**	-	**6.5**	-
Closing balance	**7.5**	7.5	**1,248.0**	1,235.3
Balance at the end of the period is attributable to unit holders of:				
Shopping Centres Australasia Property Management Trust	**7.5**	7.5		
Shopping Centres Australasia Property Retail Trust	**1,248.0**	1,235.3		
	1,255.5	1,242.8		

Securities on Issue

	SCA Property Group & Retail Trust	
	30 Jun 2018	30 Jun 2017
	No. of securities	No. of securities
Opening balance	**742,752,189**	733,390,134
Equity issued for executive security based compensation arrangements - 24 August 2016	**-**	734,092
Equity issued for staff security based compensation arrangements - 20 December 2016	**-**	11,112
Equity raised through Distribution Reinvestment Plan - 30 January 2017	**-**	8,616,851
Equity issued for executive security based compensation arrangements - 3 July 2017	**471,157**	-
Equity issued for executive security based compensation arrangements - 10 August 2017	**133,696**	-
Equity raised through Distribution Reinvestment Plan - 31 August 2017	**2,920,576**	-
Equity issued for staff security based compensation arrangements - 20 December 2017	**11,070**	-
Equity raised through Distribution Reinvestment Plan - 29 January 2018	**2,865,747**	-
Closing balance	**749,154,435**	742,752,189

As long as Shopping Centres Australasia Property Group remains jointly quoted, the number of securities in each of the Trusts are equal and the security holders identical. Holders of stapled securities are entitled to receive distributions as declared from time to time. SCA Property Group holds concurrent meetings of the Retail Trust and Management Trust. Subject to any voting restrictions imposed on a security holder 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 securities were issued and equity raised as a result of the operation of the distribution reinvestment plan, and compensation arrangements. Additional information on the distribution reinvestment plan is below.

Issue of securities from distribution reinvestment plan (DRP)

The DRP was in place for the distribution declared in June 2017 (paid in August 2017) and for the distribution declared in December 2017 (and paid in January 2018). Further the DRP is in place for the distribution declared in June 2018 (expected to be paid on or about 30 August 2018).

Under the DRP Plan Rules the DRP issue price was determined at a discount of 1.0% to the arithmetic average of the daily volume weighted average market price of security traded on the ASX during the 10 business days commencing on the business day after the record date. The equity raised through the DRP on 31 August 2017 was $6.2 million by the issue of 2,920,576 securities at a price of $2.13. The equity raised through the DRP on 29 January 2018 was $6.5 million by the issue of 2,865,747 securities at a price of $2.25.

14. Reserves (net of income tax)

	Retail Trust	
	30 Jun 2018	30 Jun 2017
	$m	$m
Share based payment reserve	**3.9**	3.0
Foreign currency translation reserve	**-**	-
Investment available for sale reserve	**(0.4)**	(2.8)
	3.5	0.2
Movements in reserves		
Share based payment reserve		
Balance at the beginning of the year	**3.0**	1.7
Employee share based payments	**0.9**	1.3
Closing balance	**3.9**	3.0
Foreign currency translation reserve		
Opening balance	**-**	15.3
Translation differences arising during the year	**-**	1.7
Reclassification of foreign currency translation reserve	**-**	(17.0)
Closing balance	**-**	-
Investment available for sale reserve		
Opening balance	**(2.8)**	-
Revaluation of investment - available for sale	**2.4**	(2.8)
Closing balance	**(0.4)**	(2.8)

Share based payment reserve: Refer note 21.

Foreign currency translation reserve: In the prior period the foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operation. Further, following the sale of the New Zealand properties and the sale proceeds used for repayment of the New Zealand denominated debt with the remainder repatriated to Australia during the year ended 30 June 2017 the foreign currency translation reserve has been reclassed to Consolidated Statements of Profit or Loss in the prior period. Refer note 8.

Available for sale reserve: Refer note 29.

15. Accumulated profit and loss

	SCA Property Group		Retail Trust	
	30 Jun 2018	30 Jun 2017	**30 Jun 2018**	30 Jun 2017
	$m	$m	**$m**	$m
Opening balance	**390.7**	167.9	**391.7**	169.1
Net profit for the year	**175.2**	319.6	**175.1**	319.4
Distributions paid and payable (note 3)	**(103.9)**	(96.8)	**(103.9)**	(96.8)
Closing balance	**462.0**	390.7	**462.9**	391.7
Balance at the end of the year is attributable to unit holders of:				
Shopping Centres Australasia Property Management Trust	**(0.9)**	(1.0)		
Shopping Centres Australasia Property Retail Trust	**462.9**	391.7		
	462.0	390.7		

16. Cash flow information

(a) Notes to statements of cash flows

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

	SCA Property Group		Retail Trust	
	30 Jun 2018 $m	30 Jun 2017 $m	**30 Jun 2018 $m**	30 Jun 2017 $m
Net profit after tax	**175.2**	319.6	**175.1**	319.4
Net unrealised (gain) / loss on change in fair value of investment properties	**(74.1)**	(211.6)	**(74.1)**	(211.6)
Net unrealised (gain) / loss on change in fair value of derivatives	**0.8**	24.4	**0.8**	24.4
Net unrealised (gain) / loss on change in foreign exchange	**7.2**	(23.6)	**7.2**	(23.6)
Straight-lining of rental income and amortisation of incentives	**5.7**	(3.1)	**5.7**	(3.1)
(Decrease) / increase in payables	**0.5**	21.4	**1.5**	20.6
Non-cash financing expenses	**0.4**	0.3	**0.4**	0.3
Other non-cash items and movements in other assets	**(0.2)**	(5.9)	**(0.2)**	(5.9)
(Increase) / decrease in receivables	**(1.2)**	(9.1)	**(1.7)**	(8.2)
Net cash flow from operating activities	**114.3**	112.4	**114.7**	112.3

(b) Net debt reconciliation

Reconciliation of net debt movements during the financial year is below.

	SCA Property Group			
	Cash $m	**Due within 1 year $m**	**Due after 1 year $m**	**Total $m**
Net debt as at 30 June 2017	3.6	-	(819.4)	(815.8)
Cashflows	0.1	-	(43.0)	(42.9)
Foreign exchange adjustments	-	-	(7.2)	(7.2)
Net debt as at 30 June 2018	**3.7**	**-**	**(869.6)**	**(865.9)**

	Retail Trust			
	Cash $m	**Due within 1 year $m**	**Due after 1 year $m**	**Total $m**
Net debt as at 30 June 2017	2.0	-	(819.4)	(817.4)
Cashflows	0.5	-	(43.0)	(42.5)
Foreign exchange adjustments	-	-	(7.2)	(7.2)
Net debt as at 30 June 2018	**2.5**	**-**	**(869.6)**	**(867.1)**

17. Operating leases

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

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

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

For other tenants lease terms would commonly be for shorter periods such as five years with provisions for annual reviews which typically comprise either fixed percentage increases, CPI based increases or market reviews. Optional lease extensions exercisable by the tenant are also possible. 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 are as follows.

	SCA Property Group & Retail Trust	
	30 Jun 2018	30 Jun 2017
	$m	$m
Within one year	**180.5**	173.4
Between one and five years	**559.3**	556.4
After five years	**820.8**	902.9
	1,560.6	1,632.7

There was $1.4 million of percentage or turnover rent recognised as income in the current year (30 June 2017: $1.3 million).

18. Capital commitments

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

	SCA Property Group & Retail Trust	
	30 Jun 18 ($m)	**30 Jun 17 ($m)**
Within one year	**19.7**	22.4

The 30 June 2018 balance relates to:

- **Bushland Beach (QLD) ($2.2 million):** Prior to 30 June 2016 the Group acquired a neighbourhood shopping centre and adjacent development land, known as Bushland Beach Plaza. Development was settled in July 2018.
- **Shell Cove (NSW) ($7.5 million):** During the period the Group acquired a development site at Shell Cove for $1.5 million. The Shell Cove development involves building a new Woolworths anchored neighbourhood shopping centre for an all-in cost of $21.3 million and is expected to be completed during the first half of FY19. The development as at 30 June 2018 was 65% complete and therefore the corresponding liability of $13.8m has been recognised in payables. The remaining balance of $7.5 million has been recognised as a capital commitment.
- **Greenbank (QLD) ($10.0 million):** During the year ended 30 June 2016 the Group entered into a conditional agreement to acquire Greenbank neighbourhood shopping centre for $23.0 million (excluding transaction costs). This transaction settled in January 2016. This acquisition includes a call option for the Group to acquire ten hectares of adjacent development land for $10.0 million exercisable at any time within 5 years from the date of acquisition. This exercise amount has been treated as an estimated capital expenditure within one year as the Group may exercise this option at its sole discretion at any time although there is no immediate expectation of exercise (and the vendor has a put option which is exercisable in December 2020 if the call option is not exercised by that time) (30 June 2017: $10.0 million). Refer also note 25(c).

19. Segment reporting – continuing operations and discontinued operation

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

	Australia		New Zealand		Total	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	$m	$m	$m	$m	$m	$m
Revenue						
Rental income[1]	**208.9**	194.0	-	2.9	**208.9**	196.9
Other income	-	0.5	-	-	-	0.5
Funds management income	**0.9**	1.3	-	-	**0.9**	1.3
Insurance income	-	7.1	-	-	-	7.1
Distribution income	**5.6**	5.6	-	-	**5.6**	5.6
NZ management fee	-	2.9	-	(2.9)	-	-
	215.4	211.4	-	-	**215.4**	211.4
Expenses						
Property expenses	**(65.6)**	(61.7)	-	(0.2)	**(65.6)**	(61.9)
Corporate costs	**(12.1)**	(12.0)	-	-	**(12.1)**	(12.0)
	(77.7)	(73.7)	-	(0.2)	**(77.7)**	(73.9)
Segment result	**137.7**	137.7	-	(0.2)	**137.7**	137.5
Fair value adjustments on investment properties	**74.1**	211.6	-	-	**74.1**	211.6
Fair value adjustments on derivatives	**(0.8)**	(24.4)	-	-	**(0.8)**	(24.4)
Foreign exchange	**(7.2)**	23.6	-	-	**(7.2)**	23.6
Fair value adjustments from associates	**2.1**	1.3	-	-	**2.1**	1.3
Interest income	**0.2**	0.3	-	-	**0.2**	0.3
Financing costs	**(30.7)**	(28.6)	-	(1.1)	**(30.7)**	(29.7)
Tax	**(0.2)**	(0.6)	-	-	**(0.2)**	(0.6)
Net profit/ (loss) after tax for the year attributable to unitholders	**175.2**	320.9	-	(1.3)	**175.2**	319.6
Assets and liabilities						
Segment assets	**2,704.0**	2,547.1	-	-	**2,704.0**	2,547.1
Segment liabilities	**(983.0)**	(913.4)	-	-	**(983.0)**	(913.4)

[1] For the purposes of segment reporting $79.4 million in rental income (30 June 2017: $84.7 million) was from Woolworths Limited. Further, $27.3 million in rental income (30 June 2017: $22.1 million) was from Wesfarmers Limited and its affiliates.

20. Key management personnel compensation

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

	30 Jun 2018	30 Jun 2017
	$	$
Short term benefits	**3,427,087**	3,495,471
Post-employment benefits	**159,458**	175,125
Share-based payment	**1,100,478**	979,813
Long term benefits	**64,805**	46,113
	4,751,828	4,696,522

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

21. Share based payments

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

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

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

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

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

In addition certain non-key management personnel have also been granted 292,407 rights during the year (30 June 2017: 222,856).

The table below summarises the rights issued to key management personnel. These rights have a nil exercise price and awards are subject to meeting performance criteria. Where the performance criteria are met, details of the stapled securities that may be issued are below. Under the Group Executive Incentive Plan during the year ended 30 June 2018 stapled securities were issued and vested to Mr Mellowes 408,299 (number of securities) (30 June 2017: 552,728), Mr Fleming 154,883 (number of securities) (30 June 2017: 139,692) and Mr Lamb 41,671 (number of securities) (30 June 2017: 41,672).

Type and eligibility	Vesting conditions[1]	Share price at grant date	Grant date	Testing date	Vesting date	Maximum number of stapled securities or maximum value of securities to be issued	Fair value at grant date
STIP (FY18) (Mr Mellowes)	Non-market	$2.23	Aug-17	Jul-18	Jul-20	$341,250	$0.98 per $1.00
STIP (FY18) (Mr Fleming)	Non-market	$2.23	Aug-17	Jul-18	Jul-20	$156,250	$0.98 per $1.00
LTIP (FY18 - FY20) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR[2]	$2.23	Aug-17	Sep-20	Jul-21	168,973	$1.10 per unit
LTIP (FY18 - FY20) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.23	Aug-17	Jun-20	Jul-21	168,973	$2.23 per unit
LTIP (FY18 - FY20) (tranche 3) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.23	Aug-17	Jun-20	Jul-21	168,973	$2.23 per unit
STIP (FY17)(Mr Mellowes)	Non-market	$2.31	Aug-16	Jul-17	Jul-19	$334,688	$0.99 per $1.00
STIP (FY17)(Mr Fleming)	Non-market	$2.31	Aug-16	Jun-17	Jul-19	$153,000	$0.99 per $1.00
LTIP (FY17 - FY19) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR[2]	$2.31	Aug-16	Sep-19	Jul-20	159,351	$1.18 per unit
LTIP (FY17 - FY19) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.31	Aug-16	Jun-19	Jul-20	159,351	$2.31 per unit
LTIP (FY17 - FY19) (tranche 3) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.31	Aug-16	Jun-19	Jul-20	159,351	$2.31 per unit
STIP (FY16)(Mr Mellowes)	Non-market	$2.00	Oct-15	Jul-16	Jul-18	$328,125	$1.00 per $1.00
STIP (FY16)(Mr Fleming)	Non-market	$2.00	Oct-15	Jul-16	Jul-18	$150,000	$1.00 per $1.00
LTIP (FY16 - FY18) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR[2]	$2.00	Oct-15	Sep-18	Jul-19	181,307	$1.00 per unit
LTIP (FY16 - FY18) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.00	Oct-15	Jun-18	Jul-19	181,307	$2.00 per unit
LTIP (FY16 - FY18) (tranche 3) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.00	Oct-15	Jun-18	Jul-19	181,307	$2.00 per unit
LTIP (FY15 - FY17) (tranche 1) (Messrs Mellowes, Fleming)	Relative TSR[2]	$1.70	Sep-14	Sep-17	Jul-18	201,042	$0.75 per unit
LTIP (FY15 - FY17) (tranche 1) (Mr Lamb)	Relative TSR[2]	$1.83	Sep-14	Sep-17	Jul-18	19,245	$0.80 per unit
LTIP (FY15 - FY17) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$1.70	Sep-14	Jul-17	Jul-18	201,042	$1.44 per unit
LTIP (FY15 - FY17) (tranche 2) (Mr Lamb)	Non-market	$1.83	Sep-14	Jul-17	Jul-18	19,245	$1.54 per unit
LTIP (FY15 - FY17) (tranche 3) (Messrs Mellowes, Fleming, Lamb)	Non-market	$1.70	Sep-14	Jul-17	Jul-18	201,042	$1.44 per unit
LTIP (FY15 - FY17) (tranche 3) (Mr Lamb)	Non-market	$1.83	Sep-14	Jul-17	Jul-18	19,245	$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.

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

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

The total expense recognised during the year in relation to those eligible for equity settled share-based payments was $0.9 million (30 June 2017: $1.3 million). Key inputs to the pricing models include:

	30 June 2018	30 June 2017	30 June 2016	30 June 2015
Volatility	**16%**	18%	20%	20%
Dividend yield	**6.2%**	5.4%	6.0%	6.0%
Risk-free interest rate	**1.97% - 2.12%**	1.45% – 1.50%	1.79% - 1.94%	2.71% - 2.85%

22. Other related party disclosures

The Retail Trust has a current payable of $7.5 million to the Management Trust (30 June 2017: $7.5 million). This is non-interest bearing and repayable at call. Additionally, Shopping Centres Australasia Property Group RE Limited (the Company), the Responsible Entity of the Retail Trust and a wholly owned subsidiary of Management Trust, makes payments on behalf of the Retail Trust from time to time. These payments are incurred by the Company in properly performing or exercising its powers or duties in relation to the Retail Trust. The Company has a right of indemnity from the Retail Trust, for any liability incurred by the Company in properly performing or exercising any of its powers or duties in relation to the Retail Trust. The amount reimbursed or reimbursable during the year under this agreement was $11.5 million (30 June 2017: $11.5 million).

23. Parent entity

	Management Trust[1]		**Retail Trust[1, 2]**	
	30 Jun 2018 $m	30 Jun 2017 $m	**30 Jun 2018 $m**	30 Jun 2017 $m
Current assets	**-**	-	**85.1**	25.2
Non-current assets	**-**	7.5	**2,617.2**	2,519.3
Total assets	**-**	7.5	**2,702.3**	2,544.5
Current liabilities	**-**	-	**120.4**	99.9
Non-current liabilities	**-**	-	**867.5**	817.4
Total liabilities	**-**	-	**987.9**	917.3
Contributed equity	**7.5**	7.5	**1,248.0**	1,235.3
Reserves	**-**	-	**3.5**	0.2
Accumulated profit / (loss)	**-**	-	**462.9**	391.7
Total equity	**7.5**	7.5	**1,714.4**	1,627.2
Net profit/ (loss) after tax	**-**	-	**175.1**	436.9
Other comprehensive income	**-**	-	**2.4**	(2.8)
Total comprehensive income	**-**	-	**177.5**	434.1
Commitments for the acquisition of property by the parent	**-**	-	**19.7**	22.4

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 2018 the Group and Retail Trust have the ability to drawdown funds to pay the distribution on or about 30 August 2018, having sufficient excess cash and undrawn financing facilities (refer note 12).

24. Subsidiaries

Name of subsidiaries	**Place of incorporation and operation**	**Ownership interest 30 June 2018**	**Ownership interest** 30 June 2017
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[1]	New Zealand	**100.0%**	100.0%
SCA Unlisted Retail Fund RE Limited	Australia	**100.0%**	100.0%

1 Shopping Centres Australasia property Group Trustee NZ Ltd is in the process of being wound up.

Additionally Shopping Centres Australasia Property Retail Trust is considered for financial reporting purposes a subsidiary of Shopping Centres Australasia Property Management Trust due to stapling even though there is no ownership or shareholding interest.

25. Financial instruments – continuing operations

(a) Capital management

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

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

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

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

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

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

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

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

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

The Group's gearing at 30 June 2018 was 31.2% (30 June 2017: 31.4%). Refer note 12 for additional information.

(b) Financial risk management

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

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

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

(b)(i) Financial risk management - credit

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

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

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

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

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

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

	SCA Property Group		Retail Trust	
	30 Jun 2018 $m	30 Jun 2017 $m	**30 Jun 2018 $m**	30 Jun 2017 $m
Cash and cash equivalents	**3.7**	3.6	**2.5**	2.0
Receivables	**23.6**	22.4	**23.1**	21.4
Derivative financial instruments	**62.3**	56.8	**62.3**	56.8
	89.6	82.8	**87.9**	80.2

The maximum exposure of the Group to credit risk as at 30 June 2018 is the carrying amount of the financial assets in the 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 2018. Refer also note 9.

(b)(ii) Financial risk management - liquidity

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

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

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

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

Non-derivative financial instruments

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

	1 year or less $m	2 - 3 years $m	4 - 5 years $m	More than 5 years $m	Total $m
30 June 2018					
SCA Property Group					
Payables	**53.3**	-	-	-	**53.3**
Distribution payable	**53.2**	-	-	-	**53.2**
Interest bearing liabilities	**34.2**	**416.9**	**125.8**	**494.0**	**1,070.8**
	140.7	**416.9**	**125.8**	**494.0**	**1,177.3**
Retail Trust					
Payables	**60.8**	**-**	**-**	**-**	**60.8**
Distribution payable	**53.2**	**-**	**-**	**-**	**53.2**
Interest bearing liabilities	**34.2**	**416.9**	**125.8**	**494.0**	**1,070.8**
	148.2	**416.9**	**125.8**	**494.0**	**1,184.8**
30 June 2017					
SCA Property Group					
Payables	43.4	-	-	-	43.4
Distribution payable	49.8	-	-	-	49.8
Interest bearing liabilities	32.6	246.2	268.1	503.2	1,050.1
	125.8	246.2	268.1	503.2	1,143.3
Retail Trust					
Payables	50.0	-	-	-	50.0
Distribution payable	49.8	-	-	-	49.8
Interest bearing liabilities	32.6	246.2	268.1	503.2	1,050.1
	132.4	246.2	268.1	503.2	1,149.9

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 2018 at the rates as at the reporting date. Foreign currencies have been converted at exchange rates at the reporting date.

	1 year or less $m	2 - 3 years $m	4 - 5 years $m	More than 5 years $m	Total $m
30 June 2018					
SCA Property Group & Retail Trust					
Interest rate swaps - net	**1.2**	**3.1**	**2.6**	**4.6**	**11.5**
Cross currency interest rate swaps - net	**(0.2)**	**6.5**	**4.7**	**45.5**	**56.5**
	1.0	**9.6**	**7.3**	**50.1**	**68.0**
30 June 2017					
SCA Property Group & Retail Trust					
Interest rate swaps - net	0.7	3.6	3.1	5.0	12.4
Cross currency interest rate swaps - net	2.9	4.4	2.9	46.6	56.8
	3.6	8.0	6.0	51.6	69.2

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

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

Foreign exchange risk

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

Foreign exchange risk - United States Dollar

The Group's and the Retail Trust's exposure to the United States dollar is through borrowing in USD denominated debt via the US notes issued during the year ended 30 June 2015. Additionally in June 2018 the Group agreed with US private investors to issue unsecured US Notes with an aggregate face value of US$150.0 million (equivalent in total to A$197.3 million). The funds from these notes will become available in September 2018. The maturity of these notes is US$30.0 million expiring 2028 (10 years), US$70.0 million expiring 2031 (13 years) and US$50.0 million expiring 2033 (15 years).

The principal and coupon obligations have been fully swapped back to Australian dollars (floating interest rates). Refer below and note 12.

Cross currency interest rate swap contracts

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

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

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

	SCA Property Group & Retail Trust				
	1 year or less $m	2 - 3 years $m	4 - 5 years $m	More than 5 years $m	Total $m
30 June 2018					
Buy US dollar - interest					
Amount (AUD)	**15.8**	**31.5**	**31.5**	**112.8**	**191.6**
Exchange rate	**0.8354**	**0.8381**	**0.8381**	**0.8147**	**0.8241**
Amount (USD)	**13.2**	**26.4**	**26.4**	**91.9**	**157.9**
Buy US dollar - Principal					
Amount (AUD)	-	-	-	**357.1**	**357.1**
Exchange Rate	**-**	**-**	**-**	**0.8401**	**0.8401**
Amount (USD)	**-**	**-**	**-**	**300.0**	**300.0**
30 June 2017					
Buy US dollar - interest					
Amount (AUD)	6.7	13.4	13.4	41.3	74.8
Exchange rate	0.9387	0.9387	0.9387	0.9387	0.9387
Amount (USD)	6.3	12.6	12.6	38.8	70.2
Buy US dollar - Principal					
Amount (AUD)	-	-	-	159.8	159.8
Exchange Rate	0.9387	0.9387	0.9387	0.9387	0.9387
Amount (USD)	-	-	-	150.0	150.0

Sensitivity analysis – foreign exchange risk

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

	Profit/ loss after tax		Equity	
	Effect of 10% strengthening in A$ exchange rate $m	Effect of 10% depreciation in A$ exchange rate $m	Effect of 10% strengthening in A$ exchange rate $m	Effect of 10% depreciation in A$ exchange rate $m
30 June 2018				
SCA Property Group & Retail Trust				
A$ equivalent of foreign exchange balances denominated in USD	**(5.5)**	**6.7**	**(5.5)**	**6.7**
30 June 2017				
SCA Property Group & Retail Trust				
A$ equivalent of foreign exchange balances denominated in USD	(3.4)	4.2	(3.4)	4.2

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 2017: $3.6 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 vice versa) calculated by reference to an agreed notional principal amount.

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

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

The requirements under Australian accounting standards in respect of documentation, designation and effectiveness for hedge accounting cannot be met in all circumstances. As a result the Group does not apply hedge accounting for any derivatives as at 30 June 2018 (30 June 2017: not applicable).

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

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

	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 2018						
Financial assets						
Cash and cash equivalents	**1.1%**	**3.7**	**-**	**-**	**-**	**3.7**
Financial liabilities						
Interest bearing liabilities						
Denominated in AUD - floating	**4.0%**	**(217.0)**	**-**	**-**	**-**	**(217.0)**
Denominated in AUD - fixed (MTN)	**3.8%**	**-**	**-**	**(225.0)**	**(175.0)**	**(400.0)**
Denominated in AUD - fixed (USPP)	**6.0%**	**-**	**-**	**-**	**(50.0)**	**(50.0)**
Denominated in USD - fixed (USPP)	**4.2%**	**-**	**-**	**-**	**(202.6)**	**(202.6)**
Total financial liabilities		**(217.0)**	**-**	**(225.0)**	**(427.6)**	**(869.6)**
Total net financial liabilities		**(213.3)**	**-**	**(225.0)**	**(427.6)**	**(865.9)**

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 2018						
Financial assets						
Cash and cash equivalents	**1.1%**	**2.5**	**-**	**-**	**-**	**2.5**
Financial liabilities						
Interest bearing liabilities						
Denominated in AUD - floating	**4.0%**	**(217.0)**	**-**	**-**	**-**	**(217.0)**
Denominated in AUD - fixed	**3.8%**	**-**	**-**	**(225.0)**	**(175.0)**	**(400.0)**
Denominated in AUD - fixed (USPP)	**6.0%**	**-**	**-**	**-**	**(50.0)**	**(50.0)**
Denominated in USD - fixed (USPP)	**4.2%**	**-**	**-**	**-**	**(202.6)**	**(202.6)**
Total financial liabilities		**(217.0)**	**-**	**(225.0)**	**(427.6)**	**(869.6)**
Total net financial liabilities		**(214.5)**	**-**	**(225.0)**	**(427.6)**	**(867.1)**

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

As at 30 June 2018	**June 2019**	**June 2020**	**June 2021**	**June 2022**	**June 2023**	**June 2024**
	$m	**$m**	**$m**	**$m**	**$m**	**$m**
Denominated in AU$						
Interest rate swaps (fixed)	**275.0**	**275.0**	**100.0**	**50.0**	**50.0**	**-**
Average fixed rate	**1.9%**	**1.9%**	**1.8%**	**1.8%**	**1.8%**	**-**
Interest rate swaps (floating)	**50.0**	**50.0**	**50.0**	**50.0**	**50.0**	**50.0**

The Group's exposure to interest rate risk and the effective interest rates on financial assets and liabilities at 30 June 2017 are in the following table.

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

The Retail Trust's exposure to interest rate risk and the effective interest rates on financial assets and liabilities at 30 June 2017 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 2017						
Financial assets						
Cash and cash equivalents	1.3%	2.0	-	-	-	2.0
Financial liabilities						
Interest bearing liabilities						
Denominated in AUD - floating	3.7%	(174.0)	-	-	-	(174.0)
Denominated in AUD - fixed	3.8%	-	-	(225.0)	(175.0)	(400.0)
Denominated in AUD - fixed (USPP)	6.0%	-	-	-	(50.0)	(50.0)
Denominated in USD - fixed (USPP)	4.2%	-	-	-	(195.4)	(195.4)
Total financial liabilities		(174.0)	-	(225.0)	(420.4)	(819.4)
Total net financial liabilities		(172.0)	-	(225.0)	(420.4)	(817.4)

The maturity profile and the weighted average interest rate of the fixed derivatives (notional principal) held at 30 June 2017 by both the Group and the Retail Trust can be summarised below.

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

Sensitivity analysis – interest rate risk

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

	Profit/loss after tax[1]		Equity	
	100bp higher	100bp lower	100bp higher	100bp lower
	$m	$m	$m	$m
30 June 2018				
SCA Property Group & Retail Trust				
Effect of market interest rate movement	**(38.2)**	**38.5**	**(38.2)**	**38.5**
30 June 2017				
SCA Property Group & Retail Trust				
Effect of market interest rate movement	(16.7)	16.8	(16.7)	16.8

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

(c) Accounting classifications and fair values

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

Except as disclosed below, The Directors consider that the carrying amounts of 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 2018 (which was AUD 1.00 = USD 0.7403 (30 June 2017: 0.7678), is $252.6 million (30 June 2017: $245.4 million) (refer note 12). The amortised cost of the A$ medium term notes, is $400.0 million (30 June 2017: $400.0 million). The fair value of the US notes and A$ medium term notes can be different to the carrying value. The fair value, additionally, takes into account movements in the underlying base interest rates and credit spreads for similar financial instruments including extrapolated yield curves over the tenor of the notes. On this basis the estimated fair value of the US notes and the A$ medium term notes is $257.4 million and $400.3 million (30 June 2017: $257.1 million and $398.4 million respectively). Additionally in June 2018 the Group agreed terms with US private investors to issue unsecured US notes with an aggregate face value of US$150.0 million (equivalent in total to A$197.3 million). The funds from these notes will become available in September 2018. These notes were not drawn at 30 June 2018 and have been excluded from the estimated numbers above.

Fair value hierarchy

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

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

There were no transfers between levels during the year.

	SCA Property Group & Retail Trust			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
30 June 2018				
Financial assets carried at fair value				
Investment - available for sale	**83.4**	-	-	**83.4**
Interest rate swaps	-	**9.3**	-	**9.3**
Cross currency interest rate swaps	-	**53.0**	-	**53.0**
	83.4	**62.3**	-	**145.7**
Financial liabilities carried at fair value				
Cross currency interest rate swaps	-	**6.4**	-	**6.4**
30 Jun 2017				
Financial assets carried at fair value				
Investment - available for sale	**81.0**	-	-	81.0
Interest rate swaps	-	10.2	-	10.2
Cross currency interest rate swaps	-	46.6	-	46.6
	81.0	56.8	-	137.8
Financial liabilities carried at fair value				
Interest rate swaps	-	0.1	-	0.1

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

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

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

26. Other assets

Other assets recognised of $1.3 million at 30 June 2018 (30 June 2017: $1.5 million) include predominantly property related prepayments.

27. Investment in associates

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

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

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

	SCA Property Group & Retail Trust	
	30 Jun 2018 $m	30 Jun 2017 $m
Movement in investment in associates		
Opening balance	**17.2**	8.1
Additions to equity accounted investment	**-**	8.5
Share of profits after income tax	**2.1**	1.3
Distributions received or receivable	**(1.3)**	(0.7)
Closing balance	**18.0**	17.2

In May 2018 the Group launched its third unlisted retail fund - SCA Unlisted Retail Fund 3 (SURF 3). SURF 3 commenced operations on 10 July 2018 and owns four properties at Moama Marketplace (NSW), Swansea Woolworths (NSW), Warrnambool Target (VIC) and Woodford Woolworths (QLD). Refer also note 5. The Group has an interest of 26.2% in SURF 3.

28. Auditors' remuneration

	SCA Property Group & Retail Trust	
	30 Jun 2018	30 Jun 2017
	$'000	$'000
Audit of the financial statements	**294.5**	286.0
	294.5	286.0

The auditor of the Group is Deloitte Touche Tohmatsu. The auditor's remuneration includes audit of the Financial Reports, subsidiary Financial Reports, the Group's AFSL and the Group's Compliance Plans. There were no non-audit services.

29. Investment – available for sale

Investment – available for sale relates to the Groups 4.9% interest in Charter Hall Retail Trust (CHRT) (ASX: CQR). This interest equates to 19.9 million units. The cost of this interest (including transaction costs) was $83.8 million. As at 30 June 2018 this interest is valued at $83.4 million (based on the ASX closing share price of CHRT on the last trading day in June 2018 of $4.19). The difference between the valuation at 30 June 2017 of $81.0 million and the valuation at 30 June 2018 of $83.4 million is $2.4 million which is recorded in the Available for sale reserve (refer note 14).

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

Additionally during the year ended 30 June 2018 the Group has received a distribution of $2.8 million in February 2018 and the Group is entitled to a further distribution on its investment of 14.2 cents per unit or $2.8 million in respect of the period ended 30 June 2018. This distribution was declared by the Responsible Entity of CHRT on 14 June 2018. These distributions totalling $5.6 million are included in the Group's and Retail Trust's Consolidated Statements of Profit and Loss as Distribution income.

30. Subsequent events

In May 2018 the Group launched its third unlisted retail fund - SCA Unlisted Retail Fund 3 (SURF 3). SURF 3 commenced operations on 10 July 2018 and purchased four properties from the Group being Moama Marketplace (NSW), Swansea Woolworths (NSW), Warrnambool Target (VIC) and Woodford Woolworths (QLD). The income from these properties is heavily weighted towards the anchors with relatively few specialty stores and are regarded by the Group as non-core. The sale price for these properties was $57.9 million, and the Group has retained an equity interest of 26.2% in SURF 3.

In June 2016 the Group acquired a neighbourhood centre known as Bushland Beach Plaza (Queensland) and entered into a development management agreement to develop an expanded neighbourhood shopping centre anchored by a Coles supermarket. This development was completed in July 2018.

On 2 August 2018 the Group acquired Sturt Mall, a Coles/ Kmart anchored centre (Wagga Wagga NSW) for $73.0 million (plus acquisition costs including stamp duty).

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

* * *

Directors Declaration

For the year ended 30 June 2018

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 71 to 108 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 2018 and of their performance, for the year ended 30 June 2018; 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 2018.

Signed in accordance with a resolution of the Directors.

Chair
Sydney
6 August 2018

Deloitte.

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of:

- Shopping Centres Australasia Property Management Trust ("SCA Property Management Trust") and its controlled entities ("SCA Property Group") which comprises the consolidated balance sheet as at 30 June 2018, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration; and

- Shopping Centres Australasia Property Retail Trust and its controlled entities ("SCA Property Retail Trust") comprising the consolidated balance sheet as at 30 June 2018, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended and notes to the financial statements including a summary of significant accounting policies and the directors' declaration.

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

(i) giving a true and fair view of SCA Property Group's and SCA Property Retail Trust's financial positions as at 30 June 2018 and of their financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of SCA Property Group and SCA Property Retail Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Shopping Centres Australasia Property Group RE Limited (the "Responsible Entity"), would be in the same terms if given to the directors as at the time of this auditor's report.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Deloitte.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the Key Audit Matter</th></tr>
<tr><td>

Investment property valuation

As at 30 June 2018, SCA Property Group recognised investment properties valued at $2,453.8m as disclosed in Note 10.

The fair value of investment property is calculated in accordance with the valuation policy set out in Note 2 (k) and Note 10 which outline two valuation methodologies used by SCA Property Group.

The valuation process requires significant judgment in the following areas:

- forecast cash flows,
- capitalisation rates, and
- discount rates.

The capitalisation of net income method applies a capitalisation rate to normalised market net operating income. The discounted cash flow method uses a ten year cash flow forecast and terminal value calculation discounted to present value. In addition, internal and external valuers apply professional judgement concerning market conditions and factors impacting individual properties.

</td><td>

Our procedures included, but were not limited to:

- Assessing management's process over property valuations and the oversight applied by the directors;
- Assessing the independence, competence and objectivity of the internal and external valuers;
- Performing an overall analytical review and risk assessment of the portfolio, analysing the key inputs and assumptions;
- Assessing the assumptions used in the portfolio, with particular focus on the capitalisation rate and discount rate with reference to external market trends and transactions and challenging those assumptions where appropriate;
- Holding discussions with management (and the external valuers as needed) to obtain an understanding of portfolio movements and their identification of any additional property specific matters; and
- Testing on a sample basis of externally and internally valued properties, the following;
    - the integrity of the information in the valuation by agreeing key inputs such as net operating income to underlying records and source evidence;
    - the forecasts used in the valuations with reference to current financial results such as revenues and expenses, capital expenditure requirements, vacancy rates and lease renewals; and
    - The mathematical accuracy of the models.
- We also assessed the appropriateness of the disclosures included in Note 10 to the financial statements.

</td></tr>
</table>

Deloitte.

Other Information

The directors of the Responsible Entity ("the Directors") are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report. The other information also includes the other documents which will be included in the Annual Report (but does not include the financial report, the remuneration report and our audit reports thereon).

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information in the Annual Report which we have not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing SCA Property Group's and SCA Property Retail Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate SCA Property Group and/or SCA Property Retail Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SCA Property Group's and/or SCA Property Retail Trust's internal control.

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

- Conclude on the appropriateness of the directors' use of the going concern bases of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on SCA Property Group's and/or SCA Property Retail Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause SCA Property Group and/or SCA Property Retail Trust to cease to continue as a going concern.

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountants
Sydney, 6 August 2018

SECURITY ANALYSIS

DISTRIBUTION OF EQUITY SECURITIES AS AT 22 AUGUST 2018

Number of securities held by securityholders	No. of holders	Ordinary securities held	% of issued securities
1 to 1,000	45,218	18,848,219	2.51%
1,001 to 5,000	10,414	25,171,431	3.35%
5,001 to 10,000	4,774	35,305,021	4.71%
10,001 to 100,000	3,820	86,128,984	11.48%
100,001 and Over	120	584,817,333	77.95%
Total	64,346	750,270,988	100.00

SCP only has ordinary stapled securities on issue and as at 22 August 2018 there were a total of 64,346 holders.

The total number of securityholders with less than a marketable parcel of 206 (using the closing price for SCP securities on 22 August 2018) securities is 4,590 holders and they hold 388,569 securities.

TOP 20 REGISTERED EQUITY SECURITYHOLDERS AS AT 22 AUGUST 2018

Name	Units	% of units
HSBC Custody Nominees (Australia) Limited	257,115,326	34.27
JP Morgan Nominees Australia Limited	113,211,159	15.09
Citicorp Nominees Pty Limited	80,867,033	10.78
National Nominees Limited	27,491,745	3.66
BNP Paribas Nominees Pty Ltd	20,385,796	2.72
Citicorp Nominees Pty Limited	11,194,528	1.49
BNP Paribas Noms Pty Ltd	10,902,152	1.45
National Nominees Limited	5,565,000	0.74
BNP Paribas Nominees Pty Ltd	5,402,800	0.72
AMP Life Limited	5,109,575	0.68
Karatal Holdings Pty Ltd	4,198,059	0.56
HSBC Custody Nominees (Australia) Limited-GSCO ECA	3,273,775	0.44
Nulis Nominees (Australia) Limited	2,888,677	0.39
Navigator Australia Ltd	2,063,515	0.28
Woodross Nominees Pty Ltd	1,916,533	0.26
Bond Street Custodians Limited	1,882,702	0.25
Sandhurst Trustees Ltd	1,845,000	0.25
Netwealth Investments Limited	1,633,393	0.22
HSBC Custody Nominees (Australia) Limited	1,288,228	0.17
Akat Investments Pty Limited	1,200,000	0.16
Total	**559,434,996**	**74.56**
Balance of register	**190,835,992**	**25.44**

SUBSTANTIAL SECURITYHOLDER NOTICES AS AT 22 AUGUST 2018

Ordinary securities	Date of change	Securities held	%
The Vanguard Group, Inc	14/8/2018	67,490,361	8.99%
Investors Mutual Limited	9/7/2018	46,324,044	6.18%
Blackrock Group	31/1/2018	45,232,852	6.06%
Legg Mason Asset Management Limited	21/10/16	44,423,959	6.05%
Mondrian Investment Partners Limited	24/7/2018	43,492,967	5.81%

VOTING RIGHTS AS AT 22 AUGUST 2018

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

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

INVESTOR INFORMATION

INVESTOR RELATIONS

SCA Property Group (SCP or the Group) was listed on the ASX on 26 November 2012 and commenced trading on 19 December 2012 on a normal settlement basis under the ASX code 'SCP'.

COMPANY WEBSITE

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

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

ANNUAL TAXATION STATEMENT

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

CONTACT THE REGISTRY

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

1300 318 976 (toll free within Australia)

+ 61 1300 318 976 (outside of Australia)

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

REGISTERED OFFICE

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

COMPLAINTS OFFICER

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

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

UNITHOLDER REGISTER DETAILS

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

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

On the online register, you can:

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

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Property Group

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