LEVEL 5, 50 PITT ST, SYDNEY NSW 2000
SCAPROPERTY.COM.AU

28 September 2021

ASX ANNOUNCEMENT

ANNUAL REPORT

SCA Property Group (ASX:SCP) ("SCP") announces that its Annual Report for 2021 is attached and is being dispatched to those members who have elected to receive it.

This document has been authorised for release by the Company Secretary.

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.

Annual Report 2021

Marketown West, NSW

Auburn Central, NSW

CONTENTS

Meeting of Unitholders

This year's AGM will be starting at 2pm (AEDT) on Wednesday, 24 November 2021.
For further information, visit www.scaproperty.com.au/agm/

Corporate Calendar

24 November 2021	Meeting of Unitholders
December 2021	Estimated interim distribution announcement and units trade ex-distribution
January 2022	Interim distribution payment
February 2022	Interim results announcement
June 2022	Estimated final distribution announcement and units trade ex-distribution
August 2022	Full-year results announcement
August 2022	Final distribution payment
August 2022	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), together, SCA Property Group or SCP

Sustainability

Our Sustainability Report can be located on our website
www.scaproperty.com.au/about/sustainability/

OUR FY21 PERFORMANCE HIGHLIGHTS

(for period 1 July 2020 to 30 June 2021)

Cooloola Cove, QLD

$462.9 million
Up by 441.4%

STATUTORY PROFIT AFTER TAX

$2.52 per unit
Increase by $0.30 (per unit)

NET TANGIBLE ASSETS (PER UNIT)

14.76¢ Cents per unit
Up by 0.8%

FUNDS FROM OPERATIONS (PER UNIT)

SOLID PORTFOLIO PERFORMANCE

97.4%
PORTFOLIO OCCUPANCY

5.90%
PORTFOLIO WEIGHTED AVERAGE CAP RATE
Tightening by 61 bps

$861.8m
INCREASE IN PORTFOLIO VALUE
Including acquisitions and revaluation gains

REFINING OUR PORTFOLIO

$452.4m
ACQUISITIONS
Seven convenience-based shopping centres acquired for $452.4 million (excluding transaction costs)

$17.9m
DEVELOPMENTS
Investment in developments including sustainability

PRUDENT CAPITAL AND COST MANAGEMENT

2.4%P.A.
COST OF DEBT

31.3%
GEARING WITHIN OUR TARGET RANGE OF 30-40%

$290.6m
CASH AND UNDRAWN FACILITIES

0.41%
MANAGEMENT EXPENSE RATIO

MESSAGE FROM THE CHAIRMAN

Philip Marcus Clark, AO
Chairman, SCA Property Group

FY21 has been another challenging year for SCA Property Group, and the ongoing COVID-19 pandemic continues to impact our business. However, our convenience-based centres have shown considerable resilience, and have certainly benefited from the shift to shopping locally.

Financial results

Our financial results reflected this resilience. In FY21:

- Funds from Operations (FFO) was $159.0 million, an increase of 12.9% on FY20.
- FY21 FFO per unit was 14.76 cpu, an increase of 0.8% on FY20.
- FY21 distributions totalled 12.4 cpu, comprised of 5.7 cpu in the first half and 6.7 cpu in a strong second half. This was an improvement from the 5.0 cpu paid in the second half of the FY20 financial year.

These are relatively strong results in a difficult operating environment. A comprehensive disclosure of the impacts of COVID-19 on the Group's FY21 results is set out in note 3 to the Financial Statements.

Growth initiatives

The resilience of our centres gave us confidence to continue to grow our portfolio by acquisition. During the year we contracted to acquire nine convenience-based centres for $574.2 million. Seven of those acquisitions were completed during FY21 for $452.4 million and two were completed in July 2021 for a further $121.8 million. While the acquisition market is very competitive with several new entrants, we remain confident that we can continue to grow by acquisition.

During the year we successfully wound up two of our retail managed funds. SURF 1 made a final return to unitholders in October 2020 achieving an IRR of 11% for Unitholders, while SURF 2 made its final return to Unitholders in May 2021, achieving an IRR of 12% for unitholders. In both cases the Group earned performance fees. We will explore additional funds management opportunities in FY22.

Capital management

Our balance sheet is in a strong position. Gearing as at 30 June 2021 was 31.3% which is towards the lower end of our target range of 30%-40%. We also underwrote our Distribution Reinvestment Plan in August 2021, raising $72.4 million in new equity, which will assist us to fund the two post-balance sheet date acquisitions and maintain our gearing toward the lower end of our target range.

As at 30 June 2021, our cost of debt had reduced to 2.4% and we had cash and undrawn facilities of $290.6 million. We are well positioned to capitalise on further investment opportunities as they arise in the future.

Group strategy and outlook

As you know, our core objective is to produce defensive resilient cash flows to support secure and growing long-term distributions to our Unitholders.

The COVID-19 pandemic continues to disrupt our business, with lockdowns and other restrictions currently in place in New South Wales and Victoria. In normal circumstances, SCP can provide a reasonably accurate forecast of earnings and distributions, and we have a history of providing reliable market guidance. Unfortunately, in the present circumstances with the uncertainty of ongoing COVID-19 lockdowns, we are not able to do so.

The Board is providing strong support for management's initiatives on Sustainability, including the new strategy and targets. More details can be found in the CEO's Message and in our Sustainability Report.

Management and staff

Since the COVID-19 pandemic started, our management and staff have been subjected to abnormal disruption and demands which have created stress and anxiety, both in their working environment and in their personal lives. Our people have responded very well. On behalf of the Board I thank them for their strong commitment. Details in relation to management remuneration is provided in the Remuneration Report.

The Board

Dr Kirstin Ferguson retired as a Director, effective 17 August 2021. Kirstin had been a Director of the Group since 2015 and made a strong contribution as a Director, particularly to our workplace health and safety programs. Kirstin also made a significant contribution to each of our committees, having served at various times as Chair of the Remuneration Committee and Chair of the Nominations Committee, and as a member of the Audit, Risk Management and Compliance Committee (ARMCC). On behalf of the Board, I thank Kirstin for her significant contribution and wish her well. We are well advanced with the search for a new independent Non-Executive Director.

Mark Lamb, our General Counsel and Company Secretary resigned as Company Secretary on 31 December 2020 and retired as an employee of the Group on 1 July 2021. Mark was appointed on 26 September 2012. He played a significant role in the Group's listing on the ASX and subsequently as one of the Group's Key Management Personnel. On behalf of the Board, I thank Mark for his long and valuable contribution to the Group and wish him well. Erica Rees, Senior Legal Counsel, was appointed Company Secretary on 5 February 2020 to succeed Mark.

Significant demands were made on Board members again during the year and they have all risen to the occasion. I take this opportunity to thank all my Board colleagues for their contributions.

Finally, I acknowledge that the last 18 months has also been a difficult and stressful time for our Unitholders. On behalf of your Board and management team, I thank you all for your continuing support.

Philip Marcus Clark, AO
Chairman
SCA Property Group

MESSAGE FROM THE CEO

Anthony Mellowes
Chief Executive Officer, SCA Property Group

Over the last 12 months I have been constantly reminded of our marketing tagline which is "Love Local, Shop Local, Act Local". Never have these words been more important than during the COVID-19 pandemic, and never have I been more certain that our strategy of focusing on convenience-based centres is the right one not just for the current environment, but also into the future.

Operational overview

Our centres and our tenants showed remarkable resilience this year.

Some of our tenants suffered lower sales due to COVID-19 lockdowns and restrictions, particularly during the Victorian lockdowns in the first half of the financial year. We provided $10.5 million of rental assistance to over 800 tenants to help them through this difficult period.

However, we saw a strong rebound once lockdowns ended and restrictions eased. Supermarkets and discount department stores benefited from customers eating at home and staying local, driving strong sales growth and increased turnover rent. Our specialty tenant sales were impacted during lockdowns, but recovered quickly following the easing of restrictions, with all tenant categories achieving positive sales growth for the full year.

This rebound allowed us to achieve positive leasing spreads in the second half of the financial year, and cash collection rates also returned to pre-pandemic levels by the end of the period.

Performance of our anchor tenants

Approximately half of our rent is derived from major tenants, primarily Woolworths Limited, Coles Group Limited and Wesfarmers Limited, and to a lesser but growing extent Aldi.

Supermarkets and discount department stores have performed very well during the pandemic, particularly during periods of lockdown or restrictions. Despite the "panic buying" that we saw in the last few months of the prior year, our supermarket tenants recorded 3.2% sales growth compared to FY20, again demonstrating the strength of their business model. Likewise, discount department stores performed well this year recording sales growth of 9.2% compared to FY20, benefiting from customers staying at home and shopping locally.

As a result of this strong performance, the turnover rent we received from our anchor tenants increased by 67.7% to $5.2 million in FY21.

Performance of our specialty tenants

Our specialty tenants showed remarkable resilience this year. Many of them adapted to lockdowns by ramping up their pick, up or home delivery services from their stores. Then when lockdowns ended, they benefited from the pent up demand of customers returning to bricks and mortar retail. Overall, our specialty tenants recorded sales growth of 9.7% in FY21 which is a testament to them and their resilience. This performance was broadly based, with all tenant categories achieving sales growth this year.

As a result of the strong trading performance, most of our tenants were able to resume paying their full rent. In the last three months of the financial year, we collected over 100% of rent invoiced due to tenants paying rent relating to prior months. Across the full financial year we collected 96% of invoiced rents.

Another consequence of the strong tenant sales growth was, while overall specialty leasing spreads for the financial year were negative, we did see them turn positive in the second half of the financial year, with renewal spreads of 1.6% and new lease spreads of 3.0%. Our rents are relatively low compared to peers, and we have a specialty occupancy cost of only 8.6%, which is relatively low for our types of centres. As such we are confident that further rental growth is achievable in the future.

Online retail trends

Another feature of the past year was the extraordinary growth of online retailing. SCP's centres are ideally located within local communities, well suited for last mile logistics.

We believe the store-based fulfilment model will remain the predominant model for online grocery fulfilment in Australia due to relatively low population densities, large distances, established existing supply chains, and high temperatures.

Woolworths and Coles are using our centres for last mile fulfilment, both pick up and home delivery. 75% of our supermarket stores now have dedicated click 'n collect bays while two have drive throughs. We expect that these numbers will continue to increase in the coming year. Importantly, online sales are included in the definition of turnover so that SCP can participate in this upside.

Our specialty tenants are also increasingly using their stores in our centres to fulfill online orders in the local area.

The market for convenience-based centres

The market for convenience-based shopping centres remains tight with increased institutional demand and investors becoming increasingly aware of their defensive attributes, and competition for these assets is currently strong. It is pleasing to see how resilient these assets are, with many assets trading on tight yields throughout the COVID-19 crisis.

There are approximately 1,200 Coles and Woolworths anchored convenience centres in Australia. With 94 centres, SCP remains the largest owner (by number) of convenience-based shopping centres in Australia. SCP has an opportunity to continue to consolidate this fragmented segment by utilising its management capability, industry knowledge and funding ability to source and execute acquisition opportunities from private and corporate owners.

SCP has a track record of acquisitions and portfolio management. Over the last 9 years, we have completed the acquisition of 57 convenience centres for over $2.1 billion, and we have also divested 34 smaller centres for over $500 million. We will continue to take a disciplined approach to acquisitions, and we are confident that we can continue to source off-market opportunities in the future.

Sustainability

During the year we made significant progress against our sustainability initiatives. We invested $4.1 million across initiatives such as the installation of building management systems and LED lighting at some of our centres. We have also achieved a 40/40/20 gender split, established a partnership with the Smith Family, achieved a 6 star NABERS rating for our head office and continued to maintain a GRESB rating.

This year we have re-launched our Sustainability Strategy. We are targeting our efforts in six key areas where we can have maximum impact, being Energy & Carbon, Water, Waste, Leading Local, Health & Wellbeing and Diversity & Inclusion. In each area we have set ourselves challenging but achievable targets, including a Net Zero carbon by 2030 for scope 1 and 2 emissions. We intend to achieve this target by installing solar panels at many of our centres over the next nine years, starting with the installation of 7.5 MW of solar panels on our WA centres during FY22.

The next 12 months

While the current trading environment is challenging due to COVID-19 lockdowns and restrictions, the past 18 months has taught us that our centres are resilient and will rebound quickly once restrictions are eased.

Our focus continues to be:

- Serving our local communities for their everyday needs
- Partnering with our supermarket anchors to improve their online offer
- Actively managing our centres to ensure that we have successful specialty tenants paying appropriate rents; and
- Executing on our sustainability initiatives.

Love Local, Shop Local, Act Local is the cornerstone of our strategy to deliver reliable, resilient distributions to Unitholders. Our centres and our people have stood the test of the pandemic and we believe our centres are increasingly relevant for consumers across Australia well into the future.

I thank our investors, tenants and other stakeholders for their support and continued confidence in SCP.

A. Mellowes

Anthony Mellowes
Chief Executive Officer
SCA Property Group

ABOUT US

At 30 June 2021, our portfolio consisted of 92 convenience-based shopping centres valued at $4,000.0 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.

SCP's portfolio benefits from long-term leases to Woolworths Limited and Coles Group Limited, which act as an anchor tenant at each property. 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

SCP was created by Woolworths Group Limited (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 SCP, which was then listed on the ASX as a separate independent real estate investment trust in December 2012. Woolworths does not have any ownership interest in SCP.

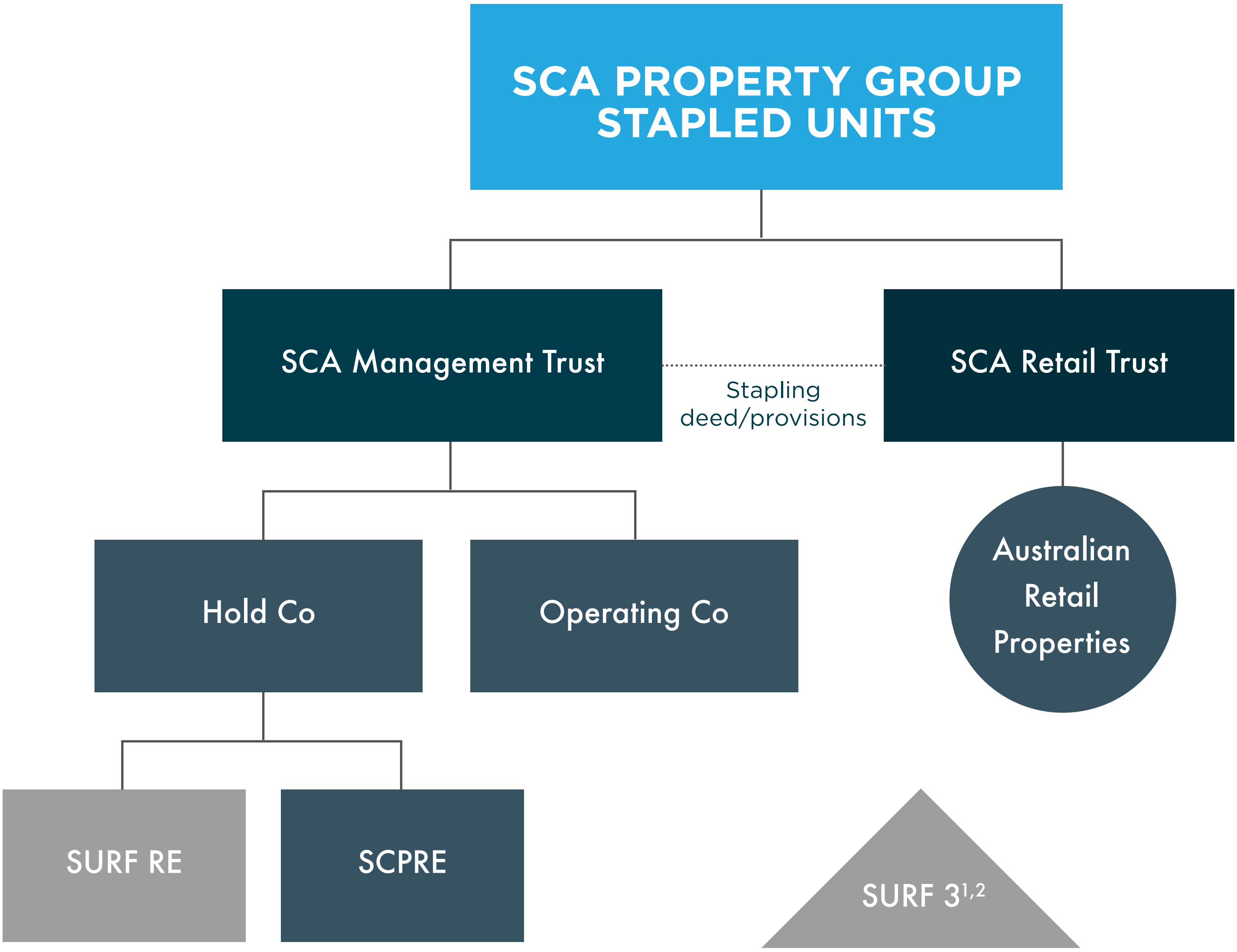
Since its creation, SCP has completed a number of acquisitions and disposals. At 30 June 2021, 74 of its convenience-based shopping centres are anchored by Woolworths Limited and 30 by Coles Group Limited retailers.

GROUP STRUCTURE

SCP 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.

SCP 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) of SCA Management Trust and SCA Retail Trust. The Responsible Entity is a wholly owned subsidiary of the SCA Management Trust.

Shell Cove, NSW



1. SURF RE Limited is the Responsible Entity of SCA Unlisted Retail Fund 3 (SURF 3).
2. SURF 3 is a closed end retail fund and commenced activities on 10 July 2018. SCA Retail Trust owns 26.2% of SURF 3.

OUR PROPERTY PORTFOLIO

AT 30 JUNE 2021

SCA Property Group's portfolio comprises 80 neighbourhood, 11 sub-regional and 1 freestanding shopping centre located across Australia.

During the year ended 30 June 2021, the Group acquired seven new convenience-based shopping centres.

$4,000.0 MILLION
OF VALUE IN INVESTMENT PROPERTIES

92
INVESTMENT PROPERTIES

7.2YRS
WEIGHTED AVERAGE LEASE EXPIRY

2,011
SPECIALTY TENANTS

744,394SQM
GROSS LETTABLE AREA


KEY
Sub-regional
Neighbourhood
Freestanding
SURF Managed assets
Bakewell
Mt Isa
Sugarworld
Mission Beach
Bushland Beach
Annandale
Ayr
Whitsunday
Mackay
Marian
Central Highlands (Emerald)
Gladstone
Chancellor Park
Cooloola Cove
Pacific Paradise
BRISBANE
Brookwater
Collingwood Park
Coorparoo
Lillybrook
Mt Warren Park
Oxenford
Soda Factory
Warner
Woodford
Greenbank
Jimboomba
Cabarita
Carrara
Miami
Mudgeeraba
Worongary
Goonellabah
Lismore
Macksville
Tamworth
Muswellbrook
West Dubbo
North Orange
Katoomba
Leura
Marketown East
Marketown West
Belmont
Cardiff
Morisset
SYDNEY
Auburn
Berala
Clemton Park
Greystanes
Lane Cove
Griffith
Wagga Wagga
Moama
Wodonga
Shell Cove
Ulladulla
Merimbula
ADELAIDE
Blakes Crossing
Walkerville
Murray Bridge
Mt Gambier
Ballarat
Warrnambool
Ocean Grove
Drouin
Wonthaggi
Albury
Lavington
MELBOURNE
Epping North
Highett
Langwarrin
Lilydale
Mornington
Pakenham
Wyndham Vale
Burnie
Meadow Mews
Prospect Vale
Riverside
Claremont
Glenorchy
Greenpoint
Kingston
New Town
Shoreline
Sorell

OUR PROPERTY PORTFOLIO

CONTINUED

The total value of the investment properties at 30 June 2021 was $4,000.0 million (up from $3,138.2 million at 30 June 2020). The increase in value of the properties during the year was principally due to:

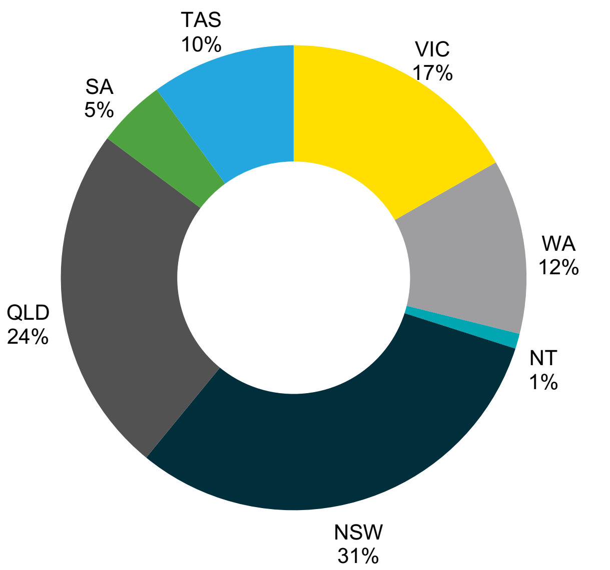
- Acquisition of seven centres for $452.4 million (excluding transaction costs);
- Like-for-like valuation increase of $409.4 million being fair value increase of $354.2 million plus transaction costs of $25.9 million, net capital expenditure and straight lining net of amortisation of $11.4 million and development spend of $17.9 million.

The weighted average capitalisation rate for the portfolio is now 5.90%, compared to 6.51% at 30 June 2020.

At 30 June 2021	Number of centres	Number of specialties	GLA (sqm)	Site area (sqm)	Occupancy (% GLA)	Value ($m)	WALE (yrs)	Weighted average cap rate (%)
Neighbourhood	80	1,459	508,464	1,730,858	97.5%	2,989.8	7.1	5.77%
Sub-regional	11	552	226,211	608,366	97.1%	955.1	7.2	6.35%
Freestanding	1	—	9,719	11,990	100.0%	55.1	14.3	5.50%
Total	**92**	**2,011**	**744,394**	**2,351,214**	**97.4%**	**4,000.0**	**7.2**	**5.90%**

GLA means gross lettable area
WALE means weighted average lease expiry

Geographic diversification (by value)

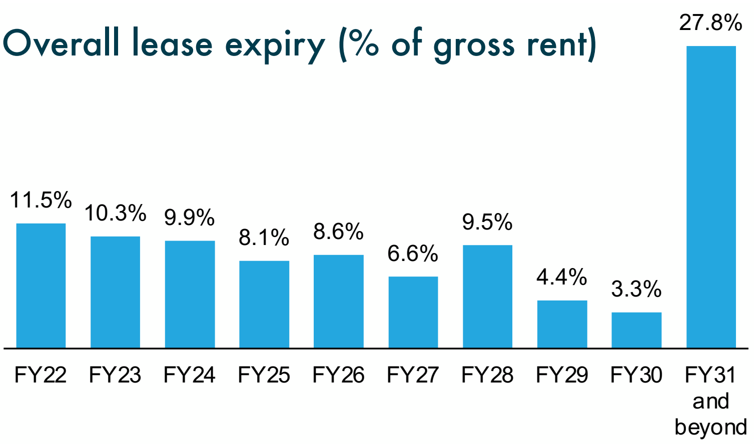


OUR TENANTS

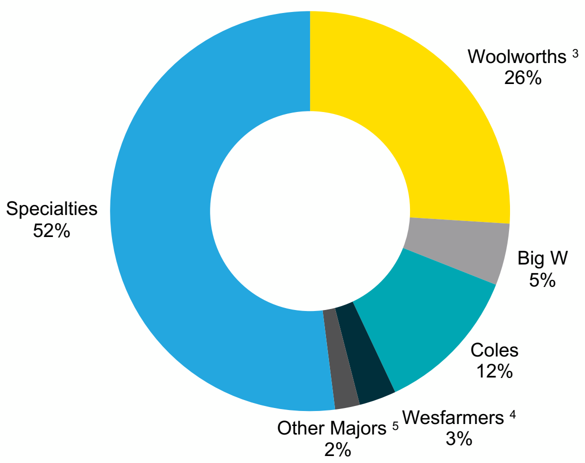
The Group's shopping centres are anchored by long-term leases to high-quality tenants with a weighted average lease expiry of 7.2 years.

Nearly half the portfolio is located in new growth corridors and regions, and comprises convenience-based neighbourhood centres with a strong weighting to the non-discretionary retail segment. Anchor tenants represent 48% of gross rent. The remaining 52% of gross rent comes from specialty tenants skewed toward non-discretionary categories.

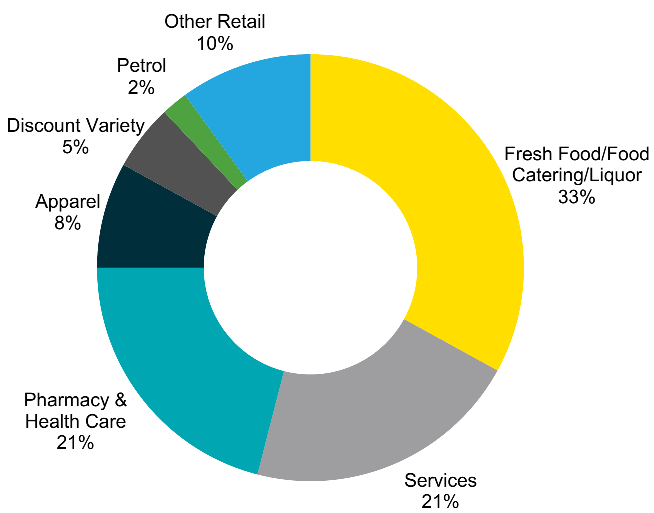
Overall lease expiry (% of gross rent)



Tenants by category (by gross rent)[1,3]



Specialty / mini-major tenants by category (by gross rent)[1, 2]



1. *Annualised gross rent excluding vacancy and percentage rent*
2. *Mini Majors represent 12% of annualised specialty gross rent. Mini major tenants have been split across the relevant categories*
3. *Woolworths now excludes Endeavour Drinks (1.5% of gross rent)*
4. *Wesfarmers includes Kmart 2.3%, Bunnings 0.5% and Officeworks 0.2%*
5. *Other majors includes Aldi, Dan Murphys, Farmer Jacks and Grand Cinemas*

OUR STRATEGY

SCP aims to ensure defensive, resilient cash flows to support secure and growing long term distributions to Unitholders.

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 thirteen years (weighted by value). This presents both opportunities and challenges. 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
- Growing the portfolio
- Capital management and
- Sustainability

OPTIMISING THE EXISTING PORTFOLIO

Our focus continues to be serving our local communities for their everyday needs, partnering with our supermarket anchors to improve their online offer, actively managing our centres to ensure that we have successful specialty tenants paying appropriate rents and executing on our sustainability initiatives.

This will support our strategy of generating defensive, resilient cash flows to support secure and growing long term distributions to our Unitholders.

GROWING THE PORTFOLIO

The market for convenience-based retail centre ownership is fragmented and provides acquisition opportunities from time to time. SCP will continue to explore value-accretive acquisition opportunities consistent with our strategy and investment criteria.

In addition we will progress our identified development pipeline, including sustainability investments over the coming years. We will also consider further funds management opportunities.

CAPITAL MANAGEMENT

SCP will continue to actively manage our balance sheet to maintain diversified funding sources with a preference for longer term funding and an appropriate level of gearing to maintain a low cost of capital consistent with our risk profile.

SUSTAINABILITY

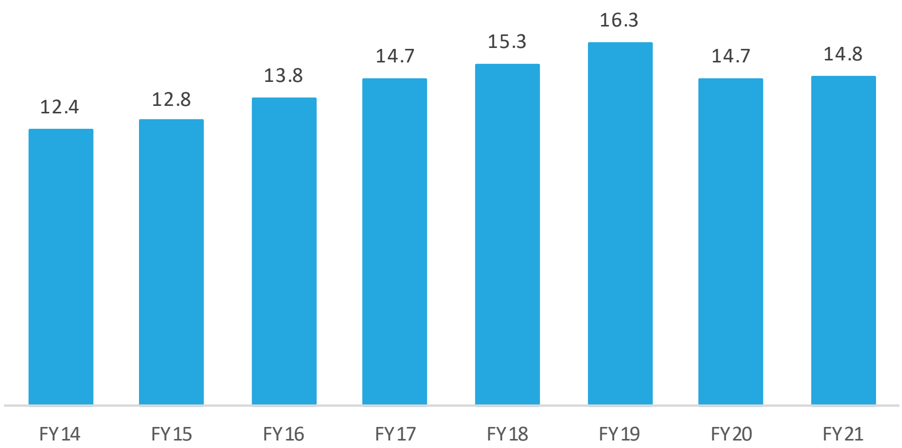
Given our recent growth and aspirations, we have expanded our strategic sustainability framework to include six key material issues: Energy & Carbon, Leading Local, Waste, Water, Diversity & Inclusion, and Health & Wellbeing, underpinned by good governance.

OUR PERFORMANCE

RETURNS TO UNITHOLDERS

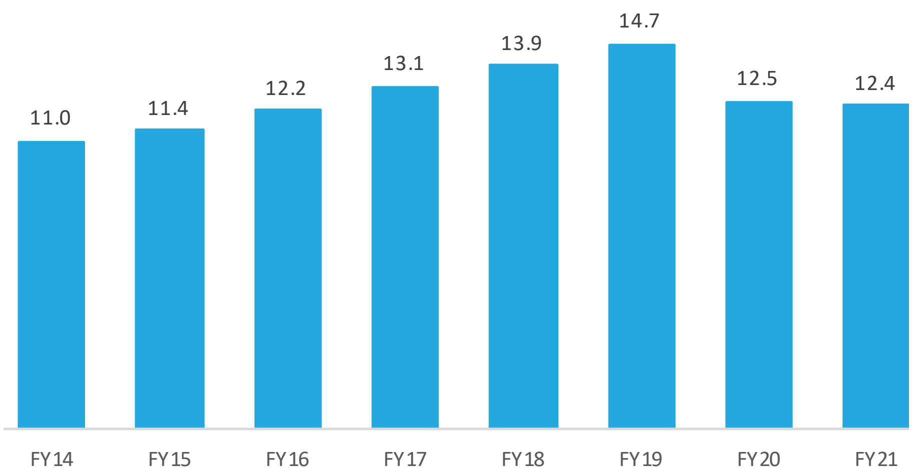
SCP has provided stable and secure earnings and distributions that have been supplemented by strong unit price performance.

Funds from operations per unit (FFOPU) (cents)



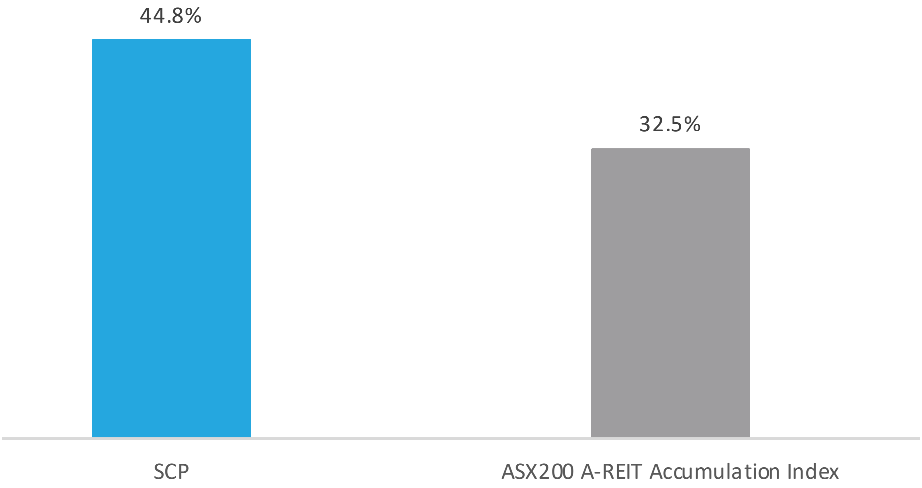
FFOPU has grown by 2.6% per annum since FY14. FY20 and FY21 were impacted by COVID-19.

Distribution (cpu)



Since FY14 distributions have grown by 1.7% per annum. FY20 and FY21 Distributions were impacted by COVID-19.

Total Unitholder return (%)



In the last five years SCP has delivered total Unitholder return (unit price appreciation plus distributions) which has outperformed its listed retail peers and the ASX200 A-REIT Accumulation Index.

Stirlings Central, WA

OUR PERFORMANCE
CONTINUED

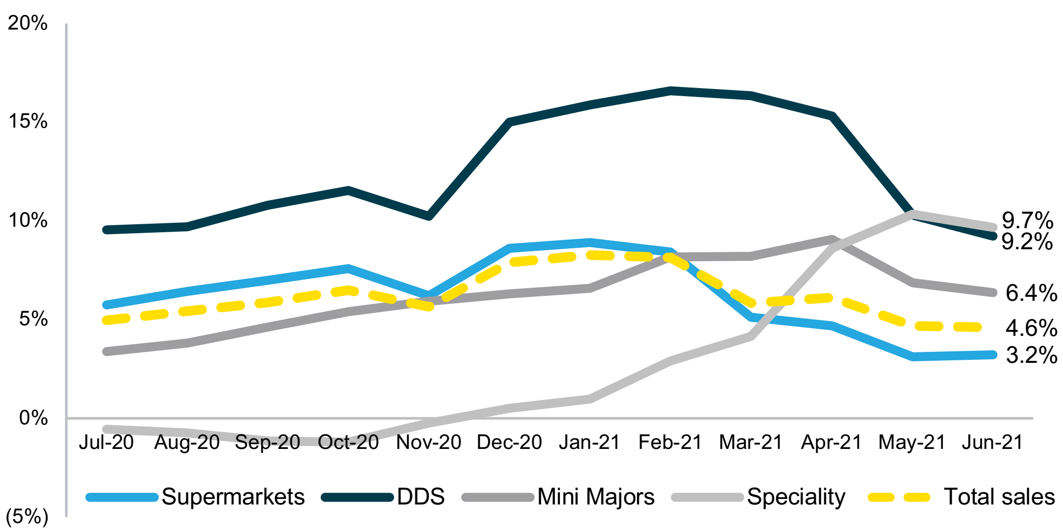
IMPACT OF COVID-19

The events relating to COVID-19 have had an adverse impact on the financial performance of the Group during the year due to government-imposed lockdowns and other restrictions. However, we have seen strong rebounds each time lockdowns have ended, including strong tenant sales growth, improved cash collection rates, and positive leasing spreads.

Sales growth trends

Sales growth has been volatile throughout the COVID-19 period. Australia-wide restrictions significantly impacted tenant sales between March and May 2020 and in Victoria between August and October 2020. There has been strong moving annual turnover ("MAT") sales growth across the full financial year with sales growth rates stabilising in May and June 2021 for most categories at above historical levels.

Moving annual turnover growth (%)[1]

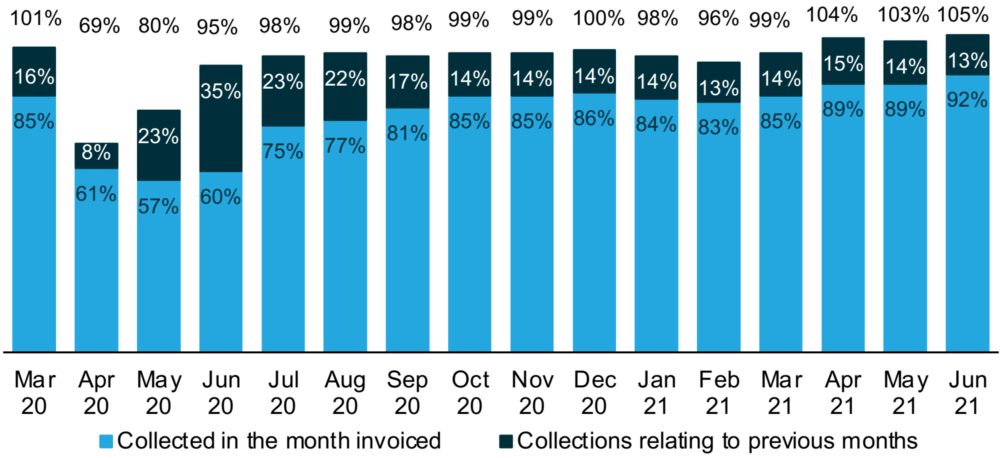


1. Moving annual turnover growth compares like-for-like stores for the 12-month period ending in the relevant month compared to the same period in the prior year

Cash collection trends

The total cash collection rates increased to over 100% between April and June 2021. Cash collected within 30 days has returned to pre-COVID-19 levels of around 90%. Of the rent invoiced in FY21, 96% was collected prior to 30 June 2021. Rental receivable at 30 June 2021 was $13.4m compared to $22.3m at 30 June 2020. Some of the rent collected during FY21 related to FY20 invoices.

Cash collection as a % of gross invoiced rent [1]

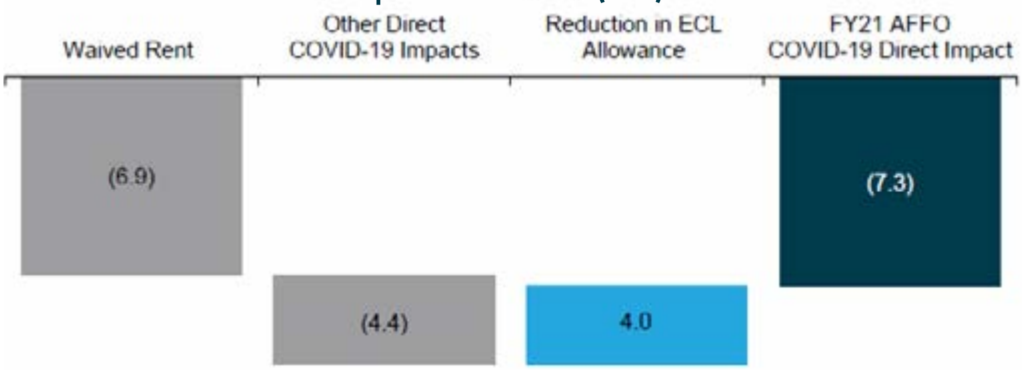


1. Cash collection is calculated as total rental receipts as a percentage of total rental invoiced (excludes waivers and deferrals)

COVID-19 impact on AFFO

The estimated direct impact of COVID-19 on the FY21 adjusted funds from operations ("AFFO") result is approximately $7.3m (FY20; $20.5m). Waived rent of $6.9m during the period (FY20: $4.5m) is not included in rental income or receivable. Other direct COVID-19 impacts of $4.4m include additional property related expenses, rent freezes and reduced other income. Expected credit loss allowance ("ECL") has reduced because increased allowances for deferred and unpaid rent during FY21 were offset by greater than expected collections of FY20 unpaid rent. Indirect impacts such as increased vacancy, reduced leasing spreads and increased lease incentives are difficult to attribute and quantify.

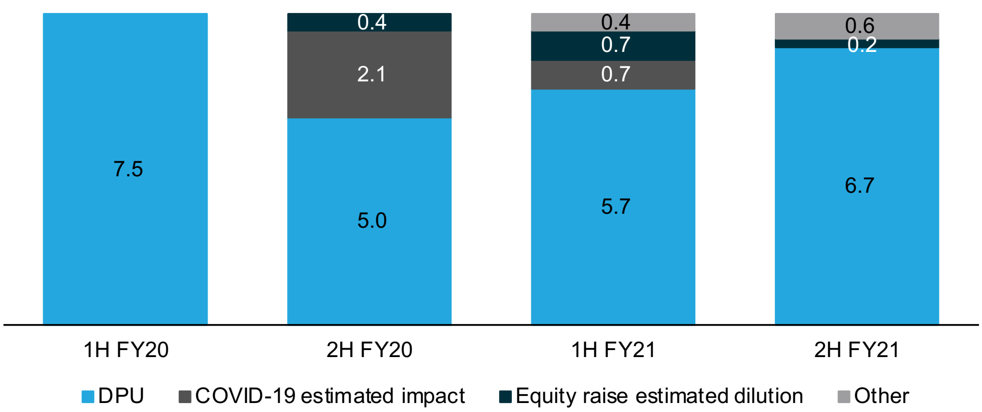
Estimated COVID-19 impact on FY21 ($m)



Distribution per unit (cpu) trend

Distribution per unit trend is improving from the prior year due to COVID-19 impact reducing and equity raising proceeds now fully redeployed. When the impact of the COVID-19 pandemic has ended, we would expect to return to the pre-COVID-19 level for AFFO per unit (and therefore distribution per unit) of at least 7.5 cpu per half year (or 15.0 cpu pa)

Distribution per unit (half years, cpu)



OUR PERFORMANCE

CONTINUED

STRONG SALES GROWTH CONTINUING

In FY21, comparable MAT growth in our centres averaged 4.6%, up from 4.2% in FY20 as specialty sales recover due to lockdowns in the last quarter of FY20 not repeated in the last quarter of FY21. Anchor supermarket sales growth has increased 3.2% from 5.1% in FY20 as panic buying in the last quarter of FY20 has not been repeated in the last quarter of FY21. This is in addition to continued working from home, border closures and restricted travel has seen shopping behaviour remaining local as people continue to eat and entertain at home. Discount department store (DDS) sales growth of 9.2% has improved from 7.6% in FY20 due to continued demand for home and living products as people stay and work at home. Mini Majors sales growth of 6.4% has also improved from 2.9% in FY20. Continuing sales growth will assist SCP to generate increasing rental income in the future.

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

Total Portfolio	Year ending 30 June 2021	Year ending 30 June 2020
Supermarkets	3.2%	5.1%
DDS	9.2%	7.6%
Mini Majors	6.4%	2.9%
Specialties	9.7%	(1.1%)
Total Portfolio	**4.6%**	**4.2%**

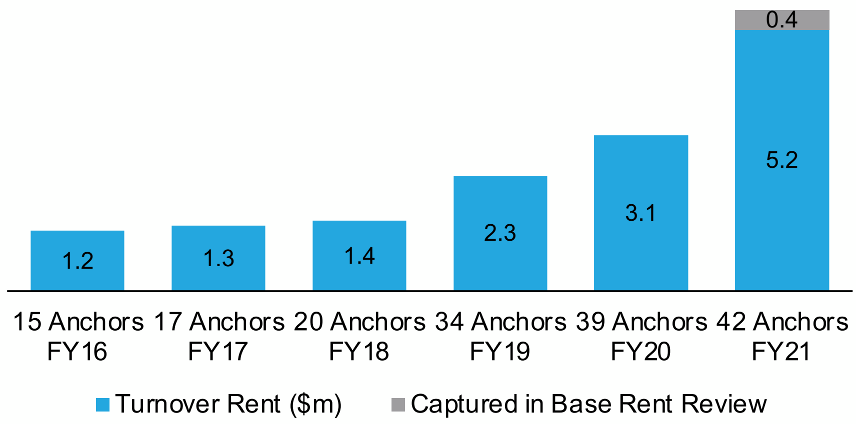
1. MAT stands for moving annual turnover, and MAT sales growth measures the growth in sales over the last 12 months compared to the previous 12 month period.

Currambine, WA

TURNOVER RENT THRESHOLDS BEING ACHIEVED

Many of our anchor tenants are achieving turnover rent thresholds. Once turnover rent thresholds are achieved, rental income increases with store sales growth. At 30 June 2021, 42 anchors were generating turnover rent, and for the 12 months to 30 June 2021, turnover rent was $5.2 million. We expect these numbers to increase in coming years as another 15 anchors are within 10% of their turnover thresholds.

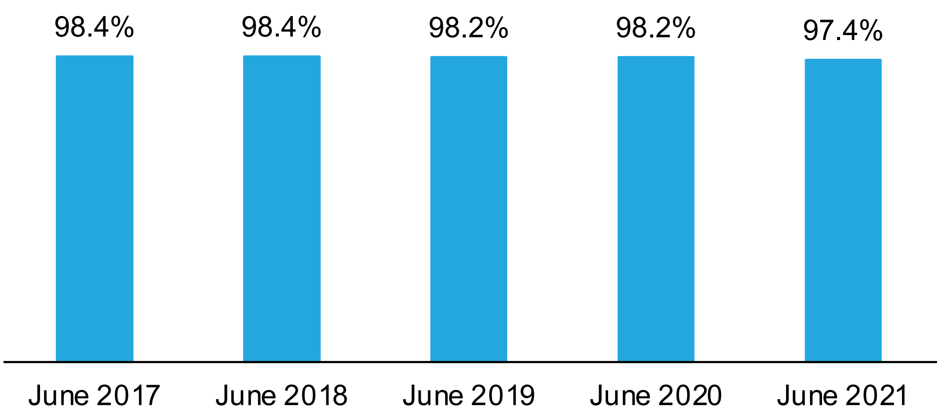
Turnover rent ($m)



OCCUPANCY RATE

SCP occupancy declined from 98.2% of GLA in FY20 to 97.4% of GLA in FY21. This mostly relates to the Gateway Target (1,500 sqm) which closed in April 2021. A replacement is underway.

Portfolio occupancy (% of GLA)



OUR PERFORMANCE

CONTINUED

SPECIALTY TENANT KEY METRICS

Specialty tenant MAT growth was 9.7% in June 2021 from negative (1.1%) in June 2020 partly due to lockdowns in the last quarter of FY20 not being repeated in the last quarter of FY21. Non-discretionary categories MAT growth was 10.9%, continuing to outperform discretionary categories by 4.3% over the year. Sub regional centres specialty MAT growth of 13.5% outperformed Neighbourhood centres 7.8% as trading restrictions were lifted allowing non-discretionary retailers to trade. The average specialty occupancy cost decreased to 8.6% from 10.0% in FY20. This enables SCP to secure rental increases when leases come up for renewal. During FY21, we had 198 renewals however due to COVID-19 and a challenging retail market, average uplift was negative (1.5)% with an average 0.2 month incentives paid. While average leasing spreads were negative, strong second half leasing performance with positive renewal spreads were achieved (2H +1.6% vs 1H -4.6%) and improved new lease spreads (2H +3.0% vs 1H +0.8%). We are continuing to achieve 3%-5% annual fixed increases for 88% of specialty tenants.

Total Portfolio	30 June 2021	30 June 2020
Comparable sales MAT Growth (%)[1]	9.7%	(1.1%)
Average specialty occupancy cost (%)[1]	8.6%	10.0%
Average specialty gross rent per square metre	$793	$778
Specialty sales productivity ($ per sqm)[1]	$9,954	$8,229

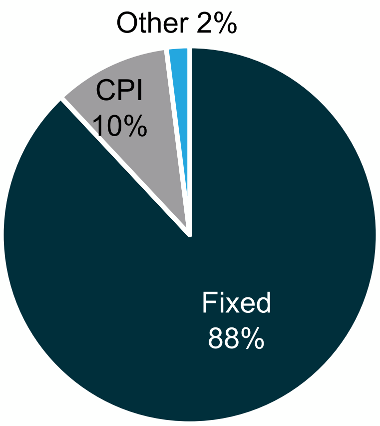
Renewals	30 June 2021	30 June 2020
Number	198	232
Retention (%)	73%	76%
GLA (sqm)	24,864	31,817
Average uplift (%)	(1.5%)	(1.1%)
Incentive (months)	0.2	0.5

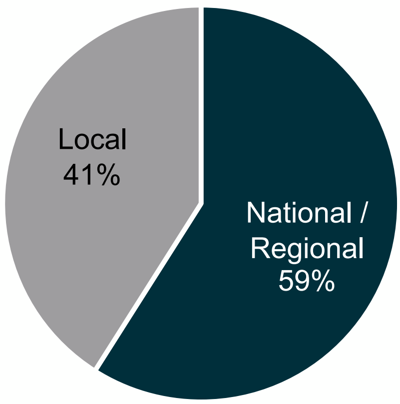
New Leases	30 June 2021	30 June 2020
Number	127	146
GLA (sqm)	13,844	18,656
Average uplift (%)	1.9%	(7.7%)
Incentive (months)	10.8	13.8

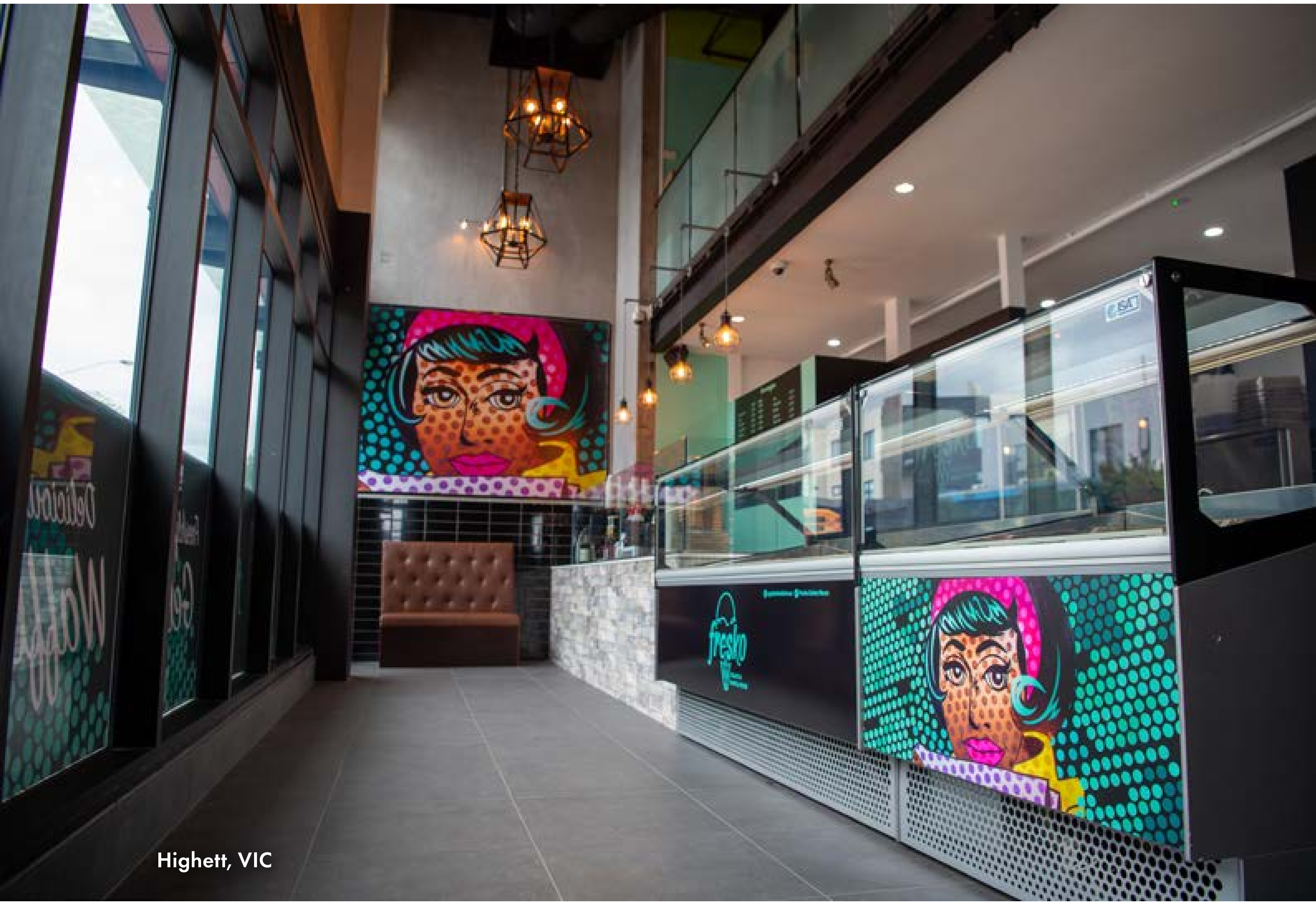
Total Lease Deals	30 June 2021	30 June 2020
Number	325	378
GLA (sqm)	38,708	50,472
Average uplift (%)	(0.4%)	(4.6%)

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

Specialty lease composition (at 30 June 2021)







Highett, VIC

OUR PERFORMANCE
CONTINUED

ACTIVE PORTFOLIO MANAGEMENT

During FY21, we contracted to acquire nine convenience-based shopping centres for $574.2 million, of which seven were completed for $452.4 million during the period.

AUBURN CENTRAL (AUBURN, NSW)

- Acquisition completed in December 2020 for $129.5 million (6.0% implied fully let yield)
- % of income from Anchors: 24%
- Overall WALE (by income): 6.6 years
- Occupancy at acquisition: 95%
- Built in 2004 and redeveloped in 2020

COOLOOLA COVE (COOLOOLA, QLD)

- Acquisition completed in February 2021 for $18.6 million (5.7% implied fully let yield)
- % of income from Anchors: 51%
- Overall WALE (by income): 6.9 years
- Occupancy at acquisition: 98%
- Built in 2009

MT ISA, (MT ISA, QLD)

- Acquisition completed in April 2021 for $44.2 million (7.5% implied fully let yield)
- % of income from Anchors: 71%
- Overall WALE (by income): 8.6 years
- Occupancy at acquisition: 97%
- Built in 1975; latest refurbishment in 2014

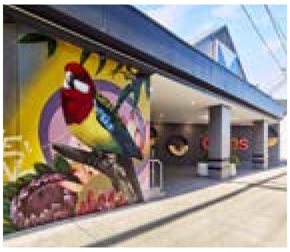
BAKEWELL SC & PETROL STATION, (BAKEWELL, NT)

- Shopping centre acquisition completed in September 2020 for $33.0 million (7.2% implied fully let yield)
- % of income from Anchor: 58%
- Overall WALE (by income): 7.2 years
- Occupancy at acquisition: 96%
- Bakewell Petrol Station acquired in Dec 20, for $6.4m (6.1% implied fully let yield) and a 15 year WALE (EG Fuelco)
- Both built in 2016

KATOOMBA MARKETPLACE (KATOOMBA, NSW)

- Acquisition completed in February 2021 for $55.1 million (5.6% implied fully let yield)
- % of income from Anchors: 100%
- Overall WALE (by income): 14.9 years
- Occupancy at acquisition: 100%
- Built in 2014

MARKETOWN EAST & WEST (NEWCASTLE, NSW)



- Acquisition completed in June 2021 for $150.5 million (East $82.0m at 6.1% yield; West $68.5m at 5.8% yield)
- % of income from Anchors: 41%
- Overall WALE (by income): 5.5 years
- Occupancy at acquisition: 95%
- Built: East in 2011; West in 1978 (refurbishments since)

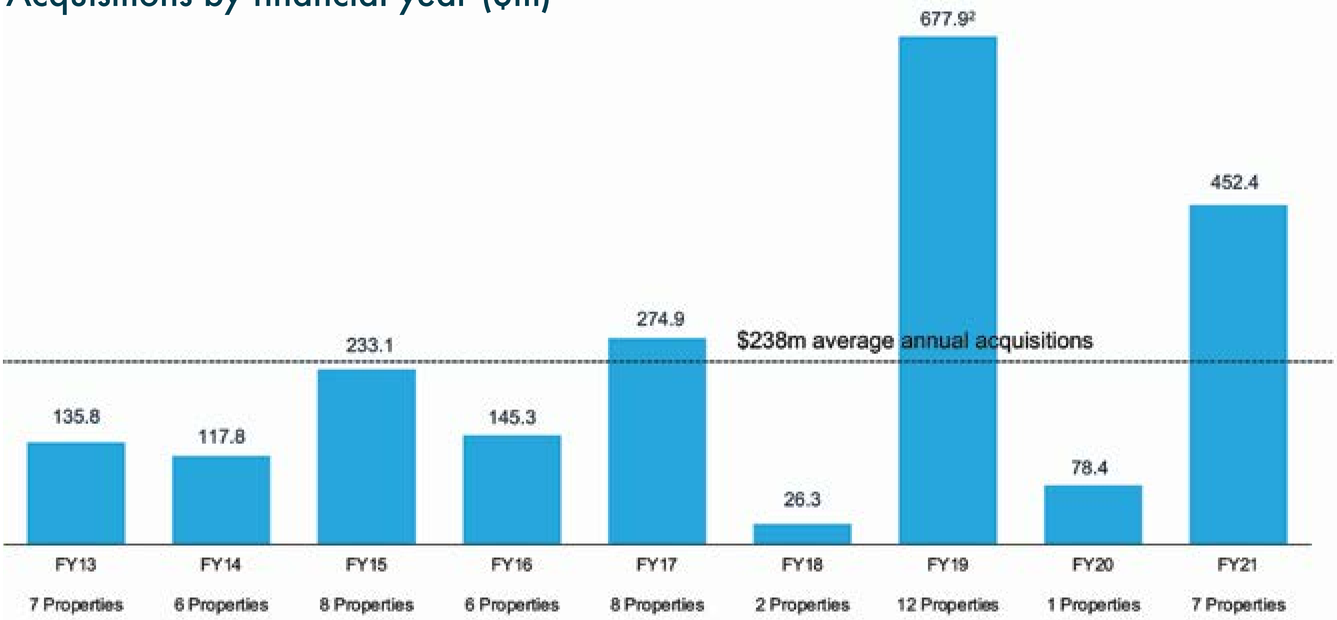
OTHER ACQUISITIONS: In December 2020 we exercised our options to purchase 10 hectares of development land adjacent to our existing Greenbank shopping centre (QLD) for $10.0 million. In April 2021 we acquired Warnbro Fuel, adjacent to our existing Warnbro shopping centre (WA) for $5.1 million at an implied yield of 5.7%:

SUBSEQUENT ACQUISITIONS: In July 2021 we settled the purchase of Raymond Terrace (NSW) for $87.5 million (excluding transaction costs), an implied fully let yield of 5.9% and we settled the purchase of Drayton Central (QLD) for $34.3 million (excluding transaction costs), an implied fully let yield of 5.5%. In July 2021 we also acquired a vacant lot adjacent to our Marian Town Centre (QLD) for $0.8 million.

Track record of acquisitions

On average we have acquired 6 properties for $238 million each financial year.

Acquisitions by financial year ($m)[1]



1. *Excludes transactions costs*
2. *Includes VCX acquisition of 10 properties for $573.0 million*

OUR PERFORMANCE

CONTINUED

INDICATIVE DEVELOPMENT PIPELINE

Over $170m of development opportunties identified at more than 30 of our centres over the next 5 years.

		Estimated Capital Investment (A$m)					
Development type	**Centre(s)**	**FY21 Actual**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**
Centre expansions	Greenbank, Warner, North Orange, Wyndham Vale, Epping North, Belmont, New Town Plaza, Whitsunday SC, White Box Rise, Collingwood Park, Currambine, Bushland Beach, Marian, Tamworth, Jimboomba, Kirkwood, Central Highlands, Raymond Terrace.	1.1	10.7	17.7	24.9	34.0	40.9
Centre improvements	Soda Factory, Belmont, West End Plaza, Griffin Plaza, Meadow Mews, Warnbro, Sturt Mall, Sugarworld, Shoreline, The Gateway, Riverside, Whitsunday SC, Mudgeeraba, Bentons Square, Kwinana	12.7	19.6	4.0	TBD	TBD	TBD
Sustainability	Solar, building automation, LED lights and air-conditioning R22 gas replacements	4.1	21.2	TBD	TBD	TBD	TBD
Preliminary & Defensive	Various	–	0.3	0.3	0.3	0.3	0.3
	Total	**17.9**	**51.8**	**22.0**	**25.2**	**34.3**	**41.2**

Major projects in FY22: Soda factory and solar panel rollout. Projects must meet our return hurdles.

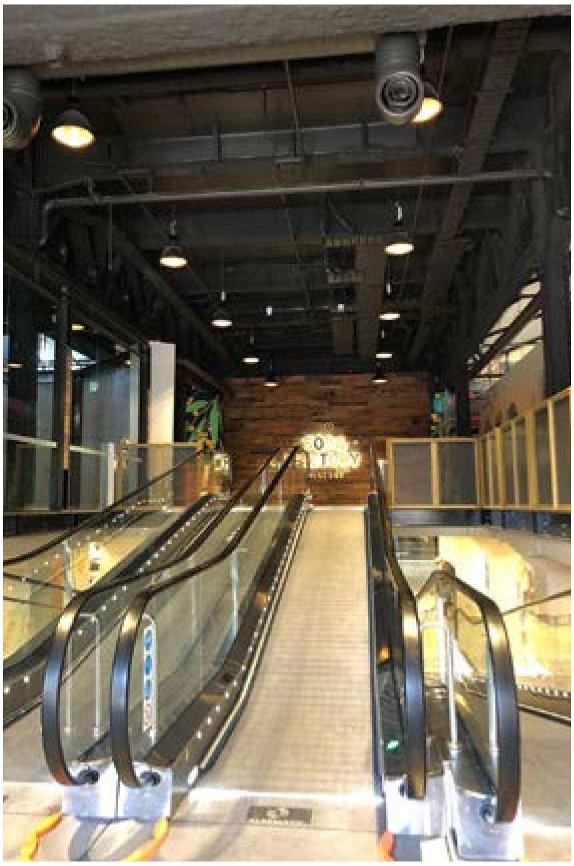
Soda Factory

Formally known as The Markets, SCP acquired the Coles anchored centre in 2014 for $32.0 million.

SCP has committed to a major redevelopment scheme investing over $13 million with construction commencing in January 2021. On completion in late 2021, Soda Factory will include a fully refurbished Coles, 22 speciality stores and 220 car park spaces.

The Soda Factory redevelopment will pay homage to the building's nearly 100-year history and original use as a soda making and bottling facility for the iconic Queensland soft drink brand Tristram's.

The complete redevelopment will include restoring and rejuvenating the building's main facade, major upgrades to the malls, inclusion of vertical transport across all levels, all new amenities, activated street frontages, new on grade car parking and landscaped outdoor dining spaces.



All the building's heritage elements will be retained with a particular focus on the theme of industrial heritage. Throughout the building the use of materials, finishes and detailing will create a relaxed, timeless palette with an urban edge.

SCP is excited to complete this project in 2021, improve the retail environment for the existing retailers and enhance assets long term value.

OUR PERFORMANCE
CONTINUED

FUNDS MANAGEMENT BUSINESS

The funds management business allows SCP to recycle non-core assets, and utilise its expertise and platform to earn management fees in the future (subject to market conditions). SCP has one remaining SCA unlisted retail fund following the successful wind up of SURF 1 and SURF 2 during FY21. The first of these funds, SURF 1, sold its properties which resulted in an internal rate of return to the Unitholders of 11% and a performance fee of $0.5 million paid to SCP in FY21. SURF 2 sold its final property, Katoomba Marketplace, in February 2021 to SCP which resulted in an internal rate of return to the Unitholders of 12% and a performance fee of $0.7 million paid to SCP in FY21. SURF 3 continues to operate with 3 properties valued at $50.2 million and AUM of $51.6 million. We will explore additional funds management opportunities in FY22.

Moama Marketplace, NSW

Warrnambool Target, VIC


Woodford Woolworths, QLD

PRUDENT CAPITAL MANAGEMENT

SCP maintains a prudent approach to managing the balance sheet, with gearing of 31.3% at 30 June 2021. This is within the target range of 30–40%. Our preference is for gearing to remain below 35% at this point in the cycle.

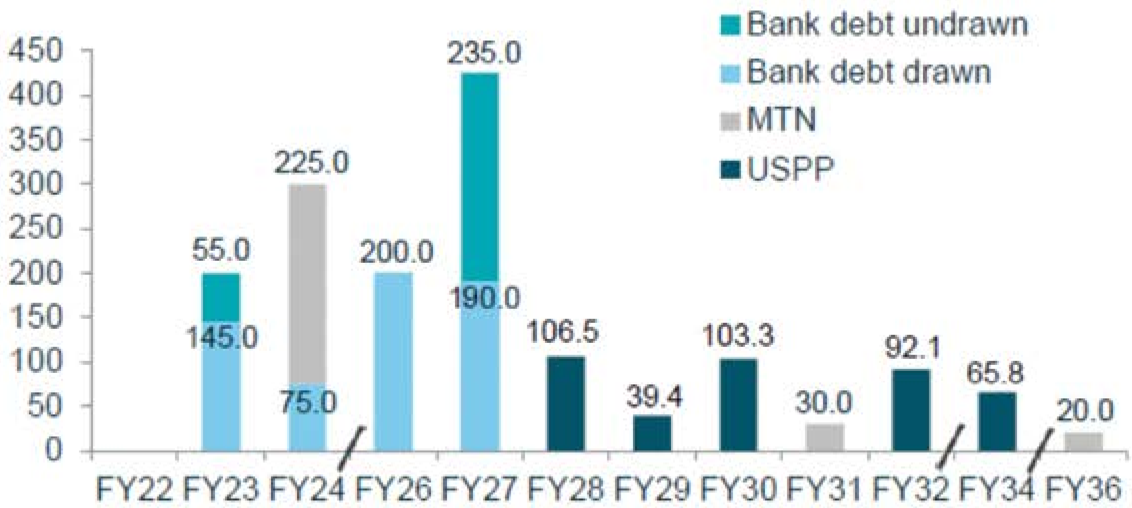
At 30 June 2021, the cost of debt was 2.4% p.a. and 50.8% of SCP's debt was fixed or hedged.

In addition to $900.0 million of bank and syndicated financing facilities, we currently have $407.1 million of US Private Placement Notes (with maturities between August 2027 and September 2033), and $275.0 million of A$ Medium-Term Notes (with maturities between June 2024 and September 2035). These transactions have diversified our sources of debt funding, and the weighted average term to maturity of our debt is now 5.3 years, with no debt drawn expiring until November 2022. At 30 June 2021 the Group had cash and undrawn debt facilities of $290.6 million.

We are well within debt covenant limits of less than 50% gearing and interest cover ratio greater than 2.0x (currently 5.5x).

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.

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
- 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. At 30 June 2021, 50.8% of SCP's debt was fixed or hedged.

OUR PERFORMANCE
CONTINUED

ONLINE RETAIL TRENDS

- Our centres are located within local communities, well suited for last mile logistics
- We believe the store-based fulfilment model will remain the predominant model for online grocery fulfilment in Australia due to relatively low population densities, large distances, established existing supply chains and high temperatures
- Woolworths and Coles are using our centres for last mile fulfilment, both pick up and home delivery
  - 70 supermarkets in our portfolio (or 75% of stores) now have dedicated click 'n collect bays
  - 2 supermarkets have drive-through for online pick up, with a further 14 planned for FY22
  - Many of our stores are also being used as logistics hubs for home deliveries to the local area
- Online sales are included in supermarket turnover rent calculations
  - Of our 93 Coles & Woolworths stores, three include only 50% of online sales
- Specialty tenants are increasingly using their stores in our centres to fulfil online orders in the local area

HISTORICAL KEY METRICS

SCP Group Metrics at 30 June	2017	2018	2019	2020	2021
Earnings/Profit and Loss					
Gross property income ($m)	204.5	208.9	263.8	289.0	290.6
Net Profit after Tax ($m)	319.6	175.2	109.6	85.5	462.9
Funds from Operations ($m)	108.4	114.3	141.8	140.8	159.0
FFO per unit (cents per unit)	14.70	15.30	16.33	14.65	14.76
Distribution ($m)	96.8	103.9	135.4	123.5	133.8
Distribution (cents per unit)	13.1	13.9	14.7	12.5	12.4
Payout Ratio (%)	89%	91%	90%	85%	84%
Adjusted Funds from Operations ($m)	100.1	105.7	127.4	124.3	135.8
Distribution/AFFO (%)	97%	98%	106%	99%	99%
Management Expense Ratio (%)	0.45%	0.43%	0.37%	0.38%	0.41%
Balance Sheet					
Net Tangible Assets ($ per unit)	$2.20	$2.30	$2.27	$2.22	2.52
Net Tangible Assets ($m)	1,633.7	1,721.0	2,103.9	2,374.0	2,724.8
Share Price at 30 June ($ per unit)	$2.19	$2.45	$2.39	$2.18	$2.52
Closing Units on Issue (million)	742.8	749.1	925.6	1,071.4	1,080.0
Market Capitalisation ($m)	$1,627	$1,850	$2,212	$2,336	$2,722
Acquisitions ($m)	274.9	38.3	677.9	78.4	452.4
Disposals ($m)	311.0	-	60.3	21.5	-
Debt Metrics					
Gearing (%)	31.8%	31.2%	32.8%	25.6%	31.3%
Cost of Debt (%)	3.8%	3.8%	3.6%	3.5%	2.4%
Interest Bearing Liabilities ($m)	817.4	867.5	1,137.5	1,083.6	1,331.5
Average Debt Maturity (years)	5.0	4.9	6.1	5.1	5.3
% of Debt Fixed/Hedged	86.1%	81.6%	70.4%	91.1%	50.8%
Average Hedge Maturity (years)	4.6	3.6	4.8	3.8	3.0

HISTORICAL KEY METRICS

SCP Group Metrics at 30 June	2017	2018	2019	2020	2021
Portfolio Metrics					
Number of Properties	75	77	85	85	92
Weighted Average Cap Rate (%)	6.47%	6.33%	6.48%	6.51%	5.90%
Portfolio Occupancy (%)	98.4%	98.4%	98.2%	98.2%	97.4%
Specialty Vacancy (%)	4.8%	4.8%	5.3%	5.1%	5.1%
Portfolio WALE (by GLA) Years	9.8	9.1	7.9	7.4	7.2
Anchor WALE (by GLA) Years	12.8	12.0	10.3	9.6	9.3
Comparable NOI Growth (%)	3.0%	2.8%	2.5%	ND	ND
Supermarket MAT Growth (%)	2.2%	1.9%	2.0%	5.1%	3.2%
Anchors in Turnover Rent	16	20	34	39	42
Specialty MAT Growth (%)	3.8%	3.3%	1.8%	(1.1)%	9.7%
Specialty Occupancy Cost (%)	9.7%	9.8%	10.1%	10.0%	8.6%
Specialty Rent psm ($)	$700	$716	$772	$778	$793
Specialty Productivity ($)	$7,801	$7,758	$8,010	$8,229	$9,954
Number of Specialty Renewals	81	123	215	232	198
- Retention (%)	84%	82%	77%	76%	73%
- Specialty Renewals GLA	9,267	14,969	26,455	31,817	24,864
- Specialty Re-leasing Spreads (renewals) (%)	7.0%	6.1%	(1.7)%	(1.1)%	(1.5)%
- Average Incentives on Renewals (months)	-	-	-	0.5	0.2
Number of Specialty New Leases	68	71	87	146	127
- Specialty New Leases GLA	8,468	7,677	12,200	18,656	13,844
- Average Uplift on New Leases (%)	4.5%	3.6%	4.9%	(7.7)%	1.9%
- Average Incentives on New Leases (months)	10.0	10.9	11.0	13.8	10.8

ND means not disclosed

SUSTAINABILITY

At SCP, we believe in owning assets which are both economically and environmentally sustainable. Our centres, directly and indirectly, provide employment for thousands of Australians and help to support the economic resilience of the areas they are in.

In addition, we work hard to ensure our centres play an integral role in their communities: working together with local people to ensure consistent consideration of local issues; running community initiatives; and volunteering in community projects.

At SCP, we have been reporting against industry benchmarks since 2016. We are working hard to keep improving our Global Real Estate Sustainability Benchmark ("GRESB") and National Australian Built Environment Rating System ("NABERS") ratings, while maintaining the Green Star performance of our shopping centres.

We are proud to have been awarded a 6 Star NABERS rating in FY21 for our corporate head office, up from 5.5 in FY20.

Our GRESB for 2019 score was 72, and although it was a decrease from 75 in 2018, it places SCP with an above-average GRESB score and reflects changes in the GRESB rating methodology. Our 2020 GRESB rating will be released in November.

greenstar NABERS GRESB REAL ESTATE

FY21 SUSTAINABILITY HIGHLIGHTS

$4.1M invested in sustainable initiatives in FY21

$21.2M investment approved for sustainability initiatives in FY22 including approval for $13.6m investment in Solar Generation, representing 7.5MW of solar capacity

3,045MWH of solar power generated from our roofs in 2020

1,634 TONNES GHG saved through solar generation in 2020

40/40/20 gender split reached (Non Executive Directors and Senior Leadership)

128 families supported through our Smith Family partnership

70+ Stronger Communities events held

6 STAR NABERS rating for our corporate office premise

FY21 PROGRESS UPDATE

In FY21 we continued to progress the commitments made against the three strategic pillars of our previous sustainability strategy: Work, health & safety, and employment practices. Despite the many impacts of COVID-19, we took strong steps forward. Below is a summary of progress against our previous targets. It is important to note that next year we will be reporting against the new SCP 2030 Sustainability Commitments and Targets.

	September 2020 Report Commitment	Status
Stronger Communities	Leveraging a partnership with a national charity or community group to roll out one national campaign and corporate initiatives.	**COMPLETE** Commenced three-year partnership with The Smith Family.
Stronger Communities	Implement 60 initiatives significant to the local community. Build on current local Stronger Communities initiatives, including raising awareness of social issues via our social media pages.	**COMPLETE** +70 local community initiatives completed including awareness of social issues.
Environmentally Efficient Centres	Continued focus on community engagement through the Stronger Communities initiative. Advancement in understanding SCP's exposure to climate risk across the portfolio. Improving public disclosure of SCP's ESG performance.	**COMPLETE** Hired National Sustainability Manager and updated our SCP Sustainability Strategy, including strengthening reporting to 2030. This includes continual improvement and focus on our GRESB scores and NABERS rating (from 5.5 to 6 stars achieved in FY21). Undertook Climate Change Risk Assessments at all centres, identifying 11 classed as at risk.
Environmentally Efficient Centres	Implementation of organic waste management at a further five centres.	**REVIEWED** We are aligning our commitment to waste management, including organic waste management, against our new Sustainability Strategy.
Environmentally Efficient Centres	Improve environmental performance through the installation of energy management systems and LED lighting at a further three centres. Trial implementing energy management systems into the smaller neighbourhood centres in the portfolio.	**COMPLETE** LED lighting upgrades approved to over 60% of the portfolio, along with a new target of 100% LED lighting by 2023. Three BMS systems are complete and three additional sites are under construction (Lavington, Emerald & West End).
Environmentally Efficient Centres	HVAC plant replacement at four properties to eliminate R22.	**COMPLETE** This project will form an important part of our commitments and pathways in the new SCP Sustainability Strategy.

	September 2020 Report Commitment	Status
Environmentally Efficient Centres	Formulate future targets to include measures for energy and emissions intensity, renewable energy and climate risk.	**COMPLETE** Carbon emissions and energy targets and pathways form an important part of the SCP Sustainability Strategy. We have determined the climate risk for each centre and are taking further actions for the eleven at risk centres.
Environmentally Efficient Centres	Undertake industry review to determine renewable energy across the portfolio including solar, LED, and energy efficiency.	**COMPLETE** The Western Australian Solar Pilot project (7.5MW generation capacity) received financial approval, design has commenced. New target approved for 25MW of solar generation capacity by the end of 2025. Detailed solar energy portfolio analysis is underway with Cundall Partners.
Responsible Investment	External review of ESG strategy and long-term targets to be completed to ensure relevance to industry practices and SCP's overarching business strategy.	**COMPLETE** Review completed by SCP Management, Republic of Everyone and Cundall. The updated SCP Sustainability Strategy was released on the 16th August 2021.
Responsible Investment	Increased focus on the impacts of climate risk on the SCP portfolio. Improve public disclosure through the utilisation of SCP's website.	**ADVANCED** Climate Resilience Action Plans will be established by 2023 at our 11 centres deemed at risk of extreme climatic events. This will include community disaster relief plans embedded with our partners and local authorities.
Responsible Investment	Materiality assessment to be updated through engagement with our staff, property management partners and our external sustainability advisers.	**COMPLETE** Materiality assessment has been updated and used to develop the updated SCP Sustainability Strategy.

OUR SUSTAINABILITY STRATEGY

ENERGY & CARBON

Achieve Net Zero in our operations by 2030
(Scope 1 and 2 emissions)

WASTE

Divert 60% operational waste from landfill by 2030

HEALTH & WELLBEING

Continually improve health and wellbeing of employees

Love Local, Shop Local, Act Local remains a core focus of SCP, but we also understand that loving local communities means acting on climate risks that could impact them. We are committed to improving both the social and environmental performance of SCP and to work with our retailers, customers and external partners to help deliver positive changes.

We are targeting our efforts in six key areas where we can have maximum impact while enhancing our economic sustainability in the communities where we operate.

These targets exclude three centres, which are managed by SCP, but owned by SURF 3.

WATER

Reduce water use by 25% across largest consumption sites by 2025

LEADING LOCAL

Work together with The Smith Family to build strong, sustainable communities

DIVERSITY & INCLUSION

Achieve 40/40/20 leadership split by 2021

PATHWAY TO NET ZERO

Reaching net zero carbon emissions by 2030 is our major target that requires planning and commitment that includes being more energy efficient and increasing onsite renewable energy generation.

2015 - 2016

First SCP Sustainability strategy launched with 3 pillars

-

First Solar project commenced at Griffin Plaza

2017 - 2018

Commenced GRESB benchmark reporting

-

3 additional solar projects added to the portfolio

2019 - 2020

Commenced our first energy efficient Building Management System project

-

Portfolio wide Climate Risk Assessment completed

2021

Launched our 2030 Sustainability Strategy with 6 pillars

-

60% LED lighting approved in 2021

-

25% LED lighting completed in 2021

These goals are the next steps on our carbon reduction journey, which started back in 2015. The following timeline details our biggest positive actions so far, and the major steps developed as part of our new sustainability strategy.

2022	2023	2024	2025	2030
7.5 MW solar generation capacity installed across 7 Western Australian centres	100% LED lighting installed to all centres - Climate Resilience Action Plans completed at 11 high-risk centres	Waste reduction plans completed	Ozone depleting gasses removed from our mechanical plant - 25% reduction of water usage from our largest sites - 25MW total onsite solar generation installed	Reach net zero carbon emissions (Scope 1 and 2)

TARGET SUMMARY

ENERGY & CARBON	• Net zero by 2030 (Scope 1 and 2) • 20% less energy consumption by 2025 • 100% LED lighting by 2023 • Increase solar generation capacity to 25MW by 2025, including 10 MW by the end of 2022 • Energy efficiency strategy created and implementation started by 2023 • Environmentally friendly refrigerants only by 2025 • Establish renewable energy partnerships by 2025 • Climate Change Risk Assessments for all centres in 2021 • Resilience Action Plans for eleven high-risk centres by 2023 • Community disaster relief plans embedded with local authorities
WASTE & RECYCLING	• Divert 60% of operational waste by 2030, including 30% by 2025 • Waste audits conducted by 2023 • Contractor recycling plans created by 2023 • Waste reduction plans created by 2024 • Build retailer and council support for waste initiatives • Encourage retailers to use environmentally friendly materials and phase out single-use plastics by 2025 • Eliminate single-use plastics at head office by 2025
WATER	• 25% water use reduction at our ten largest consumption sites by 2025 • Investigate water user metering to high volume retailers by 2023 • Investigate low flow toilets and taps by 2023 • Continue moving high water usage retailers onto metering friendly leases
LEADING LOCAL	• Working together with The Smith Family to build strong, sustainable communities - through 2023 • Run two Work Inspiration programs by the end of 2022 • Support success at school for 128 young Australians • Participate in the 2021 iTrack Online Mentoring Program • 100% workplace volunteers by 2023

DIVERSITY & INCLUSION

- 40:40:20 gender diversity split by 2021 (leadership roles, non-executive directors and total employees)
- Place at least one Indigenous intern from CareerTrackers at head office by 2022
- Leadership team member to participate in young Indigenous mentoring
- 100% of employees trained in Indigenous Cultural Awareness by 2022
- Ensure diversity in recruitment - people from all backgrounds and all stages of their career lifecycles
- Ensure our diversity is represented in recruitment panels
- Develop career pathways to support people at all stages of their careers, including parents on their return to work
- A member of the leadership team to continue participation in the NSW Domestic and Family Violence and Sexual Assault Corporate Leadership Group

HEALTH & WELLBEING

- Continued improvement in the health and wellbeing of employees
- Continue free employee gym access, including the flexibility to ensure they can participate
- Continue providing ergonomically designed workplaces in the corporate office, and provide guidance on ergonomic and healthy work environments for home
- Encourage active commuting with end of trip facilities
- Encourage physical activity in team sports and challenges
- Continue providing daily healthy eating options for employees, and healthy event catering
- Free flu vaccinations for employees
- Investigate viability to provide COVID-19 vaccinations for all employees by 2022
- All employees to have mental health awareness training by 2021
- All employees to have free access to Mental health support by 2021 (in addition to our Employee Assistance Program)
- Improve the indoor environment of our Head Office, with reference to the NABERS IEQ (indoor environment quality) ratings
- Develop one or more strategic alliances or partnerships to boost community health and wellbeing, to start by 2022
- Continue to ensure all centres maintain and follow COVID Safe Plans
- Reduce health risks to the community with Resilience Action Plans for eleven high-risk centres by 2023 (See Energy & Carbon section)

These targets exclude three centres, which are managed by SCP, but owned by SURF 3

DIRECTORS' REPORT

Coorparoo, QLD

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 2021 and the auditor's report thereon.

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 AO (appointed 19 September 2012)

Chairman and Non-Executive Director

Independent:	Yes.
Other listed Directorships held in last 3 years:	None.
Special responsibilities and other positions held:	Member and from 14 July 2021 Chair of Nomination Committee and Member of the Audit Risk Management and Compliance Committee. Other positions currently held, unrelated to the Group, include member of the JP Morgan Australia Advisory Council and Council of Charles Sturt University. Chair of a number of government and private boards including: Australian Antarctic Science Council, NSW Skills Board, Trustees of the Royal Botanic Gardens & Domain Trust and NSW Public Purpose Fund. Director of Food Agility Cooperative Research Centre and Consultant to FTI Consulting.
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 has been a Director of several listed AREITs (including most recently Ingenia until December 2017) and Chair and Non-Executive Director of Hunter Hall Global Value Limited (July 2013 to December 2015). 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 • Stakeholder engagement
Qualifications:	BA, LLB, and MBA (Columbia University).

Mr Steven Crane (appointed 13 December 2018)

Non-Executive Director and Deputy Chair

Independent:	Yes.
Other listed Directorships held in last 3 years:	Chair and Non-Executive Director of nib holdings limited (Non-Executive Director from September 2010 and Chair from October 2011 to July 2021) and Non-Executive Director of APA Group (comprising Australian Pipeline Trust and APT Investment Trust) (January 2011 to current).
Special responsibilities and other positions held:	Chair of Remuneration Committee, and Member of Nomination Committee and Investment Committee. Other positions currently held unrelated to the Group includes Chairman of Taronga Conservation Society Australia Board (until June 2021) and Global Value Technology Limited.
Other Experience:	Mr Crane has held a number of other positions unrelated to the Group include Non-Executive Director of Bank of Queensland (2008-2015), Non-Executive Director of Transfield Services (2008-2015), Non-Executive Director of APA Ethane Limited (2008-2011), Trustee of Australian Reward Investment Alliance (2007-2009), Chair of Adelaide Managed Funds Limited (2006-2008), Chair of Investa Property Group (2006-2007), Non-Executive Director of Adelaide Bank (2005-2007), Non-Executive Director of Foodland Associated (2003-2005), Deputy Chair of Australian Chamber Orchestra and Director of Sunnyfield Association. Mr Crane brings specific skills in the following areas: • Funds management • Investment banking including M & A and capital markets • Finance and accounting including audit • Remuneration • Stakeholder engagement
Qualifications:	BComm, FAICD, SF Fin.

Dr Kirstin Ferguson (appointed 1 January 2015 – resigning 17 August 2021)

Non-Executive Director

Independent:	Yes.
Other listed Directorships held in last 3 years:	Non-Executive Director of PEXA Group (June 2021 to date) and Non-Executive Director of EML Payments Limited (February 2018 to July 2021).
Special responsibilities and other positions held:	Chair of Nomination Committee until 14 July 2021, Member of Audit, Risk Management and Compliance Committee, and Member of Remuneration Committee. Other positions currently held unrelated to the Group include Non-Executive Director to Envato Pty Limited.
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 has held roles on the boards of significant unlisted entities such as Deputy Chair of the Australian Broadcasting Corporation and 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 is also the creator of the global, online #CelebratingWomen campaign and co-author of Women Kind and was a Non-Executive Director of the Layne Beachley Aim for the Stars Foundation (2016 to 2019), Non-Executive Director of the Australian Broadcasting Corporation (November 2015 to November 2020) and Non-Executive Director of Hyne & Sons Pty Limited (August 2013 to April 2021). Dr Ferguson brings specific skills in the following areas: • Remuneration • Organisational culture • Diversity • Risk and compliance

- Workplace health and safety
- Stakeholder engagement
- Social media

Qualifications: PhD, LLB (Honours), BA (Honours), FAICD and a member of Chief Executive Women.

Ms Beth Laughton (appointed 13 December 2018)

Non-Executive Director

Independent: Yes.

Other listed Directorships held in last 3 years: Director of JB Hi-Fi Limited (May 2011 to current).

Special responsibilities and other positions held: Chair of the Audit, Risk Management and Compliance Committee (from 1 October 2020) and Member of the Remuneration Committee and Nomination Committee.

Other positions currently held unrelated to the Group include Non-Executive Director of GPT Funds Management Limited.

Other Experience: Ms Laughton began her career with Peat, Marwick, Mitchell (now KPMG) in audit and then spent 25 years advising companies in mergers and acquisitions, valuations and equity capital markets. She has worked at senior levels with Ord Minnett Corporate Finance (now JP Morgan), TMT Partners and Wilson HTM, advising companies in a range of industries including, property, retail and the information, communication and media sectors. She has held a number of other positions unrelated to the Group including a Member of Defence SA's Advisory Board (2007-2016), Non-Executive Director of the Co-operative Research Centre for Contamination, Assessment, Remediation of the Environment (2012-2014), Non-Executive Director of Australand Property Group (2012-2014), and Director of Sydney Ferries (2004-2010).

Ms Laughton brings specific skills in the following areas:

- Property investment and funds management
- M & A and equity capital markets
- Finance and accounting
- Corporate governance
- Retail
- Remuneration
- Audit and risk management

Qualifications: BEcon, FCA and FAICD.

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: Chair of the Investment Committee and Member of the Remuneration Committee, and Nomination Committee.

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

Other experience: Ms Robson is an experienced real estate executive and people leader, having previously worked with Lendlease Group for nearly 30 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).

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
- International experience

Qualifications: BComm (Honours).

Mr Philip Redmond (appointed 26 September 2012 – resigned 30 September 2020)

Non-Executive Director

Independent:	Yes.
Other listed Directorships held in last 3 years:	None.
Special responsibilities and other positions held:	Up until the date of resignation Chair of Audit, Risk Management and Compliance Committee, and Member of Nomination Committee and Investment Committee.

Other experience: Mr Redmond has over 30 years of experience in the real estate industry including over five years with AMP's real estate team and over 12 years with the investment bank UBS in various roles including as Managing Director - Head of Real Estate Australasia. In addition, Mr Redmond has been a Non-Executive Director for a number of responsible entities in the listed A-REIT sector including most recently Non-Executive Director Galileo Funds Management Limited the Responsible Entity for Galileo Japan Trust (2006 to October 2016).

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
- Real estate valuations
- Development of strategy and policy for real estate investment funds
- Risk management
- International real estate investment

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

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 positions currently held unrelated to the Group include Director of Shopping Centre Council of Australia.

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. 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
- 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 was an alternative Executive Director of SCA Unlisted Retail Fund RE Limited for Mr Mellowes (October 2015 to February 2021). Other positions currently held unrelated to the Group include Trustee of the Royal Botanical Gardens & Domain Trust.
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, and corporate finance • Capital management, including debt, derivatives and equity raising • Retail industry expertise across a range of retail categories including supermarkets and experience in fast moving consumer goods • Real estate expertise, particularly in retail asset classes, including valuations and funds management • Listed company CFO experience, including treasury, tax, accounting/financial control/audit, corporate governance/risk management/compliance, stakeholder engagement/investor relations
Qualifications:	LLB, B.Econ (First Class Honours), CPA.

Company Secretaries

Ms Erica Rees (appointed 5 February 2020)

Senior Legal Counsel and Company Secretary

Experience:	Ms Rees is an experienced funds and property lawyer with over 15 years' experience in legal practice including property transactions, property developments, leasing, funds management, corporate and debt. Ms Rees joined SCA in late 2012 and was previously a Senior Associate in a national law firm. Ms Rees is a Company Secretary for the Group and SCA Unlisted Retail Fund RE Limited which is the Responsible Entity for SCA's funds management business.
Qualifications:	BA LLB (Hons), AGIA, ACIS.

Mr Mark Lamb (appointed 26 September 2012 - resigned as Company Secretary 31 December 2020).

General Counsel and Company Secretary

Experience: Mr Lamb is an experienced transactional and corporate lawyer with over 20 years' experience in private practice and 10 years as a Partner of Corrs Chambers Westgarth (and subsequently Herbert Geer). Subsequently Mr Lamb has 12 years experience 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 at the date of signing of this report are shown below.

Director	Number of stapled securities at 30 June 2020	Net movement increase / (decrease)	Number of stapled securities at date of this report	Number of unvested performance rights at date of this report
P Clark	201,094	-	201,094	-
S Crane	88,888	32,000	120,888	-
K Ferguson	35,069	1,641	36,710	-
B Laughton	18,331	5,343	23,674	-
P Redmond [1]	87,853	(87,853)	-	-
B Robson	62,495	-	62,495	-
A Mellowes	926,831	74,346	1,001,177	1,595,282
M Fleming	208,779	100,000	308,779	752,494

[1] *P Redmond resigned on 30 September 2020 and therefore the number of stapled securities are shown as nil at the date of this report.*

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)	20
Audit, Risk Management and Compliance Committee (ARMCC)	7
Remuneration Committee (Remuneration)	7
Nomination Committee (Nomination)	2
Investment Committee (Investment)	8

	Board		ARMCC			Remuneration			Nomination			Investment		
Director	A	B	A	B	C	A	B	C	A	B	C	A	B	C
P Clark	20	20	7	7	-	-	-	7	2	2	-	-	-	4
S Crane	20	20	-	-	5	7	7	-	2	2	-	8	8	-
K Ferguson	20	20	7	7	-	7	7	-	2	2	-	-	-	3
B Laughton	20	20	7	7	-	7	7	-	2	2	-	-	-	5
P Redmond	8	8	3	3	-	-	-	3	-	-	-	2	2	-
B Robson	20	20	-	-	6	7	7	-	2	2	-	8	8	-
A Mellowes	20	19	-	-	6	-	-	7	-	-	2	8	8	-
M Fleming	20	19	-	-	7	-	-	6	-	-	2	8	8	-

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

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

C: Number of meetings attended as a guest.

2. Principal activities

The principal activity of the Group during the year was investment in, and management of, shopping centres in Australia. The materials in this document include materials that deal with the operational and financial review. Additional material on these matters is also in the other announcement materials that deal with the results of the Group for the year ended 30 June 2021.

3. Impact of COVID-19

The events relating to COVID-19 have had an adverse impact on both the operations and financial performance of the Group during the current year and prior year. These impacts have included: volatility in the retail sales performance of our tenants; government-imposed trading restrictions on some of our tenants; receipt of State government grants; rental relief for some of our tenants including pursuant to legislation in each state and territory implementing the National Cabinet Mandatory Code of Conduct ("Code of Conduct") that ended for most of Australia in March 2021 that provided for rental relief for small and medium sized enterprise tenants; higher than normal rental arrears by our speciality tenants; an increase in expenses, (for example extra cleaning and security); rent freezes; increased vacancy; reduced leasing spreads; increased incentives; reduced other income; and due to uncertainty some valuers have included additional disclosure around "material valuation uncertainty".

The Group remains committed to providing safe, clean and compliant convenience-based shopping centres for our people, shoppers, retailers and service providers through continued focus on safety and wellbeing. This includes applying a conservative safety strategy, structured regular reporting to the Board, training programs for employees and contractors, encouragement of continuous challenge and improvement on safety achievements, outsourced property and facilities management with safety KPI's, and appropriate insurance (covering workers' compensation, public liability and property).

The implications of the above on the Consolidated Financial Statements falls broadly into two areas:

- Recording and collecting of rental income: some rental income that was invoiced during the period has not been received. A portion of this unpaid rent has been waived or deferred. A portion of the remaining balance of unpaid rent is not expected to be recovered in a future period and, as such, an expected credit loss provision has been raised for the expected cash shortfall relative to contractual lease payments ("ECL" provision). The full ECL provision is $9.8 million, being $15.3 million that was already recognised at 30 June 2020 less ($5.5) million that has now been released due to improved collections and improved expected collection rates in relation to unpaid rent during the COVID-19 pandemic.
- Fair value through profit or loss of investment properties: this requires assumptions to be made about the future financial performance of the properties and recent market transactional evidence. There are significant judgements and uncertainties relating to both of these assumptions. Since 30 June 2020, the value of investment properties has increased by $354.2 million, of which $27.4 million is directly related to the removal of any allowance for future lost rents a result of the COVID-19 pandemic.

The accounting treatments and key estimates and significant judgements in each of these areas are set out in note 3 of the Consolidated Financial Statements.

4. Property portfolio

The investment portfolio at 30 June 2021 consisted of 92 shopping centres (30 June 2020: 85 shopping centres) valued at $4,000.0 million (30 June 2020: $3,138.2 million). The investment portfolio consists of convenience-based neighbourhood and sub-regional shopping centres with a strong weighting toward non-discretionary retail segments.

Acquisitions and developments

During the year, the Group completed the following property acquisitions for $452.4 million (excluding transaction costs). Details of these properties include:

Property	Type	State	Settlement Date	Cost $m
Bakewell Shopping Centre	Neighbourhood	NT	Sep-20	33.0
Auburn Shopping Centre	Neighbourhood	NSW	Dec-20	129.5
Bakewell Petrol Station	Classified as part of Bakewell Shopping Centre	NT	Dec-20	6.4
Greenbank Vacant Land	Classified as part of Greenbank Shopping Centre	QLD	Dec-20	10.0
Cooloola Cove Shopping Centre	Neighbourhood	QLD	Feb-21	18.6
Katoomba Marketplace Shopping Centre	Freestanding	NSW	Feb-21	55.1
Mt Isa Shopping Centre	Neighbourhood	QLD	Apr-21	44.2
Warnbro Petrol Station	Classified as part of Warnbro Shopping Centre	WA	Apr-21	5.1
Marketown East Shopping Centre	Sub-Regional	NSW	Jun-21	82.0
Marketown West Shopping Centre	Neighbourhood	NSW	Jun-21	68.5
				452.4

Disposals

The Group sold no properties during the year.

Revaluations

The total value of investment properties at 30 June 2021 was $4,000.0 million (30 June 2020: $3,138.2 million). During the year independent valuations were obtained for more than half of the investment properties in addition to all of the investment properties being internally valued. The weighted average capitalisation rate (cap rate) of the portfolio at 30 June 2021 was 5.90% (30 June 2020: 6.51%).

The change in value of the investment properties during the year was due primarily to acquisitions and the compression of capitalisation rates by 61bps.

5. Funds Management

At 30 June 2021 the Group managed 3 properties valued at $50.2 million for the SCA Unlisted Retail Fund 3 (SURF 3) (30 June 2020: 5 properties valued at $102.6 million).

The last property of SCA Unlisted Retail Fund 1 (SURF 1) was sold during the year ended 30 June 2020 and SURF 1 was wound up on 16 October 2020. During the year, SURF 1 paid a performance fee of $0.5 million (before tax) to the Group in line with the investment management agreement.

In February 2021, SCA Unlisted Retail Fund 2 (SURF 2) sold its last property, Katoomba Marketplace, and was wound up on 7 May 2021. Katoomba Marketplace was purchased by the Group on an arms length basis. SURF 2 paid a performance fee of $0.7 million (before tax) and 1% disposal fee of $0.6 million (before tax) to the Group in line with the investment management agreement. These fees were also paid in the year ended 30 June 2021.

In July 2020, SURF 3 sold Swansea for $15.6 million. The Group was entitled to a 1% disposal fee of $0.2 million (before tax) on settlement, which was paid in the year ended 30 June 2021.

6. Financial review

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 June 2021	30 June 2020	**30 June 2021**	30 June 2020
Net profit after tax	($m)	**462.9**	85.5	**461.9**	84.8
Basic earnings per security (weighted for securities on issue during the year)	(cents per security)	**43.0**	8.9	**42.9**	8.8
Diluted earnings per security (weighted for securities on issue during the year)	(cents per security)	**42.8**	8.9	**42.7**	8.8
Funds from operations	($m)	**159.0**	140.8	**158.0**	140.1
Funds from operations per security (weighted for securities on issue during the year)	(cents per security)	**14.76**	14.65	**14.67**	14.58
Distributions paid and payable to security holders	($m)	**133.8**	123.5	**133.8**	123.5
Distributions	(cents per security)	**12.4**	12.5	**12.4**	12.5
Net tangible assets	($ per security)	**2.52**	2.22	**2.51**	2.21
Weighted average number of securities used as the denominator in calculating basic earnings per security	(millions of securities)	**1,077.3**	960.9	**1,077.3**	960.9
Weighted average number of securities used as the denominator in calculating diluted earnings per security	(millions of securities)	**1,081.6**	964.6	**1,081.6**	964.6

Funds from Operations and Adjusted Funds from Operations

The Group reports net profit after tax (statutory) attributable to security holders in accordance with International Financial Reporting Standards (IFRS). The Responsible Entity considers the non-IFRS 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 June 2021 $m	30 June 2020 $m	**30 June 2021 $m**	30 June 2020 $m
Net profit after tax (statutory)	**462.9**	85.5	**461.9**	84.8
Adjustments for non cash items included in statutory profit				
Reverse: Straight-lining of rental income and amortisation of incentives	**12.6**	8.1	**12.6**	8.1
Reverse: Fair value or unrealised adjustments				
- Investment properties	**(354.2)**	87.9	**(354.2)**	87.9
- Derivatives	**65.9**	(51.4)	**65.9**	(51.4)
- Foreign exchange	**(35.3)**	8.1	**(35.3)**	8.1
Other Adjustments				
Reverse: Other items	**1.5**	(0.5)	**1.5**	(0.5)
Reverse: Net unrealised (profit)/loss from associates (SURF funds)	**(4.3)**	1.6	**(4.3)**	1.6
Reverse: Swap termination costs	**9.1**	-	**9.1**	-
Reverse: Transaction costs	**0.8**	1.5	**0.8**	1.5
Funds from Operations	**159.0**	140.8	**158.0**	140.1
Less: Maintenance capital expenditure	**(9.7)**	(6.0)	**(9.7)**	(6.0)
Less: Capital leasing incentives and leasing costs	**(13.5)**	(10.5)	**(13.5)**	(10.5)
Adjusted Funds from Operations	**135.8**	124.3	**134.8**	123.6

7. Contributed equity

Distribution reinvestment plan (DRP)

The Group has a DRP under which security holders may elect to have their distribution entitlements satisfied by the issue of new securities at the time of the distribution payment rather than being paid in cash. The DRP was in place for the distribution declared in June 2020 (paid in August 2020) and the distribution declared in December 2020 (paid in January 2021).

The distribution declared in June 2020 resulted in $9.5 million being raised by the DRP through the issue of 4.3 million securities at $2.22 per security in August 2020. The distribution declared in December 2020 resulted in $8.3 million being raised by the DRP through the issue of 3.4 million securities at $2.40 per security in January 2021.

Further, the DRP is in place for the distribution declared in June 2021 (expected to be paid on or about 31 August 2021). The Group's security holders holding 17.6% of the securities on issue have elected to participate in the DRP to raise $12.8 million. The Group entered into an underwriting agreement with MA Moelis Australia Advisory Pty Ltd to underwrite the remaining 82.4% of the total distribution. This means that the total securities to be issued in respect of this distribution and the DRP will be 29.9 million securities at $2.42 per security raising a total of $72.4 million.

Other equity issues

During the year 0.9 million securities were issued in respect of executive and staff compensation plans for nil consideration.

8. Significant changes and developments during the year

Investment properties – acquisitions, disposals and developments

Details of the acquisitions during the year are above. The Group sold no properties during the year.

Capital management - debt

During the year, the facility limit was increased by $125.0 million from $1,457.1 million at 30 June 2020 to $1,582.1 million at 30 June 2021. This was as a result of:

- Issuing A$MTN $50.0 million ($30.0 million 10 year and $20.0 million 15 year issuance expiring September 2030 and September 2035 respectively);
- The bilateral debt facilities were amended during the year leading to an increased facility limit of $300.0 million from $600.0 million at 30 June 2020 to $900.0 million at 30 June 2021 and included benefitting from pricing at lower margins and additional overall facility maturity; and
- Repaying A$MTN of $225.0 million with an expiry of April 2021 in October 2020.

At 30 June 2021 the Group had undrawn debt facilities and cash and cash equivalents of $290.6 million (30 June 2020: $622.8 million).

The next debt expiry is a $200.0 million facility in November 2022. This facility was drawn to $145.0 million at 30 June 2021. The intention is that this facility will be repaid from a debt capital markets issue, and/or cash and cash equivalents and undrawn debt.

The average debt facility maturity of the Group at 30 June 2021 was 5.3 years (30 June 2020: 5.1 years). At 30 June 2021 50.8% of the Group's debt was fixed or hedged (30 June 2020: 91.1%).

Gearing

The Group maintains a prudent approach to managing the balance sheet with gearing of 31.3% at 30 June 2021 (30 June 2020: 25.6%). 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.

9. Major business risk profile

The Board is ultimately responsible for the risk management process and the systems of internal control. Senior management is responsible for identifying risks and implementing appropriate mitigation processes and controls. The Audit, Risk Management and Compliance Committee, is responsible for establishing, reviewing and monitoring the process of risk management, and presents this to the Board for the Board's annual approval.

The table below summarises the key business risks as set out in the Group's risk register.

Key Risks	Cause(s)	Effect	Mitigation
STRATEGIC			
Online retailing reduces foot traffic through SCA centres including anchor tenants	Increased online sales result in reduced in store sales	Reduced rental income and reduced investment property valuations	Encourage tenancy mix towards online-resilient specialty categories
Economic slowdown leading to subdued retail sales	Macroeconomic environment, eg. COVID-19 pandemic	Reduced foot traffic, reduced sales, reduced rental income and reduced investment property valuations	High proportion of income from supermarket anchor tenants with long leases, a diverse mix of specialty tenants with a bias towards non-discretionary categories
Anchor tenant closes stores	Reduced productivity in large format stores	Reduced rental income and reduced investment property valuations	Reduce exposure to poorer performing discount department stores over time, long term leases with anchor tenants
Changes to anchor tenant lease structures including shorter term leases, exclusion of online sales, pandemic clauses	Anchor tenants seeking shorter term leases with lower rent	Reduced rental income and reduced investment property valuations	Majority of anchor tenant leases do not have these clauses; increase diversification to a variety of non discretionary specialty tenants with a bias towards non-discretionary categories
Supermarket anchor tenant becomes insolvent	Major structural change to the supermarket sector or capital structure failure	Reduced rental income and reduced investment property valuations	Increase diversification of supermarket and other non discretionary anchors over time

Acquisition volume is below expectations	Investment hurdles cannot be achieved	Lack of earnings growth	Closely monitor all potential acquisitions, and regularly review investment hurdles
Pandemic reduces financial performance	Pandemic or other disease related risk such as COVID-19	Reduced rental income and reduced investment property valuations	Closely monitor rental collection; geographic diversity, suburban and regional locations, everyday needs focus
Pandemic causes adverse health outcomes including employees, tenants, customers or contractors	Pandemic or other disease related risk such as COVID-19	Business disruption from staff absenteeism, reduced foot traffic at centres, reduced performance or reliability of contractors	Crisis management planning, disaster recovery framework in place, critical workstreams identified, staff wellbeing and absenteeism is monitored
FINANCIAL			
Cost of equity increases	Market disruption or demand for SCA equity declines	Inability to acquire assets may decrease earnings and may reduce distributions which may result in lower security price	Management monitor equity markets continuously and the Group has raised equity every year. Maintain strong and diversified equity capital market relationships
Value of assets declines	Increase in market capitalisation / discount rates, decrease in net operating income or expected future cash flows	Decrease in net tangible assets and increase in Loan to Value (LVR) ratio	Conservative level of gearing, geographic diversification, long dated lease agreements, credit quality of anchor tenants
OPERATIONAL			
Outsourced service provider does not perform	Inadequate supervision of SCP's outsourced functions and/or unsatisfactory quality control	Unsatisfactory quality control resulting in loss to security holders, breach of financial services law, or loss of reputation	Appropriate policies, procedures and operational practices adopted, reviewed and maintained, training, insurance
Information technology (IT), cyber data security	Inadequate controls over systems including SCA's outsourced services	Business interruption, financial loss and / or loss of confidential information including breach of legislation or loss of reputation	Use of IT security measures including outsourced expert service provider who ensures that the Group's IT systems have adequate security, use of 2 factor authentication where possible, other key service providers provide annual assurance of IT security measures, training, disaster recovery and backup
Death or permanent disability – foreseeable and within SCA's control	An incident that is as a result of an act, or failure to act, by SCA or where SCA can reasonably influence the outcome	Death, serious injury or adverse health outcomes for SCA employees, contractors, tenants or customers	Conservative safety strategy, safety reporting to the Board, ongoing safety training for employees and contractors, encouragement of continuous challenge and improvement on safety achievements, outsourced property and facilities management with safety KPI's, appropriate workers' compensation, public liability and property insurance

PEOPLE & CULTURE			
Poor organisational culture and employee engagement	Inadequate development of culture strategy, failure of leadership, training or engagement	Loss of knowledge, experience, engagement and productivity	Develop and continuously improve culture strategy alignment, cultural reviews, staff training and coaching

10. 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 bias towards the non-discretionary retail sector.

The Group is focused on achieving growing and resilient cash flows by investing in properties that have tenants who operate primarily in non-discretionary and defensive retailing sectors. This is to support secure and growing distributions to the Group's security holders. It intends to achieve this by:

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

The events relating to COVID-19 have had an adverse impact on both the operations and financial performance of the Group during the current and prior year. These impacts have included: volatility in the retail sales performance of our tenants; government-imposed trading restrictions on some of our tenants; legislation in each state and territory implementing the National Cabinet Mandatory Code of Conduct that ended in March 2021 for small and medium sized enterprise tenants; higher than normal rental arrears by our speciality tenants; an increase in expenses (for example extra cleaning and security); and some valuers including additional disclosure around "material valuation uncertainty". The Victorian State Government has also announced in July 2021 the intention to reintroduce a similar Scheme to the Code of Conduct to eligible business's.

While the Group's strategy has not changed, its current operational and financial performance has been impacted by the COVID-19 pandemic and these impacts are expected to continue into financial year 2022 and possibly beyond. If the events relating to COVID-19 are more material or prolonged than anticipated, this will have a greater impact that may include a reduction in rent collected and a reduction in property values. For more information in relation to the impact of COVID-19 on the Group for the year ended 30 June 2021, refer to note 3 to the Financial Statements.

It is also noted that 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.

11. 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 of these requirements and, to the best of their knowledge, all activities have been undertaken in compliance with environmental requirements.

12. Sustainability

The Group understands that its impact on communities means acting on climate, social and environmental risks that could impact them. The Group has been measuring electrical energy use, waste disposal and water usage since 2015 and has participated in industry benchmarking since 2016. As Australia's largest owner (by number of centres) of neighbourhood and convenience base shopping centres, the Group has made significant progress to reduce our impact. During FY21 this progress has included investing $4.1 million in sustainability initiatives such as the installation of building management systems and LED lighting at some of our centres, achieving a 40/40/20 gender split, establishing a partnership with the Smith Family, achieving a 6 star NABERS rating for our head office and continuing to maintain a GRESB rating. The Group has also set itself a range of sustainability targets including to achieve Net Zero for scope 1 and 2 emissions by 2030, to divert 60% of operational waste from landfill by 2030 and to reduce water use by 25% at our largest consumption sites by 2025. More information is provided in the Group's FY21 Sustainability Report that has been lodged with ASX and can be found on the Group's website at https://www.scaproperty.com.au/investor/.

13. Indemnification and insurance of Directors, Officers, RE and Auditor

The Directors' have been provided with a Deed of Indemnity which is intended, to the extent allowed by law, to indemnify the Directors against all losses or liabilities incurred by the person acting in their capacity as a Director.

Additionally, the Group has acquired Directors' and Officers' liability insurance. 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, 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.

14. 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 86.

15. Audit and non-audit fees

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

There were no non-audit services during the year. The Directors are satisfied that the general standard of independence for auditors imposed by the Corporations Act 2001 has been satisfied.

The Directors are of the opinion that the services disclosed in note 30 of the Financial Report do not compromise the external auditor's independence, based on that none of the non audit services provided (to the extent that any services were provided) 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.

16. Going concern

The Financial Statements are prepared on a going concern basis. The impact of the COVID-19 pandemic has resulted in a portion of the tenants of the Group experiencing challenging and uncertain times. Whilst the situation is evolving, the Group remains confident that it will be able to continue as a going concern. In reaching this position, it has been considered that the Group and Retail Trust are in a net current asset deficiency position of $55.0 million. At 30 June 2021 the Group and Retail Trust have the ability to drawdown sufficient funds to pay the current liabilities and the capital commitments (refer to note 23 of the Financial Statements), having available cash and cash equivalents and undrawn debt facilities of $290.6 million. For more information refer to note 2 of the Financial Statements.

17. Subsequent events

The continued uncertainty in relation to COVID-19 may have an adverse impact on both the operations and financial performance of the Group during FY22. Restrictions on retail trading have been introduced into a number of States in Australia in response to COVID-19 outbreaks, and regulations mandating rent relief and a moratorium on evictions have been re-introduced in New South Wales and Victoria. The full consequences of COVID-19 on the Group's future financial performance and the value of the Group's investment properties continues to be uncertain.

In July 2021, the Group acquired Drayton Central (Queensland) for $34.3 million, Raymond Terrace (New South Wales) for $87.5 million and purchased vacant land next to the Marian Town Centre shopping centre for $0.8 million.

Since the end of the year, the Directors of the Responsible 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.

18. 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.

Philip Marcus Clark AO
Chairman
Sydney
16 August 2021

REMUNERATION REPORT

Shell Cove Woolworths, NSW

SCA Property Group

Remuneration Report for the Financial Year ending 30 June 2021

Dear Unitholders

I am pleased to present the SCP FY21 Remuneration Report.

Despite the ongoing effects of the COVID-19 pandemic, SCP has performed well this year.

As the year began in the midst of the COVID-19 pandemic, the Board directed Management to focus on two key performance criteria essential to maintaining distributions and unit value, being AFFOPU and rent collection. Given the uncertain environment, the Board split the year into two distinct performance periods, to ensure it was able to set targets that matched the outlook at the time. This allowed the Board to set appropriate targets based on a changing environment and for the second half of the financial year, to set higher targets for both metrics in line with an improving outlook.

At the time of SCP's capital raising in FY20, Management had initially expected that capitalisation rates across the convenience-based retail asset sector might soften, thereby creating acquisition opportunities for SCP. In fact, the opposite occurred, and there has been a surge in demand for convenience-based assets resulting in strong capitalisation rate compression across the sector. Notwithstanding this, Management remained strongly disciplined in adhering to SCP's acquisition criteria, seeking opportunities that generated earnings accretion and value creation. This approach meant that Management did not deploy a portion of the capital raised until the last few months of the year, where Management was able to secure several off-market acquisitions that met SCP's strategic direction and acquisition hurdles. Notwithstanding these acquisitions taking place in the last few months of the year, AFFOPU still exceeded expectations. This was made possible by the considerable improvement in rent collections, which recovered to pre-COVID-19 levels. In addition to the improving collection rates, the provisions for expected credit loss from the previous financial year have been partially reversed. These provisions had been allowed for due to, in part, to the government mandated tenancy code of conduct. This was possible due to Management actively seeking rental repayments. While Management has been focused on this through the twelve months, Management was particularly effective as retail spending green shoots started to appear in the last five months of the financial year.

The results have been AFFOPU and rent collection performance that well exceeded stretch targets set in each of the six-month periods. On review, the Board was satisfied that these targets were appropriate, and that Executive achievement against these targets is a valid reflection of their performance.

The non-financial STI requirements set for Executives exceeded target levels. Last year, the Board exercised discretion to reduce the STI award, due for meeting or exceeding non-financial KPIs, to zero because of COVID-19 impacted financial results. This was not necessary this year. Hence STI payments for non-financial KPI achievements at above target levels (but below maximum) will be paid.

As disclosed in last year's Remuneration Report, the period for deferred STI payments will be one year. This was reduced from two years for prior years' STI deferrals. This still permits an elapsed period for the Board to consider final approval of a proportion of STI for governance reasons, while permitting an earlier payment to partially meet some of the Executives' annual cash shortfall from the absence of an FY20 STI payment due to COVID-19 impacts on SCP's FY20 results.

The FY18 LTI grant was tested in August 2021, with the performance conditions being relative TSR, FFOPU growth, and return on equity. Whilst Relative TSR performance exceeded median TSR performance against the constituents of the ASX 200 A-REIT Index, performance with respect to the FFOPU and ROE tranches was below threshold. This will result in a payout of 6.83% of the LTI maximum opportunity, with the award to vest following the release of this Report. The Board was satisfied that performance to the test date, and during the additional one-year deferral period, warrants this vesting, so no discretion was required.

Overall, the Board has been very pleased with the Executives' performance this year and is satisfied with longer term performance over three and four years. The Board is also satisfied that the performance requirements set were demanding and at stretch, and that resulting payments are reasonable and aligned with our Unitholders' experience and interests.

The following Remuneration Report sets out the rationale underpinning our remuneration philosophy, how this is applied in practice, and its results.

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

Steven Crane
Chair, Remuneration Committee

The Remuneration Report has been audited by Deloitte Touche Tohmatsu.

Key points to note in relation to this Report are:

- *The disclosures in this Report have been prepared in accordance with the provisions of section 300A of the Corporations Act 2001, 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 Key Management Personnel (KMP) who are Executives and therefore excludes Non-Executive Directors (NEDs).*
- *Definitions to abbreviations in this Report appear on page 85.*

1. REMUNERATION SNAPSHOT

1.1 Remuneration Overview

<table>
<tr><th>Key questions</th><th>Our approach</th><th>Further information</th></tr>
<tr><td>1. Were there any pay increases in FY21?</td><td>There were no total fixed remuneration increases awarded in FY21.</td><td></td></tr>
<tr><td>2. Were any changes made to the remuneration structure in FY21?</td><td>There were no changes to the Short-Term Incentive (STI) and Long-Term Incentive (LTI) opportunities for any Executives during the period. Refer to key question 10 for further details.
<table>
<tr><th>Executive</th><th>FY20 STI % of TFR</th><th>FY21 STI % of TFR</th><th>FY20 LTI % of TFR</th><th>FY21 STI % of TFR</th></tr>
<tr><td>Anthony Mellowes</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td></tr>
<tr><td>Mark Fleming</td><td>70%</td><td>70%</td><td>70%</td><td>70%</td></tr>
<tr><td>Mark Lamb*</td><td>35%</td><td>35%</td><td>35%</td><td>35%</td></tr>
</table>
As announced in the FY20 Remuneration Report, the FY21 STI deferral period for the CEO and CFO was reduced from two years to one year. This will compensate for the reduction in annual Executive realisable income due to the Board exercising its discretion to reduce FY20 STI to zero. This discretion arose from an assessment of the sudden impact of COVID-19 on SCP's FY20 financial results, even though the CEO and CFO met their personal performance requirements. The 12 month deferral period remains sufficient to exercise the malus provisions if required. While the timing for incentive payments to be received has been changed, total incentive payments remain unchanged.
* Mark Lamb retired as General Counsel on 7 December 2020 and resigned as Company Secretary on 31 December 2020. He ceased being a KMP on 31 December 2020. Mark Lamb remained employed until 1 July 2021. </td><td>Sections 3.2 and 3.3</td></tr>
<tr><td>3. Were there any changes to performance measures?</td><td> The hurdles and metrics set for FY21 were modified from those used in FY20 to reflect the change in SCP's strategic priorities occasioned by COVID-19. The FY21 STI hurdles were set as rent collection, AFFOPU and a personal component. These hurdles were chosen in order to focus Executives on rental collection and growing AFFOPU following the impact of COVID-19 on SCP and the effects of various state and territory legislation mandating the waiver and deferral of rent for small to medium enterprises that qualified for the JobKeeper program.
FY21 STI hurdles and metrics were initially set for the first half of FY21, given the uncertainty around the impact of COVID-19 on SCP. Hurdles and metrics for the second half of FY21 were then set in December 2020. Hurdles remained consistent across both halves, with a recalibration and increase in the performance metrics for each hurdle in the second half year.
The year-end assessment and review concluded that the FY21 metrics set were both meaningful and robust stretch targets.
The FY21 LTI hurdles were also modified from those used in FY20, again due to the change in SCP's strategic priorities occasioned by COVID-19. The FY21 hurdles were set as relative TSR, and AFFOPU for the year ending 30 June 2023. </td><td></td></tr>
</table>

Key questions	Our approach	Further information
4. What is the FY21 STI payout to Executives and why?	The STI performance pool awarded to Executives for FY21 was $700,088, representing a 98% payout of the total STI maximum opportunity for each Executive. In respect of the CEO and CFO, 50% of the STI award will be granted by way of deferred equity (subject to Unitholder approval), and 50% in cash to be paid in September 2021. The payout ratio is a direct function of SCP's performance in FY21, which saw Executives deliver the following: • Rental collection rate of 96% – rent collection recovered to pre-COVID-19 levels; and • AFFOPU of 12.61.	Section 3.2
5. Did any LTI awards vest in FY21?	FY17 LTI awards vested in July 2020. Details of the performance period and metrics were set out in sections 3.3 and 3.5 of the FY17 Remuneration Report, and details of actual performance against metrics were set out in sections 1.1 and 1.3 of the FY20 Remuneration Report. Whilst not in FY21, the FY18 LTI grant was tested in August 2021. The FY18 LTI performance period for the distributable earnings per unit (DEPU) and return on equity (ROE) performance conditions ended on 30 June 2020, and the performance period for the relative total securityholder return (TSR) performance condition ended on 30 September 2020. Performance was severely impacted by the COVID-19 pandemic, and consequently performance was assessed as slightly above Threshold for the Relative TSR tranche only. The remaining two tranches had a 0% payout. This will result in a 6.83% payout of the total FY18 LTI maximum opportunity for each Executive, with the award to vest following the date of this Report.	
6. Did the Board exercise discretion when considering Executive awards in FY21?	In assessing Executive awards in FY21, the Board considered the COVID-19 impacts on Unitholders including distributions, property revaluations, dilution from the FY20 capital raise and whether any JobKeeper payments were received by SCP during the year. No JobKeeper payments were received by SCP during the year. The Board was satisfied that hurdles were sufficiently stretching, and performance against these were broadly aligned with Unitholder experience. The Board in setting the hurdles in two periods allowed for robust metrics to be determined. Therefore, the Board chose not to exercise discretion to vary the FY21 STI payments in determining the FY21 awards to Executives.	
7. Were any changes made to NED fees in FY21?	There were no changes made to NED fees in FY21. Total NED remuneration payable in FY21 was $1,074,884, down from $1,184,027 in FY20 due to the retirement of Philip Redmond in September 2020.	

Key questions	Our approach	Further information
Remuneration Framework		
8. How does the Board set remuneration hurdles?	The Board focuses the STI and LTI performance conditions and hurdles on areas where it believes the Executives can create the best value for Unitholders, build on prior-year performance, properly consider market conditions and opportunities, and provide Executives with meaningful and robust stretch targets within SCP's stated risk parameters. The hurdles and metrics set for the FY21 STI and LTI were modified from those used in FY20 to reflect the change in SCP's strategic priorities occasioned by COVID-19. These strategic priorities included: • Recovering and growing AFFOPU following the impacts of COVID-19; and • Improving rent collection levels following conclusion of the various state and territory legislation mandating the waiver and deferral of rent for eligible small to medium enterprises.	Section 2.1
9. How and when does the Board determine if it uses discretion?	As a general principle, where a formulaic application of the relevant remuneration metrics could 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 will consider and may exercise its discretion in determining the awards. On review of outcomes against Unitholder experience, the extent that targets, in hindsight were sufficiently stretching, and in the context of COVID-19, the Board determined that it was not necessary to exercise discretion in FY21.	
10. What portion of remuneration is at-risk?	STI and LTI awards are variable with performance and are therefore considered at-risk. • 66.67% of the CEO's TRO is at-risk; • 58.33% of the CFO's TRO is at-risk; and • 41.18% of the General Counsel/Company Secretary's (GC/CS) TRO was at-risk.	Section 3.1
11. 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.	
12. 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; however, there is no mandated minimum holding requirement, as it is considered that this may be a deterrent to achieving Board or KMP Executive diversity.	
13. How is risk managed at the various points in the Remuneration Framework?	Risk is managed at various points in the Remuneration Framework through: • Part deferral of STI awards for the CEO and CFO, with the vesting of STI rights deferred for one year; • LTI performance hurdles that reflect the long-term performance of SCP, measured over a three-year performance period with a further one-year deferral; • 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; and • Board discretion on performance outcomes 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.	

Key questions	Our approach	Further information
Short-Term Incentives (STIs)		
14. What are the STI performance measures that determine if the STI vests?	The FY21 performance measures are: • AFFOPU (40%); • Rent collection (40%); and • Personal component (20%). These performance measures were chosen as they are directly linked to SCP's strategic objectives in a pandemic year.	Sections 3.2 and 3.3
15. Are any STI payments deferred?	Yes, 50% of STIs for the CEO and CFO are in the form of deferred rights, with a one-year deferral period.	Section 3.3
16. Are STI payments capped?	Yes, the total maximum STI opportunity as a percentage of TFR is as follows: • CEO – 100% of TFR; • CFO – 70% of TFR; and • GC/CS – 35% of TFR.	Section 3.3
17. 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 one-year STI deferral period.	Section 3.3
18. Have any adjustments, positive or negative, been made to the STI payments?	No adjustments were made to the FY21 STI payments.	Section 3.2
Long-Term Incentives (LTIs)		
19. What are the performance measures that determine if the LTI awards vest?	FY21 LTI rights will be tested against two 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 (60% of grant); and • AFFOPU for the year to 30 June 2023 (40% of grant). These performance conditions were chosen as they are directly linked to SCP's strategic objectives.	Sections 3.3 and 3.5
20. Does the LTI have re-testing?	No, there is no re-testing.	
21. Are distributions paid on unvested LTI awards?	On vesting and exercise, 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 since the grant date. No distributions are paid on unvested LTI awards.	Section 3.3
22. 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.	

Key questions	Our approach	Further information
23. 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
24. 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		
25. 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

1.2 SCP'S Key Management Personnel

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 may include other Executives of SCP.

Name	Position as at 30 June 2021	Board appointment date
Non-Executive Directors (NEDs)		
Philip Marcus Clark AO	Chair - Board Member - Nomination Committee Member - Audit, Risk Management and Compliance Committee	19 September 2012
Dr Kirstin Ferguson*	Chair - Nomination Committee Member - Remuneration Committee Member - Audit, Risk Management and Compliance Committee	1 January 2015
Belinda Robson	Member - Remuneration Committee Chair - Investment Committee Member - Nomination Committee	27 September 2012
Beth Laughton	Chair - Audit, Risk Management and Compliance Committee Member - Remuneration Committee Member - Nomination Committee	13 December 2018
Steven Crane	Chair - Remuneration Committee Member - Nomination Committee Member - Investment Committee	13 December 2018
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

Philip Redmond, appointed 26 September 2012 as a Non-Executive Director, retired and ceased to be a Director on 30 September 2020.

Mark Lamb, appointed 26 September 2012 as General Counsel and Company Secretary. Mark Lamb retired as General Counsel on 7 December 2020 and resigned as Company Secretary on 31 December 2020. He ceased being a KMP on 31 December 2020. Mark Lamb remained employed until 1 July 2021.

*Dr Kirstin Ferguson will retire and cease to be a Director on 17 August 2021. Phillip Marcus Clark was elected Chair of the Nomination Committee on 14 July 2021.

1.3 Actual remuneration earned in respect of FY21

The table below sets out the actual value of remuneration earned by each Executive during FY21. The reason the figures in this table are different to 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 to be paid in September 2021 in recognition of performance during FY21; and
- 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 Remuneration Earned in FY21

Executive KMP	Financial Year	Fixed remuneration including Superannuation $[1]	Cash STI[2]	Deferred STI 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	**2021**	**965,000**	**472,850**	**94,026**	**205,917**	**330,320**	**723,401**	**-**	**2,367,168**
	2020	951,250	-	137,948	353,147	403,553	1,033,096	-	2,337,493
Mark Fleming	**2021**	**662,500**	**227,238**	**43,052**	**94,284**	**151,001**	**330,692**	**-**	**1,314,714**
	2020	653,125	-	63,062	161,439	184,482	472,274	-	1,286,838
Mark Lamb[8]	**2021**	**301,250**	**-**	**-**	**-**	**55,363**	**121,245**	**-**	**422,495**
	2020	595,000	-	-	-	67,643	173,166	-	768,166
Total	**2021**	**1,928,750**	**700,088**	**137,078**	**300,201**	**536,684**	**1,175,338**	**-**	**4,104,377**
	2020	2,199,375	-	201,010	514,586	655,678	1,678,536	-	4,392,497

1. *Fixed remuneration comprises fixed remuneration including superannuation contributions. When awarded, salary reviews take effect from 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 22 July 2020 and 8 August 2019 in respect of the financial year ending two years previously respectively.*
4. *Value of STI is calculated by reference to the closing price on the day of issue, which was 22 July 2020 $2.19 and 8 August 2019 $2.56. This price does not represent the value for financial reporting.*
5. *LTI vested units were issued on 22 July 2020 in respect of the plans covering the preceding period. For the prior period, LTI vested units were issued on 8 August 2019 in respect of plans covering the preceding period.*
6. *The LTI vested value is calculated by reference to the closing price on the day of issue, which was 22 July 2020 $2.19 and 8 August 2019 $2.56.*
7. *Total remuneration is made up of fixed remuneration, including Superannuation $ plus cash STI $ plus Deferred STI vested equity value $ plus LTI vested equity value.*
8. *Mark Lamb retired as General Counsel on 7 December 2020 and resigned as Company Secretary on 31 December 2020. He ceased being a KMP on 31 December 2020. Mark Lamb remained employed until 1 July 2021. It was determined that Mark Lamb would receive a STI of $184,516, equalling 19.3% of his fixed annual remuneration (87.5% of his maximum STIP opportunity). The award will be delivered as 100% cash. All termination benefits were provided in accordance with the terms of his employment contract and includes leave entitlements paid on cessation of employment and other contractual amounts due totalling $60,000.*

2. REMUNERATION POLICY

2.1 SCP's remuneration principles, policy and philosophy

The Board believes that the structure, design and mix of remuneration should, through the alignment of Unitholder interests with those of a motivated and talented Executive, provide Unitholders with optimal 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 take 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 Executives 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 rights in certain circumstances.

This philosophy is substantially similar to prior years. The Committee continues to benefit from discussions with key stakeholders and where appropriate will take these views into consideration 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 Executives 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 BDO to advise on various aspects of remuneration including:

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

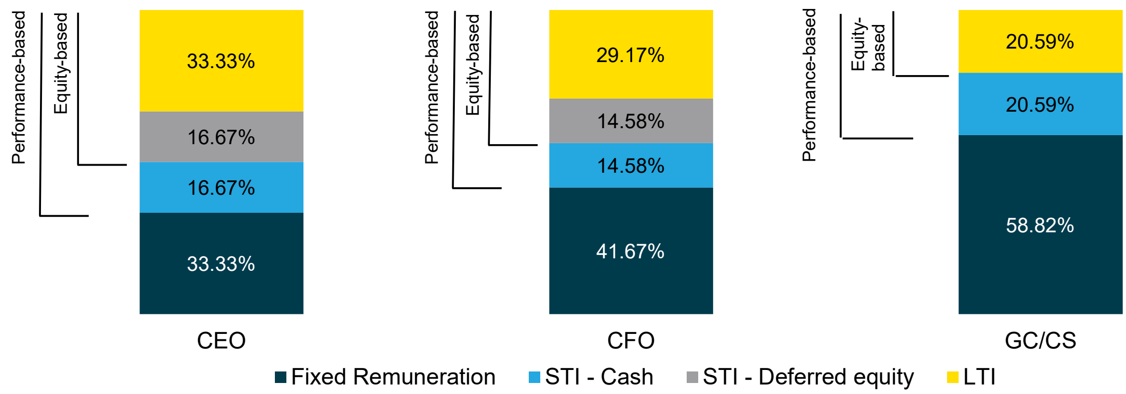
Guerdon Associates and BDO did not make any 'remuneration recommendations' (as defined in the Corporations Act) in relation to any KMP during FY21.

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 based and multi-year focused. The graph below sets out the FY21 remuneration structure and mix for each Executive.



3.2 FY21 STI outcomes

SCP's financial performance directly affects STI award outcomes, as 80% of the maximum STI opportunity for each Executive is based on the achievement of financial performance conditions: AFFOPU and rent collection.

SCP initially set STI hurdles and metrics for the first half of FY21 only, given the uncertainty that existed around the impact of COVID-19 on SCP at that time. This ensured that the selected hurdles and metrics fairly rewarded and motivated Executives having regard to the external market and the overall performance of SCP, and appropriately aligned the interests of Executives and Unitholders in dealing with the impacts of COVID-19 on SCP.

Performance conditions for the second half of FY21 were subsequently set in December 2020, with the Remuneration Committee and Board determining that the performance conditions of AFFOPU and rent collection remained relevant for the second half. Increased, new hurdles and metrics were also set for that second half period.

STI is awarded annually based on the achievement of the relevant performance conditions. The weighting of these performance conditions reflects SCP's FY21 strategic drivers of recovering and growing AFFOPU following the impacts of COVID-19 on SCP, and improving rent collection levels to pre-pandemic levels following the conclusion of the various state and territory legislation mandating the waiver and deferral of rent for eligible small to medium enterprises. Each performance condition comprises stretch for Executives to ensure that "at-risk" reward is genuinely "at-risk". The degree of stretch is carefully balanced with SCP's stated risk appetite.

As noted in section 1.1, the hurdles for the FY21 STI were modified from those used in FY20 to reflect the change in SCP's strategic priorities occasioned by COVID-19, and focus Executives on recovering and growing AFFOPU, and improving rent collection levels. Details are set out below:

FY20 Performance conditions	FY21 performance conditions
FFOPU – 40%	AFFOPU – 40%
MER – 10%	Rent collection – 40%
Cash NOI – 15%	Non-financial (personal component) – 20%
VCX NOI – 15%	
Non-financial (personal component) – 20%	

The Remuneration Committee has assessed performance against each performance condition to determine STI vesting outcomes for FY21. The table below sets out SCP's performance highlights, and the resulting STI outcomes:

Weighting of total STI award	Measure	FY21 performance highlights
20%	**AFFOPU – 1HFY21** The condition rewards performance where AFFOPU as shown in SCP's First Half FY21 results released to the ASX exceeds specified levels for the period from 1 July to 31 December 2020. The KPI was selected to focus Executives on growing AFFOPU following the impact of COVID-19 on SCP, as well as active and operational management in the context of SCP's adopted risk profile. This is an operating cash flow measure that drives distributions per unit.	AFFOPU was 5.8 cents. Performance was assessed at Maximum (as detailed in section 3.3).
20%	**AFFOPU – 2HFY21** The condition rewards performance where AFFOPU as confirmed following completion of the FY21 audited financial statements exceeds specified levels for the period from 1 January to 30 June 2021. The Threshold and Maximum hurdles set for 2HFY21 were higher than 1HFY21 as COVID-19 conditions improved. The KPI was selected to focus Executives on growing AFFOPU following the impact of COVID-19 on SCP, as well as active and operational management in the context of SCP's adopted risk profile. This is an operating cash flow measure that drives distributions per unit.	AFFOPU was 6.8 cents. Performance was assessed at Maximum (as detailed in section 3.3).
20%	**Rent collection – 1HFY21** This condition rewards performance where SCP's cash collection exceeds specified levels for the period from 1 July to 31 December 2020. This KPI was selected to focus Executives on improving rent collection levels to pre-pandemic levels.	Rent collection was 91%. Performance was assessed at Maximum (as detailed in section 3.3).
20%	**Rent collection – 2HFY21** This condition rewards performance where SCP's cash collection exceeds specified levels for the period from 1 January to 30 June 2021. The Threshold and Maximum hurdles set for 2HFY21 were higher than 1HFY21 as COVID-19 conditions improved. This KPI was selected to focus Executives on improving rent collection levels to pre-pandemic levels.	Rent collection was 96%. Performance was assessed at Maximum (as detailed in section 3.3).

Weighting of total STI award	Measure	FY21 performance highlights
10%	**Personal component – 1HFY21** The personal performance component assesses individual contributions based on factors judged as important for adding value for each individual Executive. 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. • (Advocacy / Governance) 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 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.
10%	**Personal component – 2HFY21** As above	As above

The following table shows the actual STI outcomes for each of the Executive KMP for FY21.

FY21 STI Outcomes

	STI target (% of Fixed Remuneration)	STI max (% of Fixed Remuneration)	Actual STI (% max)	STI forfeited (% max)	Actual STI (total) ($)
Anthony Mellowes	75.00%	100%	98.0%	2.0%	472,850
Mark Fleming	52.50%	70%	98.0%	2.0%	227,238
Mark Lamb[1]	26.25%	35%	0.0%	100.0%	-

1. *Mark Lamb retired as General Counsel on 7 December 2020 and resigned as Company Secretary on 31 December 2020. He ceased being a KMP on 31 December 2020. Mark Lamb remained employed until 1 July 2021. It was determined that Mark Lamb would receive a STI of $184,516, equalling 19.3% of his fixed annual remuneration (87.5% of his maximum STIP opportunity). The award will be delivered as 100% cash. All termination benefits were provided in accordance with the terms of his employment contract and includes leave entitlements paid on cessation of employment and other contractual amounts due totalling $60,000.*

3.3 How remuneration was structured in FY21

The SCP Executive remuneration structure comprised a combination of fixed remuneration plus performance or “at-risk” remuneration.

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 salary, superannuation, motor vehicle and other short-term benefits including Fringe Benefits 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, with no obligation to adjust.

No increases we made to TFR during FY21 compared to FY20. The decision not to increase TFR recognised that Unitholders have been impacted by the decline in distributions.

The Board believes that the FY21 remuneration structure is 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 FY21 are the CEO, Anthony Mellowes, the CFO, Mark Fleming and the GC/CS, Mark Lamb. Mark Lamb retired as General Counsel on 7 December 2020 and resigned as Company Secretary on 31 December 2020. He ceased being a KMP on 31 December 2020. Mark Lamb remained employed until 1 July 2021.
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. The GC/CS received his STI award in cash only. For the CEO and CFO who both receive 50% in the form of deferred rights to units in SCP, each vested STI right entitles them 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 period to exercise. The additional units are calculated as the number of units that would have been acquired if distributions as announced to the Australian Securities Exchange (ASX) during the exercise 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 FY21 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 – 100% of TFR; CFO – 70% of TFR; and CG/CS – 35% 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 level is set. Awards reflect the level of performance achieved during the relevant financial year.

	Category	Measure	Weighting of total STI award	Rationale for using measure
	Financial	AFFOPU – 1HFY21	20%	Focuses Executives on growing AFFOPU following the impact of COVID-19 on SCP, as well as active and operational management in the context of SCP's adopted risk profile
	Financial	AFFOPU – 2HFY21	20%	Focuses Executives on growing AFFOPU following the impact of COVID-19 on SCP, as well as active and operational management in the context of SCP's adopted risk profile
	Financial	Rent collection – 1HFY21	20%	Focuses Executives on improving rent collection levels to pre-pandemic levels
	Financial	Rent collection – 2HFY21	20%	Focuses Executives on improving rent collection levels to pre-pandemic levels
	Non-financial	Personal 1HFY21 (factors include people management, strategy, advocacy, governance and operational performance)	10%	Executives are assessed on factors judged as important for Unitholder value
	Non-financial	Personal 2HFY21 (factors include people management, strategy, advocacy, governance and operational performance)	10%	Executives are assessed on factors judged as important for Unitholder value
Performance schedule – AFFOPU (All Executives)		**% of relevant STI award that vests**		
	Threshold	0%		
	50% of max	50%		
	Target	75%		
	Maximum	100%		
Performance schedule – Rent collection (All Executives)		**% of relevant STI award that vests**		
	Threshold	0%		
	50% of max	50%		
	Target	75%		
	Maximum	100%		
Discretion	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. The Board chose not to exercise discretion to vary the FY21 STI payments.			
Deferral	STI rights are subject to a one-year deferral. Refer to section 1.1 for further information on the one-year deferral.			

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 Executive retains unvested incentive opportunities to encourage the Executive to secure the long-term future of SCP. In the event of the Executive's termination by SCP for cause prior to the end of the performance period, all STI unpaid and unvested incentive opportunities 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 AFFO is not maintained in the deferral period; 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 FY21 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 period to exercise. The additional units are calculated as the number of units that would have been acquired if distributions as announced to the ASX during the exercise 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 FY21	The number of performance rights granted to Executives in FY21 is as follows: • Anthony Mellowes – 443,759 LTI rights; • Mark Fleming – 213,257 LTI rights; and • Mark Lamb – 96,971 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 five trading days following the release of SCP's 2020 full year results, being $2.1746.	
Performance hurdles	**Relative TSR (Tranche 1 – 60%)**	**AFFOPU (Tranche 2 – 40%)**
	Measures SCP's TSR performance over the Tranche 1 performance period (being from 1 October 2020 to 30 September 2023) relative to the TSR for the constituents of the S&P/ASX 200 A-REIT Accumulation Index over that same period.	This condition requires SCP's AFFOPU for the year to 30 June 2023 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 50th percentile	0%
	Between Threshold and Maximum	Between 50th percentile and 75th percentile	Vest on a straight-line basis between 0% at Threshold and 100% at Maximum
	Maximum	At or above 75th percentile	100%

Vesting Schedule – AFFOPU		**AFFOPU for the year to 30 June 2023**	**% of Tranche 2 LTI rights that vest**
	At or below Threshold	Less than or equal to 12.5 cpu	0%
	Between Threshold and Maximum	Between 12.5 cpu and 13.9 cpu	Vest on a straight-line basis between 0% at Threshold and 100% at Maximum
	Maximum	At or above 13.9 cpu	100%

Vesting/delivery	The performance rights can only be exercised if and when the performance conditions are achieved and vesting has occurred. 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 2024, 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.
Discretion	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 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 by way of termination by SCP without cause, redundancy, diminution of responsibility, retirement, death or disability or other circumstances approved by the Board, the Executive retains unvested incentive opportunities to encourage Management to secure the long-term future of SCP. 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 AFFO 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 AFFO, stapled security ("unit") net tangible assets (NTA) and ASX price for the last seven complete financial years.

Past Financial performance

	FY21 Results	FY20 Results	FY19 Results	FY18 Results	FY17 Results	FY16 Results	FY15 Results
Statutory profit (after tax)	$462.9m	$85.5m	$109.6m	$175.2m	$319.6m	$184.7m	$150.5m
Statutory profit (after tax) cents per unit	43.0	8.9	12.6	23.5	43.3	25.4	22.9
FFO	$159.0m	$140.8m	$141.8m	$114.3m	$108.4m	$100.1m	$84.3m
FFO cents per unit	14.76	14.65	16.33	15.30	14.70	13.75	12.81
AFFO	$135.8m	$124.3m	$127.4m	$105.7m	$100.1m	$92.3m	$73.7m
AFFO cents per unit	12.61	12.94	14.67	14.15	13.57	12.68	11.20
Distributions paid and payable (cents per unit)	12.40	12.50	14.70	13.90	13.10	12.20	11.40
Net tangible assets per unit	$2.52	$2.22	$2.27	$2.30	$2.20	$1.92	$1.77
Unit price (as at 30 June)	$2.52	$2.18	$2.39	$2.45	$2.19	$2.28	$2.13
Management Expense Ratio (MER) %	0.41%	0.38%	0.37%	0.43%	0.45%	0.51%	0.55%

3.5 LTI grants in FY21

The table below presents the LTI grants to Executives made during FY21 that are due to vest on 1 July 2024, 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 FY21

2021	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	100%	Relative TSR	266,255	1.18	314,181
		AFFOPU	177,504	2.23	395,834
Total			**443,759**		**710,015**
Mark Fleming	70%	Relative TSR	127,954	1.18	150,986
		AFFOPU	85,303	2.23	190,226
Total			**213,257**		**341,212**
Mark Lamb	35%	Relative TSR	58,183	1.18	68,656
		AFFOPU	38,788	2.23	86,497
Total			**96,971**		**155,153**

Performance right movements during the year

Type and eligibility	Vesting conditions[1]	Security 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 (FY21) (Mr Mellowes)	Non-market	$2.23	Sep-20	Jan-21 Jul-21	Jul-22	$241,250 $241,250	$0.96 per $1.00
STIP (FY21) (Mr Fleming)	Non-market	$2.23	Sep-20	Jan-21 Jul-21	Jul-22	$115,938 $115,938	$0.96 per $1.00
LTIP (FY21 - FY23) (Tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR[2]	$2.23	Sep-20	Sep-23	Jul-24	452,595	$1.18 per security
LTIP (FY21 - FY23) (Tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.23	Sep-20	Jun-23	Jul-24	301,595	$2.23 per security

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 2021
Volatility	25%
Dividend yield	5.5%
Risk-free interest rate	0.2%

3.6 Total remuneration earned in FY21

Potential remuneration granted in FY21

	Maximum potential cash STI			Maximum potential equity STI			Maximum potential equity LTI		
Executive	% of TFR	$[1]	% of total potential rem	% of TFR	$[1]	% of total potential rem	% of TFR	$[3]	% of total potential rem
Anthony Mellowes	50.0%[2]	482,500	18%	50.0%[2]	463,200	18%	100%	756,609	29%
Mark Fleming	35.0%[2]	231,875	16%	35.0%[2]	222,600	15%	70%	363,603	25%
Mark Lamb	35.0%	210,875	22%	-	-	-	35%	165,336	17%

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 (AASB2).*
2. *In FY20, Mr Mellowes' STI opportunity was 100% of his TFR and Mr Fleming's STI opportunity was 70% 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 $965,000, for Mr Fleming is $463,750 and for Mr Lamb is $210,875. All of the LTI awarded in equity and the dollar values shown here represent the fair value under AASB2 of equity instruments granted.*

The following is the actual remuneration paid or accrued during the financial year to 30 June 2021:

Table of Executive remuneration paid or accrued

Executive		Salary & fees[1] $	Cash bonus[2] $	Total $	Super $	Long service leave $	Share-based payments[3] $	Total $
Anthony Mellowes,	**2021**	**940,000**	**472,850**	**1,412,850**	**25,000**	**15,670**	**516,468**	**1,969,988**
CEO	2020	926,250	-	926,250	25,000	23,012	492,706	1,466,968
Mark Fleming,	**2021**	**637,500**	**227,238**	**864,738**	**25,000**	**10,627**	**247,196**	**1,147,561**
CFO	2020	628,125	-	628,125	25,000	15,519	229,203	897,847
Mark Lamb,	**2021**	**288,750**	**-**	**288,750**	**12,500**	**4,813**	**20,434**	**326,497**
GC/CS[4]	2020	570,000	-	570,000	25,000	14,080	51,531	660,611
Total	**2021**	**1,866,250**	**700,088**	**2,566,338**	**62,500**	**31,110**	**784,098**	**3,444,046**
	2020	2,124,375	-	2,124,375	75,000	52,611	773,440	3,025,426

1. *Salary reviews take effect from 1 October.*
2. *The amount shown under "Cash bonus" refers to the amount which will be paid to Executives in September 2021 under the STI Plan for performance over the 2021 financial year.*
3. *The values for equity-based remuneration have been determined in accordance with AASB 2 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 STI equity and LTI equity. Please refer to the following table for additional details of the share-based payments.*
4. *Mark Lamb retired as General Counsel on 7 December 2020 and resigned as Company Secretary on 31 December 2020. He ceased being a KMP on 31 December 2020. Mark Lamb remained employed until 1 July 2021. It was determined that Mark Lamb would receive an STI award of $184,516, equalling 19.3% of his fixed annual remuneration (87.5% of his maximum STIP opportunity). The award will be delivered as 100% cash. All termination benefits were provided in accordance with the terms of his employment contract and includes leave entitlements paid on cessation of employment and other contractual amounts due totalling $60,000.*

The break-up of the amounts recognised for performance-based compensation relevant for the financial year ended 30 June 2021, 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 2021

	Actual cash STI		Actual equity STI		Actual equity LTI		Total equity STI and LTI
Executive	**$**	**% of total rem**	**$**	**% of total rem**	**$**	**% of total rem**	**$**
Anthony Mellowes, CEO	472,850	24%	315,177	16%	201,291	10%	516,468
Mark Fleming, CFO	227,238	20%	151,944	13%	95,252	8%	247,196
Mark Lamb, GC/CS[1]	-	0%	-	-	20,434	6%	20,434

1. *Mark Lamb retired as General Counsel on 7 December 2020 and resigned as Company Secretary on 31 December 2020. He ceased being a KMP on 31 December 2020. Mark Lamb remained employed until 1 July 2021. It was determined that Mark Lamb would receive a STI of $184,516, equalling 19.3% of his fixed annual remuneration (87.5% of his maximum STIP opportunity). The award will be delivered as 100% cash. All termination benefits were provided in accordance with the terms of his employment contract and includes leave entitlements paid on cessation of employment and other contractual amounts due totalling $60,000.*

Equity holdings of Executives

Executive	Held at 1 July 2020	Vested during year	Changes during the period	Held at 30 June 2021	Number of unvested rights as at 30 June 2021	Total interest in SCP units
Anthony Mellowes, CEO	926,831	424,346	(350,000)	1,001,177	1,595,232	2,596,409
Mark Fleming, CFO	208,779	194,053	(94,053)	308,779	752,494	1,061,273
Mark Lamb, GC/CS[1]	180,329	55,363	(235,692)	-	-	-

1. *Mark Lamb ceased to be a KMP as at 31 December 2020. As such, his closing balance has been adjusted to reflect no further holdings as a KMP.*

3.7 Service agreements for Executive KMP

There were no changes to the service agreements for Executives in FY21, although as noted previously, Mark Lamb ceased to be designated as a KMP effective 31 December 2020, following the announcement of his retirement in December 2020. His employment ceased on 1 July 2021.

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 Executives are summarised as follows:

Executive Director, Chief Executive Officer: Anthony Mellowes

Contract duration	Commenced 1 July 2013, open ended
TFR as at 30 June 2021	$965,000. 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 FY21 that included: **FY21 STI: Maximum opportunity:** 100% of TFR **FY21 LTI: Maximum opportunity:** 100% of TFR
Non-compete period	Up to 12 months
Non-solicitation period	Up to 12 months
Notice by SCP	9 months
Notice by Executive	9 months
Termination payments to compensate for non-solicitation/non-compete clause in certain circumstances	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 2021	$662,500. 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 FY21 that included: **FY21 STI: Maximum opportunity:** 70% of TFR **FY21 LTI: Maximum opportunity:** 70% 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. Employment ceased 1 July 2021.
TFR as at 30 June 2021	$602,500. 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 the SCP's plans for performance-based remuneration, and in FY21 that included: **FY21 STI: Maximum opportunity:** 35% of TFR **FY21 LTI: Maximum opportunity:** 35% 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 and LTI awards	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 Executive retains unvested or unpaid incentive opportunities to encourage Management to secure the long-term future of SCP. All unvested or unpaid incentive opportunities 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 achieve 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.

There was no increase applied to NED base fees, or Committee fees in FY21.

Total NED remuneration payable in FY21 was $1,074,884, down from $1,184,027 in FY20 due to the retirement of Philip Redmond in September 2020.

4.2 Total remuneration for Non-Executive Directors

The schedule of fees for NEDs for financial years is set out in the table below.

Non-Executive Director Board and Committee Fees

	Board		ARMCC		Remuneration		Investment		Nomination	
	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**
Chair	$338,027	**$342,200**	$25,000	**$25,000**	$25,000	**$25,000**	$25,000	**$25,000**	$15,000	**$15,000**
Member	$130,200	**$131,808**	$15,000	**$15,000**	$15,000	**$15,000**	$15,000	**$15,000**	-	**-**

Total remuneration for Non-Executive Directors

Non-Executive Director	Financial Year	Director fees $	Superannuation $	Committee fees $	Total $
Philip Clark AO	**2021**	**320,506**	**21,694**	**-**	**342,200**
	2020	317,024	21,003	-	338,027
Steven Crane	**2021**	**116,902**	**14,906**	**40,000**	**171,808**
	2020	115,434	14,766	40,000	170,200
Dr Kirstin Ferguson	**2021**	**116,468**	**15,340**	**45,000**	**176,808**
	2020	115,000	15,200	45,000	175,200
Beth Laughton	**2021**	**117,119**	**14,689**	**37,500**	**169,308**
	2020	116,301	13,899	30,000	160,200
Philip Redmond	**2021**	**32,976**	**3,726**	**6,250**	**42,952**
	2020	115,434	14,766	40,000	170,200
Belinda Robson	**2021**	**116,902**	**14,906**	**40,000**	**171,808**
	2020	115,434	14,766	40,000	170,200
Total	**2021**	**820,873**	**85,261**	**168,750**	**1,074,884**
	2020	894,627	94,400	195,000	1,184,027

4.3 Non-Executive Director unitholding

Non-Executive Director	Held as at 30 June 2020	Changes during the year	Held as at 30 June 2021
Philip Clark AO	201,094	-	201,094
Steven Crane	88,888	32,000	120,888
Dr Kirstin Ferguson	35,069	1,641	36,710
Beth Laughton	18,331	5,343	23,674
Philip Redmond[1]	87,853	(87,853)	-
Belinda Robson	62,495	-	62,495

1. *Philip Redmond resigned on 30 September 2020 and therefore the number of stapled securities are shown as nil.*

5. ADDITIONAL INFORMATION

5.1 Events subsequent

FY22 STI

The Board has reviewed the STI metrics in line with an improving COVID-19 environment as it relates to SCP's portfolio. As such, two new metrics have been added for FY22 being leasing spreads and acquisitions. Consistent with SCP's FY22 strategic objectives, the FY22 STI performance conditions are as follows:

- AFFO per unit: 50%
- Leasing spreads: 10%
- Acquisitions: 10%
- Rent collection: 10%
- Personal: 20%

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. Any units granted to Mr Mellowes and Mr Fleming will be deferred for one year consistent with FY21.

FY22 LTI

The FY22 hurdles and metrics are set out below, and are substantially the same as for FY21, with the only change being in relation to the vesting schedule for the Relative TSR tranche. The Board conducted a review of market practice and has decided to amend the vesting schedule such that vesting commences at 50% of the tranche for performance exceeding the threshold hurdle. Consistent with prior LTI grants, no LTI will vest for performance equal to the threshold hurdle or below.

The ranges below are designed as stretch targets for strong to exceptional performance. They do not represent the Executives' 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 four-year vesting period comprising a three-year forward-looking performance period and a one-year deferral period (together the "vesting period"). Any rights that 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 2025, being four years from the commencement of the performance period.

The performance conditions for the FY22 LTI are as follows:

Relative TSR performance condition – weighting 60% (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 constituents of the S&P/ASX 200 A-REIT Accumulation Index	**% of Tranche 1 LTI rights that vest**	**% of total LTI rights that vest**
At or below Threshold	Less than or equal to 50th percentile	0%	0%
Between Threshold and Maximum	Between 50th percentile and 75th percentile	Vest on a straight-line basis between 50% at Threshold and 100% at Maximum	Vest on a straight-line basis between 0% vesting at Threshold and 60% at Maximum
Maximum	At or above 75th percentile	100%	60%

AFFOPU performance condition – weighting 40% (AFFOPU Tranche)

The FY22 "base point" for measuring the rate of AFFOPU growth is 15 cents per unit. The Board may at its absolute discretion adjust the AFFOPU achieved (for the purpose of measurement) to remove abnormal items not affected by Management.

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

	Growth in AFFOPU 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 2% p.a.	0%	0%
Between Threshold and Maximum	Between 2.0% 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%	40%

Signed pursuant to a resolution of Directors.

Philip Marcus Clark AO
Chairman, SCA Property Group

5.2 Definitions

AFFOPU means Adjusted Funds from Operations Per Unit

ARMCC means Audit, Risk Management and Compliance Committee

Cash NOI means cash property net operating income

CEO means Chief Executive Officer

CFO means Chief Financial Officer

CPU means cents per unit

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

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

ROE means return on equity

STI means Short-Term Incentive

TFR means total fixed remuneration

TRO means total remuneration opportunity

TSR means total securityholder return

VCX NOI means cash net operating income from the centres acquired from VCX in 2018

Deloitte.

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

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

16 August 2021

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 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A. Coleman.

Andrew J Coleman
Partner
Chartered Accountants

FINANCIAL STATEMENTS

Claremont, TAS

For the year ended 30 June 2021

	Notes	SCA Property Group 30 June 2021 $m	SCA Property Group 30 June 2020 $m	Retail Trust 30 June 2021 $m	Retail Trust 30 June 2020 $m
Revenue					
Rental income		**253.7**	254.8	**253.7**	254.8
Recoveries and recharge revenue		**36.9**	34.2	**36.9**	34.2
Fund management revenue		**2.2**	1.7	**-**	-
Distribution income CQR	11	**1.6**	1.7	**1.6**	1.7
		294.4	292.4	**292.2**	290.7
Expenses					
Property expenses		**(100.1)**	(108.6)	**(100.1)**	(108.6)
Corporate costs		**(17.5)**	(13.8)	**(17.0)**	(13.3)
		176.8	170.0	**175.1**	168.8
Unrealised gain/(loss) including change in fair value through profit or loss					
- Investment properties	13	**354.2**	(87.9)	**354.2**	(87.9)
- Derivatives		**(65.9)**	51.4	**(65.9)**	51.4
- Foreign exchange		**35.3**	(8.1)	**35.3**	(8.1)
- Share of net profit from associates (SURF funds)	14	**5.6**	-	**5.6**	-
Transaction costs	7	**(0.8)**	(1.5)	**(0.8)**	(1.5)
Earnings before interest and tax (EBIT)		**505.2**	123.9	**503.5**	122.7
Interest income		**0.2**	0.3	**0.2**	0.3
Finance costs	8	**(41.8)**	(38.2)	**(41.8)**	(38.2)
Net profit before tax		**463.6**	86.0	**461.9**	84.8
Taxation	9	**(0.7)**	(0.5)	**-**	-
Net profit after tax		**462.9**	85.5	**461.9**	84.8
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Movement on revaluation of Investment - fair value through other comprehensive income	11	**3.1**	(6.9)	**3.1**	(6.9)
Total comprehensive income		**466.0**	78.6	**465.0**	77.9
Net profit after tax attributable to security holders of:					
SCA Property Management Trust		**1.0**	0.7		
SCA Property Retail Trust (non-controlling interest)		**461.9**	84.8		
Net profit after tax		**462.9**	85.5		
Total comprehensive income for the period attributable to unitholders of:					
SCA Property Management Trust		**1.0**	0.7		
SCA Property Retail Trust (non-controlling interest)		**465.0**	77.9		
Total comprehensive income		**466.0**	78.6		
Distributions per stapled security (cents)	5	**12.4**	12.5	**12.4**	12.5
Weighted average number of securities used as the denominator in calculating basic earnings per security below		**1,077.3**	960.9	**1,077.3**	960.9
Basic earnings per stapled security (cents)	6	**43.0**	8.9	**42.9**	8.8
Weighted average number of securities used as the denominator in calculating diluted earnings per stapled security below		**1,081.6**	964.6	**1,081.6**	964.6
Diluted earnings per stapled security (cents)	6	**42.8**	8.9	**42.7**	8.8
Basic earnings per security (cents) SCA Property Management Trust	6	**0.1**	0.1		
Diluted earnings per security of (cents) SCA Property Management Trust	6	**0.1**	0.1		

The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

	Notes	SCA Property Group		Retail Trust	
		30 June 2021 $m	30 June 2020 $m	**30 June 2021 $m**	30 June 2020 $m
Current assets					
Cash and cash equivalents	4	**11.6**	183.8	**10.3**	182.7
Receivables	10	**35.1**	34.2	**32.4**	34.2
Derivative financial instruments	17	**6.2**	6.1	**6.2**	6.1
Investment in CQR	11	**25.8**	22.7	**25.8**	22.7
Other assets	12	**10.9**	2.8	**9.7**	2.3
Total current assets		**89.6**	249.6	**84.4**	248.0
Non-current assets					
Investment properties	13	**4,000.0**	3,138.2	**4,000.0**	3,138.2
Derivative financial instruments	17	**101.7**	177.7	**101.7**	177.7
Investment in associates (SURF funds)	14	**10.1**	15.9	**10.1**	15.9
Other assets	12	**7.5**	8.3	**5.8**	5.9
Total non-current assets		**4,119.3**	3,340.1	**4,117.6**	3,337.7
Total assets		**4,208.9**	3,589.7	**4,202.0**	3,585.7
Current liabilities					
Trade and other payables	15	**67.5**	58.3	**77.7**	68.5
Distribution payable	5	**72.4**	53.6	**72.4**	53.6
Derivative financial instruments	17	**0.2**	2.5	**0.2**	2.5
Provisions		**4.5**	1.7	**0.5**	-
Interest bearing liabilities	16	**-**	225.0	**-**	225.0
Total current liabilities		**144.6**	341.1	**150.8**	349.6
Non-current liabilities					
Interest bearing liabilities	16	**1,331.5**	858.6	**1,331.5**	858.6
Derivative financial instruments	17	**-**	7.7	**-**	7.7
Provisions		**0.3**	0.2	**-**	-
Other liabilities	12	**7.7**	8.1	**6.4**	6.3
Total non-current liabilities		**1,339.5**	874.6	**1,337.9**	872.6
Total liabilities		**1,484.1**	1,215.7	**1,488.7**	1,222.2
Net assets		**2,724.8**	2,374.0	**2,713.3**	2,363.5
Equity					
Contributed equity	18	**10.2**	10.2	**1,980.3**	1,962.6
Reserves	19	**-**	-	**7.0**	3.0
Accumulated profit	20	**1.3**	0.3	**726.0**	397.9
Non-controlling interest		**2,713.3**	2,363.5	**-**	-
Total equity		**2,724.8**	2,374.0	**2,713.3**	2,363.5

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

		SCA Property Group				
		Contributed equity	**Accumulated profit/(loss)**	**Attributable to owners of parent**	**Non-controlling interest**	**Total**
	Notes	**$m**	**$m**	**$m**	**$m**	**$m**
Balance at 1 July 2020		**10.2**	**0.3**	**10.5**	**2,363.5**	**2,374.0**
Net profit after tax for the period		**-**	**1.0**	**1.0**	**461.9**	**462.9**
Other comprehensive income for the period, net of tax	19	**-**	**-**	**-**	**3.1**	**3.1**
Total comprehensive income for the period		**-**	**1.0**	**1.0**	**465.0**	**466.0**
Transactions with unitholders in their capacity as equity holders:						
Equity issued	18	**-**	**-**	**-**	**17.8**	**17.8**
Costs associated with equity raising	18	**-**	**-**	**-**	**(0.1)**	**(0.1)**
Employee share based payments	19	**-**	**-**	**-**	**0.9**	**0.9**
Distributions paid and payable	5	**-**	**-**	**-**	**(133.8)**	**(133.8)**
		-	**-**	**-**	**(115.2)**	**(115.2)**
Balance at 30 June 2021		**10.2**	**1.3**	**11.5**	**2,713.3**	**2,724.8**
Balance at 1 July 2019		9.0	(0.4)	8.6	2,095.3	2,103.9
Net profit after tax for the period		-	0.7	0.7	84.8	85.5
Other comprehensive income for the period, net of tax	19	-	-	-	(6.9)	(6.9)
Total comprehensive income for the period		-	0.7	0.7	77.9	78.6
Transactions with unitholders in their capacity as equity holders:						
Equity issued	18	1.2	-	1.2	319.0	320.2
Costs associated with equity raising	18	-	-	-	(6.1)	(6.1)
Employee share based payments	19	-	-	-	0.9	0.9
Distributions paid and payable	5	-	-	-	(123.5)	(123.5)
		1.2	-	1.2	190.3	191.5
Balance at 30 June 2020		10.2	0.3	10.5	2,363.5	2,374.0

		Retail Trust				
			Reserves			
		Contributed equity	**Investment in CQR**	**Share based payments**	**Accumulated profit**	**Total**
	Notes	**$m**	**$m**	**$m**	**$m**	**$m**
Balance at 1 July 2020		**1,962.6**	**(3.3)**	**6.3**	**397.9**	**2,363.5**
Net profit after tax for the period		**-**	**-**	**-**	**461.9**	**461.9**
Other comprehensive income for the period, net of tax	19	**-**	**3.1**	**-**	**-**	**3.1**
Total comprehensive income for the period		**-**	**3.1**	**-**	**461.9**	**465.0**
Transactions with unitholders in their capacity as equity holders:						
Equity issued	18	**17.8**	**-**	**-**	**-**	**17.8**
Costs associated with equity raising	18	**(0.1)**	**-**	**-**	**-**	**(0.1)**
Employee share based payments	19		**-**	**0.9**	**-**	**0.9**
Distributions paid and payable	5		**-**	**-**	**(133.8)**	**(133.8)**
		17.7	**-**	**0.9**	**(133.8)**	**(115.2)**
Balance at 30 June 2021		**1,980.3**	**(0.2)**	**7.2**	**726.0**	**2,713.3**
Balance at 1 July 2019		1,649.7	3.6	5.4	436.6	2,095.3
Net profit after tax for the period		-	-	-	84.8	84.8
Other comprehensive income for the period, net of tax	19	-	(6.9)	-	-	(6.9)
Total comprehensive income/ (loss) for the period		-	(6.9)	-	84.8	77.9
Transactions with unitholders in their capacity as equity holders:						
Equity issued	18	319.0	-	-	-	319.0
Costs associated with equity raising	18	(6.1)	-	-	-	(6.1)
Employee share based payments	19	-	-	0.9	-	0.9
Distributions paid and payable	5	-	-	-	(123.5)	(123.5)
		312.9	-	0.9	(123.5)	190.3
Balance at 30 June 2020		1,962.6	(3.3)	6.3	397.9	2,363.5

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

		SCA Property Group		Retail Trust	
	Note	**30 June 2021 $m**	30 June 2020 $m	**30 June 2021 $m**	30 June 2020 $m
Cash flows from operating activities					
Property and other income received (inclusive of GST)		**341.8**	314.6	**339.2**	313.8
Property expenses paid (inclusive of GST)		**(111.7)**	(105.1)	**(111.7)**	(105.1)
Distribution received from associate (SURF funds)	14	**1.7**	1.4	**1.7**	1.4
Distribution received from investment in CQR	11	**1.4**	3.2	**1.4**	3.2
Corporate costs paid (inclusive of GST)		**(13.7)**	(13.2)	**(13.1)**	(12.4)
Interest received		**0.4**	0.1	**0.4**	0.1
Finance costs paid		**(45.5)**	(38.5)	**(45.5)**	(38.5)
Transaction costs (inclusive of GST)		**(0.4)**	(1.7)	**(0.4)**	(1.7)
Taxes paid including GST		**(29.0)**	(13.5)	**(27.2)**	(13.5)
Net cash flow from operating activities	21	**145.0**	147.3	**144.8**	147.3
Cash flows from investing activities					
Payments for investment properties purchased and capital expenditure	13	**(515.0)**	(111.4)	**(515.0)**	(111.4)
Net proceeds from investment properties sold	13	**-**	21.5	**-**	21.5
Repayment / (payment) for term deposits	4	**180.0**	(180.0)	**180.0**	(180.0)
Return of capital from investment in associates	14	**10.1**	9.0	**10.1**	9.0
Net cash flow from investing activities		**(324.9)**	(260.9)	**(324.9)**	(260.9)
Cash flow from financing activities					
Proceeds from equity raising	18	**17.8**	320.2	**17.8**	320.2
Costs associated with equity raising	18	**(0.1)**	(6.1)	**(0.1)**	(6.1)
Net proceeds from borrowings	16	**645.0**	178.0	**645.0**	178.0
Repayment of borrowings	16	**(360.0)**	(240.0)	**(360.0)**	(240.0)
Distributions paid	5	**(115.0)**	(138.9)	**(115.0)**	(138.9)
Net cash flow from financing activities		**187.7**	113.2	**187.7**	113.2
Net change in cash held		**7.8**	(0.4)	**7.6**	(0.4)
Cash at the beginning of the year		**3.8**	4.2	**2.7**	3.1
Cash at the end of the year		**11.6**	3.8	**10.3**	2.7
Term deposits		**-**	180.0	**-**	180.0
Cash and cash equivalents	4	**11.6**	183.8	**10.3**	182.7

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

1. Corporate information

Shopping Centres Australasia Property Group (the Group) comprises the stapling of the 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 registered office of Shopping Centres Australasia Property Group RE Limited is Level 5, 50 Pitt Street, Sydney, New South Wales.

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 16 August 2021.

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 Consolidated 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 a going concern basis. The impact of COVID-19 pandemic has resulted in a portion of the tenants of the Group experiencing challenging and uncertain times. Whilst the situation is evolving, the Group remains confident that it will be able to continue as a going concern. In reaching this position, it has considered that the Group and Retail Trust are in a net current asset deficiency position of $55.0 million. At 30 June 2021 the Group and Retail Trust have the ability to drawdown sufficient funds to pay the current liabilities and the capital commitments (refer note 23), having available, cash and cash equivalents and undrawn debt facilities of $290.6 million.

The Group has prepared an assessment of its ability to continue as a going concern, taking into account information available.

Whilst the COVID-19 situation is evolving, the Group remains confident that it will be able to continue as a going concern. This assumes the Group will be able to continue trading, realise assets and discharge liabilities in the ordinary course of business for at least 12 months from the date of the financial statements. In reaching this position, the following factors have been considered:

- The Group has cash and cash equivalents and undrawn facilities totalling of $290.6 million
- The Group’s major tenants continue to trade strongly and pay rent in a timely manner
- The Group has debt facility expiries of $200.0 million in the next 24 months and $290.6 million of cash and undrawn facilities
- The Group is well within its gearing and interest cover ratio for the purposes of its debt covenants
- Stress testing of the covenants results in adequate levels of headroom from both a gearing and interest cover ratio perspective

On the basis of these factors, the Directors of the Responsible Entity believe that the going concern basis of preparation is appropriate and that the Group will be able to pay its debts as and when they fall due. In the event that the Group cannot continue as a going concern, it may not realise its assets and settle its liabilities in the normal course of operations for the amounts stated in its Financial Statements. No allowance for such circumstances has been made in the Financial Statements.

(b) 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.

Application of new and revised Accounting Standards

The Group and the Retail Trust have 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 2020, 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 Financial Statements.

The accounting policies adopted by the Group are consistent with those of the previous financial year.

(c) 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 Consolidated Statements of Comprehensive Income, Consolidated Balance Sheets, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows of the Group and Shopping Centres Australasia Property Retail Trust.

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.

(d) Revenue recognition

Rental income from investment properties is accounted for on a straight line basis over the lease term. If not received at the balance sheet date, revenue is reflected in the balance sheet as receivable and carried at its recoverable value. Recoveries and recharges 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.

Waivers granted to tenants proportionate to the decrease in their sales during the pandemic period are recognised as loss on derecognition of the lease receivable immediately. These waivers linked to the tenant's turnover are variable in nature and therefore straight lining income is not revised. Where a waiver of future rent has been agreed before the reporting date, this has resulted in a lease modification in line with AASB 16.

All other revenues are recognised when control of the underlying goods or services is transferred to the customer over time or at a point in time. Revenue is recognised over time if:

- The customer simultaneously receives and consumes the benefits;
- The customer controls the assets as the entity creates or enhances it; or
- The Group's performance does not create an asset for which the Group has an alternative use and there is a right to payment for performance to date.

Where the above criteria is not met, revenue is recognised at a point in time.

Type of revenue	Description	Revenue recognition policy under AASB 15
Recoveries revenue	The Group and Retail Trust recovers the costs associated with general building and tenancy operation from lessees in accordance with specific clauses within lease agreements. These are invoiced periodically (typically monthly) based on an annual estimate. The consideration is due shortly after invoice date (typically 30 days). Should any adjustment be required based on actual costs incurred this is recognised in the statement of profit and loss within that reporting period and billed annually. Recoveries revenue will only be recorded to the extent that it is highly probable that a significant reversal of revenue will not occur.	Over time as the customer simultaneously receives and consumes the benefit of the service
Recharge revenue	The Group and Retail Trust recoveries costs for any additional specific services requested by the lessee under the lease agreement. These costs are recovered in accordance with specific clauses within the lease agreements. Revenue from recharges is recognised as the services are provided. The lessee is typically invoiced on a monthly basis as the services are provided. The lessee is invoiced periodically or upon completion where applicable. Consideration is due shortly after the invoice date.	Over time as the customer simultaneously receives and consumes the benefit of the service
Funds management revenue – asset management fees	The Group provides funds management services to SCA Unlisted Retail Funds in accordance with their Constitutions and Investment Management Agreement. These services are utilised on an ongoing basis and revenue is calculated and billed periodically.	Over time as the customer simultaneously receives and consumes the benefit of the service
Funds management revenue – performance fees	The Group provides funds management services to SCA Unlisted Retail Funds. In accordance with the Investment Management Agreement a performance fee may be payable in certain circumstances.	Over time subject to the constraints within AASB 15 for variable consideration

Refer to note 3 for the COVID-19 impact on revenue.

(e) Finance costs

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

Finance costs are expensed as incurred except to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset.

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 a development is suspended for an extended period of time, the capitalisation of borrowing costs is also suspended.

(f) Tax

The Group comprises of 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.

(g) Goods and services tax (GST)

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

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

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

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short term time deposits to meet short term commitments. Investments in term deposits which are short term in nature are also included in cash and cash equivalents. Term deposits included in cash and cash equivalents are deposits that are subject to an insignificant risk of changes in value. All term deposits are to meet short term financial commitments.

(i) Trade and other receivables

Trade and other receivables are carried at original invoice amount, less ECL, 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.

The Group uses the specific ECL model for the credit loss allowance whereby the outstanding balance is analysed, and the provision is determined by applying default percentages adjusted for other current observable data. The group also recognises loss allowances at an amount equal to lifetime ECL on trade and other receivables. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset. Refer to note 3 for COVID-19 impact on ECL.

(j) 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 Consolidated Statement of Comprehensive Income 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 cap rate or estimated yield and consideration of 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. Refer to note 3 for COVID-19 impact on investment property valuations.

(k) 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.

(l) 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 are paid out of accumulated profits / accumulated losses, whether they are capital or income in nature from a tax perspective.

(m) 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.

(n) 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.

(o) 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 Consolidated Statements of Comprehensive Income.

Distributions from these investments are recognised in profit or loss when the Group's right to receive payments is established.

(p) 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.

(q) Earnings per security

Basic earnings per security is calculated as profit after tax attributable to 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.

(r) Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes. The segment is 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.

(s) Investments at fair value through other comprehensive income

Investments that are fair valued through other comprehensive income include investments in non-monetary securities. These investments are initially measured at cost at date of acquisition, which represents fair value, and include transaction costs. Subsequent to initial recognition, they are carried at fair value.

Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income.

When securities are sold or impaired, the accumulated fair value adjustments remains in other comprehensive income and is not reclassified to profit or loss.

(t) 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 sheet 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.

(u) Leases

For leases where the Group is the lessee, a separate right-of-use asset and lease liability is recognised in the Consolidated Balance Sheets. Measurement of the lease liability is the present value of the lease payments that are not paid at the date of transition, discounted using an appropriate discount rate. The right of use asset is presented within the Consolidated Balance Sheets within Other assets and the lease liability within Other liabilities respectively.

The right of use asset is amortised over the remaining lease term (including the period covered by the extension option), and the lease liability is measured on an effective interest basis.

(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 investment properties

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 of income and the discount rate. Other assumptions of lesser importance include 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. 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 13 and COVID-19 impact in note 3.

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 17. The value of derivatives may differ in future reporting periods due to the passing of time and / or changes in market rates including interest rates, foreign exchange rates and market volatility.

Estimate – Expected credit loss (ECL)

The ECL is based on management estimates of probability of recoverability rent invoiced. The basis of these estimates is set out in the note 3. Should the actual results differ the actual credit loss will change and the difference will be included in the financial year 2022 result or following year(s).

3. Impact of COVID-19 pandemic

The events relating to COVID-19 have had an adverse impact on both the operations and financial performance of the Group during the current year and prior year. These impacts have included: volatility in the retail sales performance of our tenants; government-imposed trading restrictions on some of our tenants; receipt of State government grants; rental relief for some of our tenants including pursuant to legislation in each state and territory implementing the National Cabinet Mandatory Code of Conduct ("Code of Conduct") that ended for most of Australia in March 2021 that provided for rental relief for small and medium sized enterprise tenants; higher than normal rental arrears by our speciality tenants; an increase in expenses, (for example extra cleaning and security); rent freezes; increased vacancy; reduced leasing spreads; increased incentives; reduced other income; and due to uncertainty some valuers have included additional disclosure around "material valuation uncertainty".

As these COVID-19 related impacts may be ongoing, there may be continued uncertainty in relation to the future financial performance of the Group.

The implications of the above on the Consolidated Financial Statements falls broadly into two areas: recording and collecting of rental income; and investment properties fair value. The accounting treatments and key estimates and significant judgements in each of these areas are set out below.

Recording and collecting of rental income

Under the Code of Conduct, the Group was obliged to grant rent waivers of $6.9 million and deferrals of $3.6 million to qualifying tenants. Rent that was waived was not recognised as rental income and no receivable was raised. However, rent that was deferred was recognised as rental income and a corresponding receivable was also raised. Any balance of unpaid rent was recognised as rental income and a corresponding receivable was raised.

At 30 June 2021 the Group had a rental receivable of $13.4 million, against which an expected credit loss provision of $9.8 million has been raised. In determining the size of the ECL provision, the following estimates have been made:

- Deferred rent: an ECL provision has been raised for 100% of the rent that has been, or is expected to be, deferred to future periods, or **$6.0 million**;
- Other unpaid rent: a detailed assessment has been made of the remaining unpaid rent taking into account the age of the debt and historic collection rates. Based on this assessment an ECL provision has been raised for 49% of the remaining unpaid rent amount, or **$3.6 million**;
- Further loss allowances: in addition to the above, an assessment has been made about the risk of default and expected credit loss for all other receivables, resulting in an ECL provision of **$0.6 million**; and
- Bank guarantees: it is assumed that the Group will draw on bank guarantees for tenants with remaining lease terms of 12 months or less, resulting in a reduction in the ECL provision of **($0.4) million**.

Investment properties fair value

In determining the fair value of investment properties it is necessary to make assumptions in relation to both the future financial performance of the investment properties (particularly forecast earnings and cash flows), and also to consider market transactional evidence as to the capitalisation rates and the discount rates investors are willing to pay for those earnings and cash flows. While significant uncertainty remains in relation to both of these assumptions, valuers are now more comfortable than they were at June 2020 due to:

- Future financial performance: more experience as to the actual impact of COVID-19 on convenience-based shopping centres; and
- Market transaction evidence: since June 2020 there have been a number of completed transactions for convenience-based shopping centres demonstrating that capitalisation rates for this asset class have stabilised or tightened.

The like-for-like valuation of the Group's investment properties has increased since June 2020, due to:

- The allowance for future lost rents directly related to the COVID-19 pandemic has decreased by $27.4 million to $nil (from $27.4 million at June 2020);
- Valuation net operating income increased by $2.8 million (or 1.3%) between June 2020 and June 2021;
- Capitalisation rates tightened 61bps from 6.51% at June 2020 to 5.90% at June 2021; and
- Discount rates tightened 46bps from 7.08% in June 2020 to 6.62% in June 2021.

In some cases independent valuers have included a statement within some of their valuation reports highlighting a "material valuation uncertainty". This statement serves as a precaution, does not invalidate the valuation and does not mean that the valuation cannot be relied upon. Rather, it is intended to highlight the current extraordinary circumstances.

4. Cash and cash equivalents

	SCA Property Group		Retail Trust	
	30 June 2021	30 June 2020	**30 June 2021**	30 June 2020
	$m	$m	**$m**	$m
Cash at bank	**11.6**	3.8	**10.3**	2.7
Term deposits	**-**	180.0	**-**	180.0
	11.6	183.8	**10.3**	182.7

In the prior year, the Group had $180.0 million in investment in term deposits. The term deposits were short term and for fixed terms with less than 45 days remaining to maturity at 30 June 2020.

5. Distributions paid and payable

	Cents per security	Total amount $m	Date of payment or expected date of payment
2021 SCA Property Group & Retail Trust			
Interim distribution[1]	**5.70**	**61.4**	29 January 2021
Final distribution[2]	**6.70**	**72.4**	31 August 2021
	12.40	**133.8**	
2020 SCA Property Group & Retail Trust			
Interim distribution	7.50	69.9	29 January 2020
Final distribution	5.00	53.6	31 August 2020
	12.50	123.5	

[1] The interim distribution of 5.70 cents per security was declared on 10 December 2020 and was paid on 29 January 2021.

[2] The final distribution of 6.70 cents per security was declared on 9 June 2021 and is expected to be paid on or about 31 August 2021.

The Management Trust has not declared or paid any distributions. The Group has a Distribution Reinvestment Plan (DRP) in place. The DRP was in place for the distribution declared in December 2020 (paid in January 2021). The equity raised through the DRP on 31 August 2020 was $9.5 million by the issue of 4.3 million securities at a price of $2.22 per security. The distribution declared in December 2020 resulted in $8.3 million being raised by the DRP through the issue of 3.4 million securities at $2.40 per security in January 2021.

Further, the DRP is in place for the distribution declared in June 2021 (expected to be paid on or about 31 August 2021). The Group's security holders holding 17.6% of the securities on issue have elected to participate in the DRP. The Group entered into an underwriting agreement with MA Moelis Australia Advisory Pty Ltd to underwrite the remaining 82.4% of the distribution. This means that the total securities to be issued in respect of this distribution and the DRP will be 29.9 million securities at $2.42 per security raising a total of $72.4 million.

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 securities traded on the ASX during the 10 business days commencing on the business day after the record date.

6. Earnings per security

	SCA Property Group		Retail Trust		Management Trust	
	30 June 2021	30 June 2020	**30 June 2021**	30 June 2020	**30 June 2021**	30 June 2020
Per stapled security						
Net profit after tax for the period ($ million)	**462.9**	85.5	**461.9**	84.8	**1.0**	0.7
Weighted average number of securities used as the denominator in calculating basic earnings per security below	**1,077,257,048**	960,944,215	**1,077,257,048**	960,944,215	**1,077,257,048**	960,944,215
Basic earnings per security for net profit after tax (cents)	**43.0**	8.9	**42.9**	8.8	**0.1**	0.1
Weighted average number of securities used as the denominator in calculating diluted earnings per security below	**1,081,620,726**	964,578,722	**1,081,620,726**	964,578,722	**1,081,620,726**	964,578,722
Diluted earnings per security for net profit after tax (cents)	**42.8**	8.9	**42.7**	8.8	**0.1**	0.1

7. Transaction costs

	SCA Property Group & Retail Trust	
	30 June 2021 $m	30 June 2020 $m
Transaction costs	**0.8**	1.5
	0.8	1.5

Transaction costs in the current year relate mainly to restructuring the bilateral debt facilities. Refer note 16. Transactions costs in the prior year related mainly to other costs associated with the institutional placement on 16 April 2020.

8. Finance costs

	SCA Property Group & Retail Trust	
	30 June 2021 $m	30 June 2020 $m
Interest expense	**32.7**	38.2
Swap termination costs	**9.1**	-
	41.8	38.2

Interest expense is made up of interest payments for borrowings (including amortisation of borrowing costs) of $21.3 million and $11.4 million in respect of payments for derivatives including cross currency interest rate swaps (30 June 2020: $25.0 million and $13.2 million respectively).

Swap termination costs consists of restructuring the interest rate swap book by terminating the swaps that were in place at 30 June 2020.

9. Taxation

	SCA Property Group		Retail Trust	
	30 June 2021 $m	30 June 2020 $m	**30 June 2021 $m**	30 June 2020 $m
Profit before income tax	**463.6**	86.0	**461.9**	84.8
	463.6	86.0	**461.9**	84.8
Prima facie tax (expense) at 30%	**(139.1)**	(25.8)	**(138.6)**	(25.4)
Tax effect of income that is not assessable/deductible in determining taxable profit	**138.4**	25.3	**138.6**	25.4
	(0.7)	(0.5)	**-**	-

10. Receivables

	SCA Property Group		Retail Trust	
	30 June 2021 $m	30 June 2020 $m	**30 June 2021 $m**	30 June 2020 $m
Current				
Rental receivable	**13.4**	22.3	**13.4**	22.3
Allowance for expected credit loss	**(9.8)**	(15.3)	**(9.8)**	(15.3)
	3.6	7.0	**3.6**	7.0
Other receivables[1]	**31.5**	27.2	**28.8**	27.2
Total receivables	**35.1**	34.2	**32.4**	34.2

[1] *The majority of the balance of other receivables relates to rent received by property managers prior to being remitted to SCA Property Group and Retail Trust respectively.*

Ageing of rental receivable and other receivables[1]

	SCA Property Group		Retail Trust	
	30 June 2021 $m	30 June 2020 $m	**30 June 2021 $m**	30 June 2020 $m
Current	**34.9**	32.7	**32.2**	32.7
30 days	**1.2**	6.1	**1.2**	6.1
60 days	**0.7**	4.6	**0.7**	4.6
90 days	**0.6**	2.0	**0.6**	2.0
120 days	**7.5**	4.1	**7.5**	4.1
Rental receivable and other receivables[1]	**44.9**	49.5	**42.2**	49.5

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

The Group writes off a rental receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the rental receivables are over 120 days due, whichever occurs earlier. The Group has identified loss patterns for different tenant groups ranging from 25% to 100%. The allowance for expected credit loss has reduced significantly due to improved collection rates and reduced rental receivables, refer to note 3 for further details. The following tables detail the risk profile of rental receivables based on the Group's provision matrix.

	SCA Property Group & Retail Trust					
	30 June 2021			30 June 2020		
	< 120 days	**> 120 days**	**Total**	< 120 days	> 120 days	Total
Expected credit loss rate	**28%**	**70%**		57%	88%	
Estimated total gross carrying amount at default			**(4.8)**			13.2
Lifetime ECL			**(0.7)**			1.2
			(5.5)			14.4

	SCA Property Group & Retail Trust	
	30 June 2021 $m	30 June 2020 $m
Opening balance	**14.0**	0.8
Change in credit risk parameters	**(4.8)**	13.2
Closing balance	**9.2**	14.0

The following table shows the movement in lifetime ECL that has been recognised for rental receivables in accordance with the simplified approach set out in AASB 9.

	SCA Property Group & Retail Trust	
	30 June 2021 $m	30 June 2020 $m
Opening balance	**1.3**	0.1
Change in credit risk parameters	**(0.7)**	1.2
Closing balance	**0.6**	1.3

There is no interest charged on any receivables. All receivables are current other than the rental receivables included in ageing above. The historic loss rate is 4.5% on that part which is the rental receivable. Other receivables historical loss rate is $nil given it is made up of mostly rent received by property managers prior to being remitted to SCA Property Group and Retail Trust respectively. Refer to note 3 for COVID-19 impact on expected credit loss. The following table is the total of the provisional matrix and lifetime ECL.

	SCA Property Group & Retail Trust	
	30 June 2021 $m	30 June 2020 $m
Opening balance	**15.3**	0.9
Change in credit risk parameters	**(5.5)**	14.4
Closing balance	**9.8**	15.3

11. Investment in CQR

Investment in CQR relates to the Group and the Retail Trust's 1.2% interest in Charter Hall Retail Trust (ASX: CQR) (30 June 2020: 1.2%). This interest is made up of 6.8 million units (30 June 2020: 6.8 million units) which cost an average of $4.21 per unit. No units were sold during the year (30 June 2020: no units sold).

At 30 June 2021 this interest was valued at $3.80 per unit (30 June 2020 $3.35 per unit). The value was based on the ASX closing price on the last trading day of the respective year.

The difference between the valuation of the units at 30 June 2021 and 30 June 2020 of $3.1 million revaluation gain (30 June 2020: $6.9 million revaluation loss) is recorded in other comprehensive income.

The Investment – fair value through other comprehensive income 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 17.

This investment is classified as current as it is the intention of the Group and the Retail Trust to sell the remaining interest within the next twelve months.

On 16 June 2021 the Responsible Entity of CQR declared an estimated distribution of 12.7 cents per unit to be paid in August 2021. As the Group and the Retail Trust hold 6.8 million units in CQR at the record date for this distribution this is equivalent to $0.9 million and has been included in the Group's and Retail Trust's Consolidated Statements of Comprehensive Income as Distribution income (30 June 2020: 10.0 cents per unit and $0.7 million respectively). The Group also received a distribution on its investment of 10.7 cents per unit or $0.7 million declared in December 2020 (December 2019: 14.52 cents per unit and $1.0 million respectively). Therefore, the total distribution income for the Group and the Retail Trust on their investment in CQR is $1.6 million for the year 30 June 2021 (30 June 2020: $1.7 million).

12. Other assets

	SCA Property Group		Retail Trust	
	30 June 2021 $m	30 June 2020 $m	**30 June 2021 $m**	30 June 2020 $m
Current other assets	**10.9**	2.8	**9.7**	2.3
Non-current other assets	**7.5**	8.3	**5.8**	5.9
	18.4	11.1	**15.5**	8.2

Current other assets relate to prepayments $3.9 million, deposits paid for the purchase of investment property Raymond Terrace (New South Wales) $4.4 million, Drayton Central (Queensland) $1.7 million and other $0.9 million.

Non-current other assets includes right to use assets for the investment property at Lane Cove $5.8 million (30 June 2020: $5.9 million) and lease of office space $1.2 million (30 June 2020: $1.7 million) and other assets $0.5 million (30 June 2020: $0.7 million). The corresponding leasing liability of $7.7 million (30 June 2020: $8.1 million) is presented in non-current liabilities.

13. Investment properties

	SCA Property Group & Retail Trust	
	30 June 2021 $m	30 June 2020 $m
Movement in total investment properties		
Opening balance	**3,138.2**	3,147.0
Acquisitions (including transaction costs)	**478.3**	83.4
Disposals	**-**	(21.5)
Development expenditure	**17.9**	6.8
Net capital expenditure and straight lining net of amortisation	**11.4**	10.4
Unrealised movement recognised in Total Comprehensive Income on property valuations	**354.2**	(87.9)
Closing balance	**4,000.0**	3,138.2

Investment properties

Property	State	Property Type	Book value cap rate[1] 30 June 2021	Book value discount rate 30 June 2021	Book value 30 June 2021 $m	Book value 30 June 2020 $m
Sub-Regional						
Lilydale	VIC	Sub-Regional	6.00%	6.25%	**115.4**	110.0
Pakenham	VIC	Sub-Regional	6.00%	6.50%	**95.0**	83.7
Central Highlands	QLD	Sub-Regional	7.00%	7.50%	**65.5**	60.0
Mt Gambier	SA	Sub-Regional	6.25%	7.07%	**74.1**	71.3
Murray Bridge	SA	Sub-Regional	7.00%	7.75%	**62.3**	60.0
Kwinana Marketplace	WA	Sub-Regional	6.75%	7.25%	**137.3**	130.6
Warnbro[2]	WA	Sub-Regional	6.69%	7.19%	**98.6**	90.9
Marketown East[2]	NSW	Sub-Regional	5.75%	6.50%	**82.0**	-
Lavington Square	NSW	Sub-Regional	6.25%	7.00%	**73.0**	57.4
Sturt Mall	NSW	Sub-Regional	6.25%	7.00%	**73.2**	72.3
West End Plaza	NSW	Sub-Regional	6.00%	6.75%	**78.7**	67.7
Total Sub-Regional					**955.1**	803.9
Neighbourhood						
Auburn[2]	NSW	Neighbourhood	6.00%	6.75%	**129.5**	-
Belmont	NSW	Neighbourhood	6.50%	6.75%	**30.0**	29.0
Berala	NSW	Neighbourhood	4.75%	5.50%	**33.3**	28.6
Cabarita	NSW	Neighbourhood	5.50%	6.25%	**24.3**	22.0
Cardiff	NSW	Neighbourhood	5.50%	6.50%	**29.5**	25.3
Clemton Park	NSW	Neighbourhood	5.00%	6.00%	**63.1**	51.3
Goonellabah	NSW	Neighbourhood	6.00%	6.50%	**21.2**	20.0
Greystanes	NSW	Neighbourhood	5.25%	6.25%	**71.3**	59.6
Griffin Plaza	NSW	Neighbourhood	6.00%	6.50%	**31.2**	25.8
Lane Cove[4]	NSW	Neighbourhood	5.25%	6.25%	**60.0**	57.5
Leura	NSW	Neighbourhood	5.00%	6.25%	**21.3**	18.5
Lismore	NSW	Neighbourhood	6.50%	7.00%	**32.7**	28.1
Macksville	NSW	Neighbourhood	5.25%	6.50%	**17.7**	14.3
Marketown West[2]	NSW	Neighbourhood	5.25%	6.00%	**68.5**	-
Merimbula	NSW	Neighbourhood	5.50%	6.50%	**23.0**	18.2
Morisset	NSW	Neighbourhood	6.00%	6.50%	**21.3**	18.5
Muswellbrook	NSW	Neighbourhood	6.00%	7.00%	**34.9**	31.9
North Orange	NSW	Neighbourhood	5.25%	6.00%	**44.7**	34.0
Northgate	NSW	Neighbourhood	6.00%	7.00%	**19.4**	17.5
Ulladulla	NSW	Neighbourhood	5.25%	6.25%	**30.0**	24.7
West Dubbo	NSW	Neighbourhood	5.75%	6.50%	**20.5**	19.0
Shell Cove	NSW	Neighbourhood	5.00%	5.50%	**50.0**	34.0
Albury	VIC	Neighbourhood	5.75%	6.50%	**25.4**	23.5
Ballarat	VIC	Neighbourhood	6.25%	6.75%	**20.6**	17.2
Drouin	VIC	Neighbourhood	5.00%	5.50%	**20.1**	16.2
Epping North	VIC	Neighbourhood	5.00%	5.25%	**34.5**	30.0
Highett	VIC	Neighbourhood	5.00%	5.75%	**32.9**	30.1
Langwarrin	VIC	Neighbourhood	5.25%	6.00%	**27.4**	23.9
Ocean Grove	VIC	Neighbourhood	5.75%	6.00%	**39.9**	37.1
Warrnambool East	VIC	Neighbourhood	5.50%	6.00%	**18.2**	15.7
Wonthaggi	VIC	Neighbourhood	5.50%	6.00%	**54.9**	40.0
Wyndham Vale	VIC	Neighbourhood	5.25%	5.50%	**24.5**	23.4
Bentons Square	VIC	Neighbourhood	5.25%	6.25%	**101.5**	82.6
The Gateway	VIC	Neighbourhood	6.25%	6.75%	**59.5**	51.7
Annandale	QLD	Neighbourhood	6.75%	7.00%	**26.6**	26.1
Ayr	QLD	Neighbourhood	6.25%	7.00%	**23.5**	19.0
Brookwater Village	QLD	Neighbourhood	5.50%	6.25%	**40.7**	35.1
Carrara	QLD	Neighbourhood	5.25%	5.50%	**20.7**	17.1
Chancellor Park Marketplace	QLD	Neighbourhood	5.50%	6.25%	**49.8**	45.9
Collingwood Park	QLD	Neighbourhood	5.25%	5.50%	**15.3**	11.8
Cooloola Cove[2]	QLD	Neighbourhood	5.75%	6.25%	**18.6**	-
Coorparoo	QLD	Neighbourhood	5.00%	5.50%	**42.7**	36.9

Investment properties (continued)

Property	State	Property Type	Book value cap rate[1] 30 June 2021	Book value discount rate 30 June 2021	Book value 30 June 2021 $m	Book value 30 June 2020 $m
Neighbourhood						
Gladstone	QLD	Neighbourhood	6.25%	7.00%	**27.0**	24.5
Greenbank[3]	QLD	Neighbourhood	5.50%	6.50%	**36.5**	21.8
Jimboomba	QLD	Neighbourhood	5.75%	6.25%	**31.5**	27.8
Lillybrook	QLD	Neighbourhood	5.75%	7.00%	**29.8**	28.7
Mackay	QLD	Neighbourhood	6.00%	6.75%	**28.6**	25.5
Marian Town Centre	QLD	Neighbourhood	6.50%	7.25%	**34.4**	32.5
Mission Beach	QLD	Neighbourhood	6.50%	7.00%	**12.5**	11.6
Mt Isa[2]	QLD	Neighbourhood	7.50%	8.25%	**44.2**	-
Mt Warren Park	QLD	Neighbourhood	5.50%	6.25%	**21.3**	17.8
Mudgeeraba	QLD	Neighbourhood	5.50%	6.50%	**40.2**	33.7
Sugarworld	QLD	Neighbourhood	6.00%	7.00%	**28.3**	25.4
Soda Factory[5]	QLD	Neighbourhood	6.50%	6.75%	**34.0**	29.4
Whitsunday	QLD	Neighbourhood	7.00%	7.50%	**36.0**	33.8
Worongary	QLD	Neighbourhood	5.50%	6.50%	**52.0**	46.8
Bushland Beach	QLD	Neighbourhood	6.50%	7.00%	**23.5**	22.5
Miami One	QLD	Neighbourhood	6.00%	6.50%	**31.8**	30.7
North Shore Village	QLD	Neighbourhood	5.00%	6.50%	**34.0**	27.3
Oxenford	QLD	Neighbourhood	5.50%	6.50%	**41.4**	33.4
Warner Marketplace	QLD	Neighbourhood	5.50%	6.50%	**82.5**	76.2
Blakes Crossing	SA	Neighbourhood	6.00%	7.00%	**24.5**	22.2
Walkerville	SA	Neighbourhood	5.50%	6.25%	**29.3**	26.0
Busselton	WA	Neighbourhood	5.75%	6.00%	**27.9**	26.7
Treendale	WA	Neighbourhood	5.75%	6.50%	**34.7**	30.5
Currambine Central[4]	WA	Neighbourhood	6.75%	7.50%	**96.2**	90.4
Kalamunda Central	WA	Neighbourhood	5.75%	7.00%	**48.0**	41.8
Stirlings Central	WA	Neighbourhood	6.50%	7.25%	**42.9**	40.6
Burnie	TAS	Neighbourhood	6.75%	7.25%	**25.6**	22.5
Claremont Plaza	TAS	Neighbourhood	6.00%	7.25%	**45.8**	38.5
Glenorchy Central	TAS	Neighbourhood	6.00%	6.25%	**30.5**	27.1
Greenpoint	TAS	Neighbourhood	6.25%	6.75%	**21.2**	17.5
Kingston	TAS	Neighbourhood	6.06%	7.03%	**32.8**	31.0
Meadow Mews	TAS	Neighbourhood	6.00%	6.75%	**70.1**	63.5
New Town Plaza	TAS	Neighbourhood	5.75%	6.75%	**49.7**	43.6
Prospect Vale	TAS	Neighbourhood	6.25%	7.25%	**32.3**	29.2
Riverside	TAS	Neighbourhood	5.00%	6.50%	**13.5**	5.2
Shoreline	TAS	Neighbourhood	5.75%	6.50%	**44.7**	37.6
Sorell	TAS	Neighbourhood	5.75%	7.00%	**34.0**	29.9
Bakewell[2]	NT	Neighbourhood	6.67%	7.39%	**41.9**	-
Total Neighbourhood					**2,989.8**	2,334.3
Freestanding						
Katoomba Marketplace[2]	NSW	Freestanding	5.50%	6.25%	**55.1**	-
Total Freestanding					**55.1**	-
Total Investment properties					**4,000.0**	3,138.2

[1] 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

[3] Land adjacent to the Greenbank (Queensland) neighbourhood centre was acquired for $10.0 million in December 2020.

[4] The titles to Lane Cove and Currambine are leasehold. The expiries of the respective leaseholds are in 2059 (with a 49 year option) and in 2094.

[5] Soda Factory was previously known as The Markets.

All properties are internally valued every June and December and a number are selected for external independent valuation at each balance sheet date. The properties selected for external valuation are chosen 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 rates for the capitalisation of income (cap rate), discount rates including terminal yields, based on comparable market evidence and recent external valuation parameters to produce a capitalisation based valuation and a discounted cash flow (DCF) 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. Due to market uncertainty brought on by COVID-19, the internal valuations have been reviewed by an independent external valuer. Refer to note 3 for additional information on the impact of COVID-19 on valuations.

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 the last book value and internal valuation;
- A major development project;
- A period where there is significant market movement; and
- 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.

30 June 2021

Category	Fair value hierarchy	Book value 30 June 2021 $m	Valuation technique	Key inputs used to measure fair value	Range of unobservable key inputs
Investment Properties	Level 3	4,000.0	Income capitalisation and DCF	Cap rate Discount rate	4.75% - 7.50% 5.25% - 8.25%

30 June 2020

Category	Fair value hierarchy	Book value 30 June 2020 $m	Valuation technique	Key inputs used to measure fair value	Range of unobservable key inputs
Investment Properties	Level 3	3,138.2	Income capitalisation and DCF	Cap rate Discount rate	5.50% - 10.00% 6.00% - 10.00%

The investment properties fair values presented are based on market values, which are derived using the income capitalisation method and the DCF methods.

Income capitalisation method – cap rate

Income capitalisation method for the purpose of this report is an approximation of the ratio between the net operating income produced by an investment property to derive 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 cap rate and includes consideration of the property type, location and tenancy profile together with market sales and other matters such as 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.

DCF method – discount rate

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the cash flows 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 regard 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 17 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(j)).

Significant inputs	Fair value measurement sensitivity to significant increase in input	Fair value measurement sensitivity to significant decrease in input
Cap rate	Decrease	Increase
Net operating income	Increase	Decrease
Discount rate	Decrease	Increase

Sensitivity analysis

When calculating the income capitalisation approach, the net market rent has a strong interrelationship with the adopted cap 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 cap rate. The same can be said for a decrease in the net market rent and a decrease (firming) in the adopted cap rate. A directionally opposite change in the net market rent and the adopted cap rate would magnify the impact to the fair value.

When assessing a DCF, 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: 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.

The Group has considered these factors and believes the most significant input to fair value of investment properties at balance sheet date is the cap rate as the cap 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 cap rate is the most significant input, movements in one or more of other factors above may change the valuation.

Sensitivity analysis – cap rate and net operating income

A sensitivity analysis of the impact on the investment property valuations of movements in the cap rate is disclosed below as the cap 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 cap rate and net operating income.

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 cap rates and a 5% increase/decrease in property net operating income respectively at balance sheet date with all other variables held constant. It is noted that changes in net operating income may be caused by a number of factors including changes in vacancy or rent paid or payable.

Sensitivity analysis – Valuation cap rate	Profit/(loss) after tax		Equity	
	25 bps increase	**25 bps decrease**	**25 bps increase**	**25 bps decrease**
	$m	**$m**	**$m**	**$m**
30 June 2021				
SCA Property Group & Retail Trust				
Investment properties	**(162.6)**	**177.0**	**(162.6)**	**177.0**
30 June 2020				
SCA Property Group & Retail Trust				
Investment properties	(116.1)	125.3	(116.1)	125.3

Sensitivity analysis – Valuation net operating income	Profit/(loss) after tax		Equity	
	5% increase	**5% decrease**	**5% increase**	**5% decrease**
	$m	**$m**	**$m**	**$m**
30 June 2021				
SCA Property Group & Retail Trust				
Investment properties	**200.0**	**(200.0)**	**200.0**	**(200.0)**
30 June 2020				
SCA Property Group & Retail Trust				
Investment properties	156.9	(156.9)	156.9	(156.9)

Refer to note 3 for additional COVID-19 disclosures regarding investment property valuations.

14. Investment in associates (SCA Unlisted Retail Fund (SURF))

The Group and Retail Trust's investment in associates relates to SURF 3: 9,161,000 units at $1.00 each acquired on 10 July 2018. The total units on issue of SURF 3 are 35,000,000. SURF 3 is an unlisted closed end property fund. The Group recognises the 26.2% interest in SURF 3 as investment in associates using the equity method of accounting.

During the year, the following Funds were wound up;

- SURF 1: 7,959,000 units at $1.00 each acquired on 1 October 2015. The total units on issue of SURF 1 were 32,600,000. The Fund was wound up on 16 October 2020.
- SURF 2: 8,447,000 units at $1.00 each acquired on 2 June 2017. The total units on issue of SURF 2 were 29,500,000. In February 2021, SURF 2 sold Katoomba Marketplace to SCA for $55.1 million. Following the sale of the final property, SURF 2 declared and paid a return of capital in March 2021. The Group recorded its share of the return of capital ($10.1 million). A small residual final distribution was paid on 7 May 2021 when the Fund was wound up.

At 30 June 2021 the Group managed 3 properties valued at $50.2 million for SURF 3 (30 June 2020: 5 properties valued at $102.6 million).

	SCA Property Group & Retail Trust	
	30 June 2021	30 June 2020
	$m	$m
Movement in investment in associates		
Opening balance	**15.9**	26.5
Share of profits after income tax	**5.6**	-
Return of capital	**(10.1)**	(9.0)
Distributions received or receivable	**(1.3)**	(1.6)
Closing balance	**10.1**	15.9

The Group is not a guarantor to the debt facility or other liabilities of SURF 3.

15. Trade and other payables

	SCA Property Group		Retail Trust	
	30 June 2021	30 June 2020	**30 June 2021**	30 June 2020
	$m	$m	**$m**	$m
Current				
Trade payables and other creditors[1]	**67.0**	57.7	**67.5**	58.3
Income tax payable	**0.5**	0.6	**-**	-
Payables to related parties (note 27)	**-**	-	**10.2**	10.2
	67.5	58.3	**77.7**	68.5

[1] Trade payables other creditors are generally payable within 30 days. Other significant amounts included in trade payables and other creditors includes rent received in advance, provision for deferred income and trade payables including accrued expenses.

16. Interest bearing liabilities

	SCA Property Group & Retail Trust	
	30 June 2021	30 June 2020
	$m	$m
Interest bearing liabilities		
Current	**-**	225.0
Non-current	**1,331.5**	858.6
Total interest bearing liabilities	**1,331.5**	1,083.6

The detail of interest bearing liabilities are below.

	SCA Property Group & Retail Trust	
	30 June 2021	30 June 2020
	$m	$m
Unsecured bank and syndicated facilities		
- A$ denominated	**610.0**	150.0
Unsecured A$ Medium term note (A$ MTN)		
- A$ denominated	**275.0**	450.0
Unsecured US Notes		
- A$ denominated	**50.0**	50.0
- US$ denominated (converted to A$)	**400.0**	435.3
Total unsecured debt outstanding	**1,335.0**	1,085.3
- Less: unamortised establishment fees and unamortised MTN discount and premium	**(3.5)**	(1.7)
Interest bearing liabilities	**1,331.5**	1,083.6

Financing facilities and financing resources

The financing capacity available to the Group is under the bank and syndicated bilateral facilities as the other debt facilities, being the A$ medium term notes and US Notes, are fully drawn and non revolving. Financing facilities are carried at amortised cost. Additional details of the financing facilities are below.

Bank and syndicated facilities – unsecured

To reduce liquidity risk, the Group has in place debt sourced from several sources including bank and syndicated facilities with multiple banks. The terms have been negotiated to achieve a balance between capital availability and the cost of debt including unused debt. The facilities include revolving facilities (that can be used interchangeably) and other bilateral facilities which are available to be drawn. All bank and syndicated facilities are unsecured.

One of the bilateral facilities is used to support bank guarantees. At 30 June 2021, in addition to the unsecured bank facilities drawn above, $11.0 million of a bank facility available was used to support bank guarantees (30 June 2020: $11.0 million). The bank guarantees assists with the Group's obligations under the Australian Financial Services Licences granted to the Group.

During the year, the facility limit was increased by $125.0 million from $1,457.1 million at 30 June 2020 to $1,582.1 million at 30 June 2021. This was as a result of:

- Issuing A$MTN $50.0 million ($30.0 million 10 year and $20.0 million 15 year issuance expiring September 2030 and September 2035 respectively);
- The bilateral debt facilities were amended during the year leading to an increased facility limit of $300.0 million from $600.0 million at 30 June 2020 to $900.0 million at 30 June 2021 and included benefitting from pricing at lower margins and additional overall facility maturity; and
- Repaying A$MTN of $225.0 million with an expiry of April 2021 in October 2020.

The next debt expiry is a $200.0 million facility in November 2022. This facility was drawn to $145.0 million at 30 June 2021. The intention is that this facility will be repaid from a debt capital markets issue, and/or cash and cash equivalents and undrawn debt.

The financing capacity available to the Group under the bank and syndicated financing facilities, including cash and cash equivalents, is in the following table.

	SCA Property Group	
	30 June 2021	30 June 2020
	$m	$m
Financing facilities and financing resources		
Bilateral bank and syndicated facilities		
Committed bank and syndicated financing facilities available	**900.0**	600.0
Less: amounts drawn	**(610.0)**	(150.0)
Less: amounts utilised for bank guarantee	**(11.0)**	(11.0)
Net financing facilities available	**279.0**	439.0
Add: cash and cash equivalents	**11.6**	183.8
Financing resources available	**290.6**	622.8

At 30 June 2021 the Group had undrawn debt facilities and cash and cash equivalents of $290.6 million (30 June 2020: $622.8 million).

A$ medium term notes (A$ MTN) – unsecured

The Group has issued A$ MTN with a face value of $275.0 million. These are unsecured. Details of these notes are below.

A$ MTN	Tranche	Issue date	Maturity	Tenor at issue (years)	Coupon	Face value $m	Issue consideration $m	Discount / (premium) on issue $m
Series 2	Tranche 1	Jun-17	Jun-24	7.0	3.90%	175.0	174.5	0.5
	Tranche 2	Apr-19	Jun-24	5.2	3.90%	50.0	51.3	(1.3)
Series 3	Tranche 1	Sep-20	Sep-30	10.0	3.25%	30.0	29.8	0.2
Series 4	Tranche 1	Sep-20	Sep-35	15.0	3.50%	20.0	19.8	0.2
						275.0		(0.4)

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

US Notes – unsecured

The Group has issued US Notes with a face value of US$300.0 million and A$50.0 million. The US Notes are unsecured. The principal and coupon obligations of the US dollar denominated notes have been fully economically swapped back to Australian dollars (floating interest rates) such that the Group has no exposure to any currency risk. Details of these notes and their economically swapped values are below.

US Notes

Issue date – US$ denominated notes	Maturity	US$ value	Economic hedged FX rate	AU$ economically hedged value	30 June 2021 FX rate	30 June 2021 Book value
August 2014	August 2027	100.0	0.9387	106.5	0.7500	**133.3**
September 2018	September 2028	30.0	0.7604	39.4	0.7500	**40.0**
August 2014	August 2029	50.0	0.9387	53.3	0.7500	**66.7**
September 2018	September 2031	70.0	0.7604	92.1	0.7500	**93.3**
September 2018	September 2033	50.0	0.7604	65.8	0.7500	**66.7**
		300.0		357.1		**400.0**
AUD notes				50.0		**50.0**
				407.1		**450.0**

Details of these notes and their economically swapped values at 30 June 2020 are below.

US Notes

Issue date – US$ denominated notes	Maturity	US$ value	Economic hedged FX rate	AU$ economically hedged value	30 June 2020 FX rate	30 June 2020 Book value
August 2014	August 2027	100.0	0.9387	106.5	0.6891	**145.1**
September 2018	September 2028	30.0	0.7604	39.4	0.6891	**43.5**
August 2014	August 2029	50.0	0.9387	53.3	0.6891	**72.6**
September 2018	September 2031	70.0	0.7604	92.1	0.6891	**101.5**
September 2018	September 2033	50.0	0.7604	65.8	0.6891	**72.6**
		300.0		357.1		**435.3**
AUD notes				50.0		**50.0**
				407.1		**485.3**

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 cash equivalents and cross currency interest rate swaps divided by total tangible assets net of cash and cash equivalents 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 at 30 June 2021. The Group's gearing for the debt covenant using the definition in the debt and facility agreements was 30.0%. The Group's gearing for management was 31.3% (refer also below). The main reason for the difference in the gearing for covenant and management purposes is that debt covenant definition of gearing uses the value of finance debt from the financial statements (which values the US Notes using the 30 June 2021 FX rate) less the value of the cross currency interest rate swaps. At 30 June 2021 the value of the cross currency interest rate swaps decreased significantly due to the increase in US interest rates relative to the change in the FX rate.

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 and cash equivalents, divided by
- Net total assets, being total assets net of cash and cash equivalents 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 is recorded at its economically hedged value. This also results in management gearing being based on a constant currency basis.

The Group's management gearing was 31.3% at 30 June 2021 (30 June 2020: 25.6%). 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 June 2021 $m**	30 June 2020 $m
Bilateral, Syndicated and A$ MTN notes – unsecured		
Bank bilateral revolving facilities drawn	**460.0**	-
Bank and syndicated non revolving facilities drawn	**150.0**	150.0
Unsecured A$ MTN	**275.0**	450.0
	885.0	600.0
US Notes – unsecured		
US$ denominated notes – USD face value	**300.0**	300.0
Economically hedged exchange rate	**0.8402**	0.8402
US$ denominated notes – AUD equivalent	**357.1**	357.1
US A$ denominated notes	**50.0**	50.0
Total US notes	**407.1**	407.1
Total debt used and drawn AU$ equivalent	**1,292.1**	1,007.1
Less: cash and cash equivalents	**(11.6)**	(183.8)
Net finance debt for gearing	**1,280.5**	823.3
Total assets	**4,208.9**	3,589.7
Less: cash and cash equivalents	**(11.6)**	(183.8)
Less: derivative value included in total assets	**(107.9)**	(183.8)
Net total assets for gearing	**4,089.4**	3,222.1
Gearing (management)	**31.3%**	25.6%

17. Financial instruments

(a) Capital management

The Group's objective when managing capital is to safeguard the ability to continue as a going concern, whilst providing returns for 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 and cash equivalents, 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 (i.e. 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
- 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 16.

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 cash equivalents and excluding derivatives; divided by,
- total tangible assets net of cash and cash equivalents 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 2021 was 31.3% (30 June 2020: 25.6%). Refer note 16 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 and Coles Limited (and its affiliates) which have a credit rating of BBB or above by Standard and Poor's. The Group reviews the aggregate exposure of tenancies across its portfolio on a regular basis. Derivative counterparties and term 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 June 2021 $m	30 June 2020 $m	**30 June 2021 $m**	30 June 2020 $m
Cash and cash equivalents	**11.6**	183.8	**10.3**	182.7
Receivables	**35.1**	34.2	**32.4**	34.2
Derivative financial instruments	**107.9**	183.8	**107.9**	183.8
	154.6	401.8	**150.6**	400.7

The maximum exposure of the Group to credit risk at 30 June 2021 is the carrying amount of the financial assets in the Consolidated Balance Sheets.

Cash and cash equivalents at 30 June 2020 included term deposits which were held with major Australian and international banks with a credit rating of Moody's A1 or Standard & Poor's A or stronger.

Receivables relate to tenant and managing agent receivables. Receivables are reviewed regularly throughout the year. The expected credit loss allowance 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). Refer to note 3 and note 10 for further details on tenants that were past due at 30 June 2021.

(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 and syndicated facilities, A$ MTN and US notes. Details of these debt facilities, including finance facilities available, are included in note 16.

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 at the reporting date. Foreign currencies have been converted at exchange rates at the reporting date. Interest rates are based on the interest 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 2021					
SCA Property Group					
Trade and other payables	**67.5**	-	-	-	**67.5**
Distribution payable	**72.4**	-	-	-	**72.4**
Interest bearing liabilities	**40.4**	**523.1**	**257.3**	**774.2**	**1,595.0**
	180.3	**523.1**	**257.3**	**774.2**	**1,734.9**
Retail Trust					
Trade and other payables	**77.7**	**-**	**-**	**-**	**77.7**
Distribution payable	**72.4**	**-**	**-**	**-**	**72.4**
Interest bearing liabilities	**40.4**	**523.1**	**257.3**	**774.2**	**1,595.0**
	190.5	**523.1**	**257.3**	**774.2**	**1,745.1**
30 June 2020					
SCA Property Group					
Trade and other payables	58.3	-	-	-	58.3
Distribution payable	53.6	-	-	-	53.6
Interest bearing liabilities	267.0	67.1	332.5	698.9	1,365.5
	378.9	67.1	332.5	698.9	1,477.4
Retail Trust					
Trade and other payables	68.5	-	-	-	68.5
Distribution payable	53.6	-	-	-	53.6
Interest bearing liabilities	267.0	67.1	332.5	698.9	1,365.5
	389.1	67.1	332.5	698.9	1,487.6

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 2021 at the rates 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 2021					
SCA Property Group & Retail Trust					
Interest rate swaps - net	**1.7**	**4.8**	**2.9**	**4.3**	**13.6**
Cross currency interest rate swaps - net	**15.5**	**17.4**	**11.4**	**50.9**	**95.2**
	17.2	**22.2**	**14.3**	**55.2**	**108.8**
30 June 2020					
SCA Property Group & Retail Trust					
Interest rate swaps - net	(1.7)	(2.9)	(1.3)	5.7	(0.2)
Cross currency interest rate swaps - net	36.0	23.1	20.9	92.7	172.7
	34.3	20.2	19.6	98.4	172.5

(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 from those US Notes issued in prior years.

The principal and coupon obligations of the USD denominated debt have been fully swapped back to Australian dollars (floating interest rates). Refer below and note 16.

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 denominated debt (refer above and note 16) 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.

As a result of issuing the USD denominated debt the Group has entered into cross currency interest rate swaps which have fully economically hedged the USD principal and interest to a fixed amount of AUD and floating AUD interest respectively. 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 2021					
Buy US dollar - interest					
Amount (AUD)	15.8	31.5	31.5	60.3	139.1
Exchange rate	0.8354	0.8381	0.8381	0.7960	0.8196
Amount (USD)	13.2	26.4	26.4	48.0	114.0
Buy US dollar - Principal					
Amount (AUD)	-	-	-	357.1	357.1
Exchange Rate	-	-	-	0.8401	0.8401
Amount (USD)	-	-	-	300.0	300.0
30 June 2020					
Buy US dollar - interest					
Amount (AUD)	15.8	31.6	31.6	76.1	155.1
Exchange rate	0.8354	0.8354	0.8354	0.8042	0.8201
Amount (USD)	13.2	26.4	26.4	61.2	127.2
Buy US dollar - Principal					
Amount (AUD)	-	-	-	357.1	357.1
Exchange Rate	-	-	-	0.8401	0.8401
Amount (USD)	-	-	-	300.0	300.0

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 the balance sheet date with all other variables held constant.

	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 $m**
30 June 2021				
SCA Property Group & Retail Trust				
A$ equivalent of foreign exchange balances denominated in USD	**(9.1)**	**11.1**	**(9.1)**	**11.1**
30 June 2020				
SCA Property Group & Retail Trust				
A$ equivalent of foreign exchange balances denominated in USD	(12.9)	17.8	(12.9)	17.8

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 $11.6 million (30 June 2020: $183.8 million).

Interest rate swap contracts

The Group's interest rate risk arises from borrowings and cash holdings. Interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates or from fixed to floating. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts (or 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 predominantly 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$ MTN.

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 at 30 June 2021 (30 June 2020: 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 the reporting date.

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

	SCA Property Group					
			Fixed interest rate			
	Interest rate	Floating interest rate	Less than 1 year	1 - 5 years	More than 5 years	Total
	(%p.a.)	$m	$m	$m	$m	$m
30 June 2021						
Financial assets						
Cash at bank	0.0%	11.6	-	-	-	11.6
Total financial assets		11.6	-	-	-	11.6
Financial liabilities						
Interest bearing liabilities						
Denominated in AUD - floating	1.6%	(610.0)	-	-	-	(610.0)
Denominated in AUD - fixed (MTN)	3.8%	-	-	(225.0)	(50.0)	(275.0)
Denominated in AUD - fixed (USPP)	6.0%	-	-	-	(50.0)	(50.0)
Denominated in USD - fixed (USPP)	4.4%	-	-	-	(400.0)	(400.0)
Total financial liabilities		(610.0)	-	(225.0)	(500.0)	(1,335.0)
Total net financial liabilities		(598.4)	-	(225.0)	(500.0)	(1,323.4)

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 2021						
Financial assets						
Cash at bank	**0.0%**	**10.3**	**-**	**-**	**-**	**10.3**
Total financial assets		**10.3**	**-**	**-**	**-**	**10.3**
Financial liabilities						
Interest bearing liabilities						
Denominated in AUD - floating	**1.6%**	**(610.0)**	**-**	**-**	**-**	**(610.0)**
Denominated in AUD - fixed	**3.8%**	**-**	**-**	**(225.0)**	**(50.0)**	**(275.0)**
Denominated in AUD - fixed (USPP)	**6.0%**	**-**	**-**	**-**	**(50.0)**	**(50.0)**
Denominated in USD - fixed (USPP)	**4.4%**	**-**	**-**	**-**	**(400.0)**	**(400.0)**
Total financial liabilities		**(610.0)**	**-**	**(225.0)**	**(500.0)**	**(1,335.0)**
Total net financial liabilities		**(599.7)**	**-**	**(225.0)**	**(500.0)**	**(1,324.7)**

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

	June 2021 $m	June 2022 $m	June 2023 $m	June 2024 $m	June 2025 $m
Denominated in AU$					
Interest rate swaps (fixed)	**375.0**	**375.0**	**350.0**	**-**	**-**
Average fixed rate	**0.20%**	**0.20%**	**0.20%**	**-**	**-**
Interest rate swaps (floating)	**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 2020 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 2020						
Financial assets						
Cash at bank	**0.0%**	**3.8**	**-**	**-**	**-**	**3.8**
Term deposits	**0.7%**	**-**	**180.0**	**-**	**-**	**180.0**
Total financial assets		**3.8**	**180.0**	**-**	**-**	**183.8**
Financial liabilities						
Interest bearing liabilities						
Denominated in AUD - floating	**1.8%**	**(150.0)**	**-**	**-**	**-**	**(150.0)**
Denominated in AUD - fixed (MTN)	**3.8%**	**-**	**(225.0)**	**(225.0)**	**-**	**(450.0)**
Denominated in AUD - fixed (USPP)	**6.0%**	**-**	**-**	**-**	**(50.0)**	**(50.0)**
Denominated in USD - fixed (USPP)	**4.4%**	**-**	**-**	**-**	**(435.3)**	**(435.3)**
Total financial liabilities		**(150.0)**	**(225.0)**	**(225.0)**	**(485.3)**	**(1,085.3)**
Total net financial liabilities		**(146.2)**	**(45.0)**	**(225.0)**	**(485.3)**	**(901.5)**

The Retail Trust's exposure to interest rate risk and the effective interest rates on financial assets and liabilities at 30 June 2020 are in the table below.

	Retail Trust					
			Fixed interest rate			
	Interest rate	Floating interest rate	Less than 1 year	1 - 5 years	More than 5 years	Total
	(%p.a.)	$m	$m	$m	$m	$m
30 June 2020						
Financial assets						
Cash at bank	**0.0%**	**2.7**	**-**	**-**	**-**	**2.7**
Term deposits	**0.7%**	**-**	**180.0**	**-**	**-**	**180.0**
Total financial assets		**2.7**	**180.0**	**-**	**-**	**182.7**
Financial liabilities						
Interest bearing liabilities						
Denominated in AUD - floating	**1.8%**	**(150.0)**	**-**	**-**	**-**	**(150.0)**
Denominated in AUD - fixed	**3.8%**	**-**	**(225.0)**	**(225.0)**	**-**	**(450.0)**
Denominated in AUD - fixed (USPP)	**6.0%**	**-**	**-**	**-**	**(50.0)**	**(50.0)**
Denominated in USD - fixed (USPP)	**4.4%**	**-**	**-**	**-**	**(435.3)**	**(435.3)**
Total financial liabilities		**(150.0)**	**(225.0)**	**(225.0)**	**(485.3)**	**(1,085.3)**
Total net financial liabilities		**(147.3)**	**(45.0)**	**(225.0)**	**(485.3)**	**(902.6)**

The maturity profile and the weighted average interest rate of the fixed and floating derivatives (notional principal) held at 30 June 2020 by both the Group and the Retail Trust can be summarised below.

	June 2020 $m	June 2021 $m	June 2022 $m	June 2023 $m	June 2024 $m
Denominated in AU$					
Interest rate swaps (fixed)	300.0	300.0	300.0	300.0	300.0
Average fixed rate	1.46%	1.46%	1.46%	1.46%	1.46%
Interest rate swaps (floating)	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 50 basis points (bps) higher/lower with all other variables held constant.

	Profit/loss after tax[1]		Equity	
	50bps higher	50bps lower	50bps higher	50bps lower
	$m	$m	$m	$m
30 June 2021				
SCA Property Group & Retail Trust				
Effect of market interest rate movement	**(11.1)**	**11.2**	**(11.1)**	**11.2**
30 June 2020				
SCA Property Group & Retail Trust				
Effect of market interest rate movement	(16.1)	16.2	(16.1)	16.2

[1] *The aim of the Group's interest rate hedging strategy is to reduce the impact on Funds from Operations 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 AASB 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 a discounted cash flow analysis using assumptions supported by observing market rates.

Except as disclosed below, the carrying amounts of other financial assets and financial liabilities, which are recognised at amortised cost in the Consolidated Balance Sheets, approximates their fair values except the US notes and the A$ MTN.

The amortised cost of the US notes, converted to AUD at the prevailing foreign exchange rate at 30 June 2021 (which was AUD 1.00 = USD 0.7500 (30 June 2020: 0.6891), is $450.0 million (30 June 2020: $485.3 million).

The amortised cost of the A$ MTN, is $275.0 million (30 June 2020: $450.0 million) (refer note 16).

The fair value of the US notes and A$ MTN 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 is $505.7 million and the A$ MTN $294.2 million (30 June 2020: $528.9 million and $466.6 million respectively).

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 2021				
Financial assets carried at fair value				
Investment in CQR	**25.8**	**-**	**-**	**25.8**
Interest rate swaps	**-**	**12.4**	**-**	**12.4**
Cross currency interest rate swaps	**-**	**95.5**	**-**	**95.5**
	25.8	**107.9**	**-**	**133.7**
Financial liabilities carried at fair value			**-**	
Interest rate swaps	**-**	**0.2**	**-**	**0.2**
30 June 2020				
Financial assets carried at fair value				
Investment in CQR	22.7	-	-	22.7
Interest rate swaps	-	9.7	-	9.7
Cross currency interest rate swaps	-	174.1	-	174.1
	22.7	183.8	-	206.5
Financial liabilities carried at fair value			-	
Interest rate swaps	-	10.2	-	10.2

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.

18. Contributed equity

	SCA Property Group		Retail Trust	
	30 June 2021 $m	30 June 2020 $m	**30 June 2021 $m**	30 June 2020 $m
Equity	**2,031.3**	2,013.5	**2,021.0**	2,003.2
Issue costs	**(40.8)**	(40.7)	**(40.7)**	(40.6)
	1,990.5	1,972.8	**1,980.3**	1,962.6

	Management Trust		Retail Trust	
	30 June 2021 $m	30 June 2020 $m	**30 June 2021 $m**	30 June 2020 $m
Opening balance	**10.2**	9.0	**1,962.6**	1,649.7
Equity raised through Distribution Reinvestment Plan – August 2019	**-**	-	**-**	13.0
Equity raised through Distribution Reinvestment Plan – January 2020	**-**	0.1	**-**	27.8
Equity raised through Institutional Placement – April 2020	**-**	1.0	**-**	249.0
Equity raised through Unit Purchase Plan – May 2020	**-**	0.1	**-**	29.2
Equity raised through Distribution Reinvestment Plan – August 2020	**-**	-	**9.5**	-
Equity raised through Distribution Reinvestment Plan – January 2021	**-**	-	**8.3**	-
Equity raising costs	**-**	-	**(0.1)**	(6.1)
Closing balance	**10.2**	10.2	**1,980.3**	1,962.6
Balance at the end of the period is attributable to unit holders of:				
Shopping Centres Australasia Property Management Trust	**10.2**	10.2		
Shopping Centres Australasia Property Retail Trust	**1,980.3**	1,962.6		
	1,990.5	1,972.8		

Securities on Issue	SCA Property Group & Retail Trust	
	30 June 2021 No. of securities	30 June 2020 No. of securities
Opening balance	**1,071,416,350**	925,582,982
Equity issued for executive security-based compensation arrangements – 8 August 2019	**-**	946,504
Equity raised through Distribution Reinvestment Plan – 30 August 2019	**-**	5,253,037
Equity issued for staff security-based compensation arrangements – 23 December 2019	**-**	13,356
Equity raised through Distribution Reinvestment Plan – 29 January 2020	**-**	10,309,664
Equity raised through Institutional Placement – 16 April 2020	**-**	115,740,741
Equity raised through Unit Purchase Plan – 15 May 2020	**-**	13,570,066
Equity issued for executive security-based compensation arrangements – 22 July 2020	**902,330**	-
Equity raised through Distribution Reinvestment Plan – 31 August 2020	**4,253,334**	-
Equity issued for staff security-based compensation arrangements – 16 December 2020	**15,520**	-
Equity raised through Distribution Reinvestment Plan – 29 January 2021	**3,433,870**	-
Closing balance	**1,080,021,404**	1,071,416,350

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.

A total of 902,330 securities were issued during the year in respect of executive compensation plans and 15,520 securities were issued in respect of staff compensation and incentive plans for nil consideration.

Issue of securities from distribution reinvestment plan (DRP)

The Group has a DRP under which security holders may elect to have their distribution entitlements satisfied by the issue of new securities at the time of the distribution payment rather than being paid in cash. The DRP was in place for the distribution declared in June 2020 (paid in August 2020) and the distribution declared in December 2020 (paid in January 2021).

The distribution declared in June 2020 resulted in $9.5 million being raised by the DRP through the issue of 4.3 million securities at $2.22 per security in August 2020. The distribution declared in December 2020 resulted in $8.3 million being raised by the DRP through the issue of 3.4 million securities at $2.40 per security in January 2021.

Further, the DRP is in place for the distribution declared in June 2021 (expected to be paid on or about 31 August 2021). The Group's security holders holding 17.6% of securities on issue have elected to participate in the DRP. The Group entered into an underwriting agreement with MA Moelis Australia Advisory Pty Ltd to underwrite the remaining 82.4% of the distribution. This means that the total securities to be issued in respect of this distribution and the DRP will be 29.9 million securities at $2.42 per security raising a total of $72.4 million.

19. Reserves (net of income tax)

	Retail Trust	
	30 June 2021 $m	30 June 2020 $m
Share based payment reserve	**7.2**	6.3
Investment fair value through other comprehensive income (FVTOCI)	**(0.2)**	(3.3)
	7.0	3.0
Movements in reserves		
Share based payment reserve		
Balance at the beginning of the year	**6.3**	5.4
Employee share based payments	**0.9**	0.9
Closing balance	**7.2**	6.3
FVTOCI reserve		
Opening balance	**(3.3)**	3.6
Revaluation of investment FVTOCI	**3.1**	(6.9)
Closing balance	**(0.2)**	(3.3)

Share based payment reserve: Refer note 26.

FVTOCI: Refer note 11.

20. Accumulated profit and loss

	SCA Property Group		Retail Trust	
	30 June 2021 $m	30 June 2020 $m	**30 June 2021 $m**	30 June 2020 $m
Opening balance	**398.2**	436.2	**397.9**	436.6
Net profit for the year	**462.9**	85.5	**461.9**	84.8
Distributions paid and payable (note 5)	**(133.8)**	(123.5)	**(133.8)**	(123.5)
Closing balance	**727.3**	398.2	**726.0**	397.9
Balance at the end of the year is attributable to security holders of:				
Shopping Centres Australasia Property Management Trust	**1.3**	0.3		
Shopping Centres Australasia Property Retail Trust	**726.0**	397.9		
	727.3	398.2		

21. Cash flow information

(a) Notes to statements of cash flows

Reconciliation of net profit after tax to net cash flow from operating activities is below.

	SCA Property Group		Retail Trust	
	30 June 2021 $m	30 June 2020 $m	**30 June 2021 $m**	30 June 2020 $m
Net profit after tax	**462.9**	85.5	**461.9**	84.8
Net unrealised (gain) / loss on change in fair value of investment properties	**(354.2)**	87.9	**(354.2)**	87.9
Net unrealised (gain) / loss on change in fair value of derivatives	**65.9**	(51.4)	**65.9**	(51.4)
Net unrealised (gain) / loss on change in foreign exchange	**(35.3)**	8.1	**(35.3)**	8.1
Straight-lining of rental income and amortisation of incentives	**12.6**	8.1	**12.6**	8.1
(Decrease) / increase in payables	**0.4**	13.9	**(0.9)**	15.5
Non-cash and capitalised financing expenses	**(1.8)**	0.5	**(1.8)**	0.5
Other non-cash items and movements in other assets	**(7.8)**	0.6	**(5.4)**	(0.1)
(Increase) / decrease in receivables	**2.3**	(5.9)	**2.0**	(6.1)
Net cash flow from operating activities	**145.0**	147.3	**144.8**	147.3

(b) Net debt reconciliation

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

	SCA Property Group			
	Cash at bank $m	**Due within 1 year $m**	**Due after 1 year $m**	**Total $m**
Net debt at 30 June 2020	**3.8**	**-**	**(1,085.3)**	**(1,081.5)**
Net proceeds from borrowings	**7.8**	**-**	**(645.0)**	**(637.2)**
Repayment of borrowings	**-**	**-**	**360.0**	**360.0**
Foreign exchange adjustments	**-**	**-**	**35.3**	**35.3**
Net debt at 30 June 2021	**11.6**	**-**	**(1,335.0)**	**(1,323.4)**

	Retail Trust			
	Cash at bank $m	**Due within 1 year $m**	**Due after 1 year $m**	**Total $m**
Net debt at 30 June 2020	**2.7**	**-**	**(1,085.3)**	**(1,082.6)**
Net proceeds from borrowings	**7.6**	**-**	**(645.0)**	**(637.4)**
Repayment of borrowings	**-**	**-**	**360.0**	**360.0**
Foreign exchange adjustments	**-**	**-**	**35.3**	**35.3**
Net debt at 30 June 2021	**10.3**	**-**	**(1,335.0)**	**(1,324.7)**

	SCA Property Group			
	Cash at bank $m	**Due within 1 year $m**	**Due after 1 year $m**	**Total $m**
Net debt at 30 June 2019	4.2	-	(1,139.2)	(1,135.0)
Net proceeds from borrowings	-	-	(178.0)	(178.0)
Repayment of borrowings	(0.4)	-	240.0	239.6
Foreign exchange adjustments	-	-	(8.1)	(8.1)
Net debt at 30 June 2020	3.8	-	(1,085.3)	(1,081.5)

	Retail Trust			
	Cash at bank $m	**Due within 1 year $m**	**Due after 1 year $m**	**Total $m**
Net debt at 30 June 2019	3.1	-	(1,139.2)	(1,136.1)
Net proceeds from borrowings	-	-	(178.0)	(178.0)
Repayment of borrowings	(0.4)	-	240.0	239.6
Foreign exchange adjustments	-	-	(8.1)	(8.1)
Net debt at 30 June 2020	2.7	-	(1,085.3)	(1,082.6)

22. Operating leases

All the investment properties (refer note 13) 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 10 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 typically 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 June 2021 $m	30 June 2020 $m
Within one year	**262.4**	241.8
Between one and five years	**782.3**	720.4
After five years	**791.3**	762.1
	1,836.0	1,724.3

There was $5.2 million of percentage or turnover rent recognised as income in the current year (30 June 2020: $3.3 million).

23. Capital and lease commitments

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

	SCA Property Group & Retail Trust	
	30 June 2021 $m	30 June 2020 $m
Capital commitments	**116.4**	10.0

The 30 June 2021 balance relates to:

- **Drayton Central (QLD) ($34.3 million):** In June 2021, the Group entered into a conditional agreement to acquire Drayton Central shopping centre for $34.3 million (excluding transaction costs). This transaction settled in July 2021. Included in the Balance Sheet is $1.7 million which represents a deposit in relation to this acquisition.
- **Raymond Terrace (NSW) ($87.5 million):** In June 2021, the Group entered into a conditional agreement to acquire Raymond Terrace shopping centre for $87.5 million (excluding transaction costs). This transaction settled in July 2021. Included in the Balance Sheet is $4.4 million which represents a deposit in relation to this acquisition.
- **Marian Town Centre (QLD) ($0.8 million):** In July 2020, the Group entered into a conditional agreement to acquire vacant land at Marian Town Centre shopping centre for $0.8 million (excluding transaction costs). This transaction settled in July 2021. Included in the Balance Sheet is $0.1 million which represents a deposit and prepaid expenses in relation to this acquisition.

The 30 June 2020 balance relates to:

- **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 vendor has a put option which is exercisable in December 2020 (if the call option for the Group is not exercised by that time) (30 June 2020: $10.0 million).

Additionally, the Group leases its office space for $0.7 million per annum. This lease expires in August 2023.

24. Segment reporting

The Group and Retail Trust invest in shopping centres located in Australia operates only within one segment, Australia.

For the purposes of segment reporting $97.2 million in rental income (30 June 2020: $90.9 million) was from Woolworths Limited and its affiliates. Further, $34.9 million in rental income (30 June 2020: $32.1 million) was from Coles Limited and its affiliates.

25. Key management personnel compensation

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

	30 June 2021	30 June 2020
	$	$
Short term benefits	**3,555,961**	3,214,002
Post-employment benefits	**147,761**	169,400
Share-based payment	**784,098**	773,440
Long term benefits	**31,110**	52,611
	4,518,930	4,209,453

The key management personnel during the year were:

- Directors
- Mr Lamb (Company Secretary and General Counsel): retired as General Counsel on 7 December 2020 and resigned as Company Secretary on 31 December 2020. He ceased being a KMP on 31 December 2020. Mark Lamb remained employed until 1 July 2021.

26. 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 328,563 rights during the year (30 June 2020: 312,972).

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 stapled securities were issued and vested to Mr Mellowes 424,346 (number of securities) (30 June 2020: 541,501), Mr Fleming 194,053 (number of securities) (30 June 2020: 247,544) and Mr Lamb 55,363 (number of securities) (30 June 2020: 67,643).

Type and eligibility	Vesting conditions[1]	Security 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 (FY21) (Mr Mellowes)	Non-market	$2.23	Sep-20	Jan-21 Jul-21	Jul-22	$241,250 $241,250	$0.96 per $1.00
STIP (FY21) (Mr Fleming)	Non-market	$2.23	Sep-20	Jan-21 Jul-21	Jul-22	$115,938 $115,938	$0.96 per $1.00
LTIP (FY21 - FY23) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR[2]	$2.23	Sep-20	Sep-23	Jul-24	452,393	$1.18 per security
LTIP (FY21 - FY23) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.23	Sep-20	Jun-23	Jul-24	301,595	$2.23 per security
STIP (FY20) (Mr Mellowes)	Non-market	$2.61	Aug-19	Jul-20	Jul-22	$482,500	$0.96 per $1.00
STIP (FY20) (Mr Fleming)	Non-market	$2.61	Aug-19	Jul-20	Jul-22	$231,875	$0.96 per $1.00
LTIP (FY20 - FY22) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR[2]	$2.61	Aug-19	Sep-22	Jul-23	213,818	$1.28 per security
LTIP (FY20 - FY22) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.61	Aug-19	Jun-22	Jul-23	213,818	$2.59 per security
LTIP (FY20 - FY22) (tranche 3) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.61	Aug-19	Jun-22	Jul-23	213,818	$2.59 per security
STIP (FY19) (Mr Mellowes)	Non-market	$2.40	Aug-18	Jul-19	Jul-21	$386,750	$0.97 per $1.00
STIP (FY19) (Mr Fleming)	Non-market	$2.40	Aug-18	Jul-19	Jul-21	$187,500	$0.97 per $1.00
LTIP (FY19 - FY21) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR[2]	$2.40	Aug-18	Sep-21	Jul-22	182,455	$1.22 per security
LTIP (FY19 - FY21) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.40	Aug-18	Jun-21	Jul-22	182,455	$2.40 per security
LTIP (FY19 - FY21) (tranche 3) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.40	Aug-18	Jun-21	Jul-22	182,455	$2.40 per security
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 security
LTIP (FY18 - FY20) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.23	Aug-17	Jun-20	Jul-21	168,973	$2.23 per security
LTIP (FY18 - FY20) (tranche 3) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.23	Aug-17	Jun-20	Jul-21	168,973	$2.23 per security

[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 Black Scholes 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 2020: $1.0 million). Key inputs to the pricing models include:

	30 June 2021	30 June 2020	30 June 2019	30 June 2018
Volatility	**25%**	16%	17%	16%
Dividend yield	**5.5%**	5.8%	6.1%	6.2%
Risk-free interest rate	**0.2%**	0.7%	1.99%	1.97% - 2.12%

27. Other related party disclosures

The Retail Trust has a current payable of $10.2 million to the Management Trust (30 June 2020: $10.2 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 $17.0 million (30 June 2020: $13.3 million).

The Group received $2.2 million (30 June 2020: $1.7 million) of funds management revenue from SURF 1, SURF 2 and SURF 3 (Retail Trust: $nil).

In February 2021, the Group acquired Katoomba Marketplace for $55.1 million from SCA Unlisted Retail Fund 2, in which the Group had a 28.6% interest. The transaction was conducted on an arms length basis. The Group was also entitled to a 1% disposal fee of $0.6 million (before tax) on settlement.

At 30 June 2021, the Group and Retail Trust has an investment in SURF 3 (30 June 2020: investment in SURF 1, SURF 2 and SURF 3). In July 2020, SURF 3 sold Swansea for $15.6 million. The Group was entitled to a 1% disposal fee of $0.2 million (before tax) on settlement. Consistent with prior periods no amount has been recognised for a performance fee from SURF 3 for the year ended 30 June 2021. Refer note 14.

28. Parent entity

	Management Trust[1]		Retail Trust[1, 2]	
	30 June 2021 $m	30 June 2020 $m	**30 June 2021 $m**	30 June 2020 $m
Current assets	**-**	-	**84.4**	248.0
Non-current assets	**-**	-	**4,117.6**	3,337.7
Total assets	**-**	-	**4,202.0**	3,585.7
Current liabilities	**-**	-	**150.8**	349.6
Non-current liabilities	**-**	-	**1,337.9**	872.6
Total liabilities	**-**	-	**1,488.7**	1,222.2
Contributed equity	**10.2**	10.2	**1,980.3**	1,962.6
Reserves	**-**	-	**7.0**	3.0
Accumulated profit	**-**	-	**726.0**	397.9
Total equity	**10.2**	10.2	**2,713.3**	2,363.5
Net profit after tax	**-**	-	**461.9**	84.8
Other comprehensive income / (loss)	**-**	-	**3.1**	(6.9)
Total comprehensive income	**-**	-	**465.0**	77.9
Commitments for the acquisition of property by the parent	**-**	-	**116.4**	10.0

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 as it is the policy of the Group and Retail Trust to use surplus cash to repay revolving debt. At 30 June 2021 the Group and Retail Trust have the ability to drawdown funds to pay the distribution on or about 31 August 2021, having sufficient excess cash and cash equivalents and undrawn financing facilities (refer note 16).*

29. Subsidiaries

Name of subsidiaries	Place of incorporation and operation	Ownership interest 30 June 2021	30 June 2020
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%
SCA Unlisted Retail Fund RE Ltd	Australia	**100.0%**	100.0%
Shopping Centres Australasia Property Agent Pty Ltd	Australia	**100.0%**	-

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.

30. Auditors' remuneration

	SCA Property Group & Retail Trust	
	30 June 2021 $'000	30 June 2020 $'000
Audit of the financial statements	**304.2**	292.5
Statutory assurance services required by legislation to be provided by the auditor	**52.9**	50.3
	357.1	342.8

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.

31. Subsequent events

The continued uncertainty in relation to COVID-19 may have an adverse impact on both the operations and financial performance of the Group during FY22. Restrictions on retail trading have been introduced into a number of States in Australia in response to COVID-19 outbreaks, and regulations mandating rent relief and a moratorium on evictions have been re-introduced in New South Wales and Victoria. The full consequences of COVID-19 on the Group's future financial performance and the value of the Group's investment properties continues to be uncertain.

In July 2021, the Group acquired Drayton Central (Queensland) for $34.3 million, Raymond Terrace (New South Wales) for $87.5 million and purchased vacant land next to the Marian Town Centre shopping centre for $0.8 million.

Since the end of the year, the Directors of the Responsible 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.

* * *

Shopping Centres Australasia Property Group
Directors Declaration

For the year ended 30 June 2021

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 88 to 128 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 at 30 June 2021 and of their performance, for the year ended 30 June 2021; 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 year ended 30 June 2021.

Signed in accordance with a resolution of the Directors.

Philip Marcus Clark AO
Chairman
Sydney
16 August 2021

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

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" or "the Group") which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration; and

- Shopping Centres Australasia Property Retail Trust and its controlled entities ("SCA Property Retail Trust") comprising the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and 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 2021 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of 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.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Investment property valuation
 	
As at 30 June 2021, SCA Property Group recognised investment properties valued at $4,000.0m as disclosed in Note 13.
 	
The fair value of investment property is calculated in accordance with the valuation policy set out in Note 2 (j) and Note 13 which outline the two valuation methodologies used by SCA Property Group.
 	
Note 3 and Note 13 disclose the significant judgements and estimates made by SCA Property Group in estimating the fair values. These include the following assumptions:
 	
• forecast cash flows: including market rental income, market growth rates, rent relief provided and letting up assumptions. There is increase in judgement being applied as a result of the uncertainty of future rental income and leasing activity as a result of COVID-19
 	
• capitalisation rates: since June 2020 there have been a number of completed transactions for convenience-based shopping centres demonstrating that capitalisation rates for this assets class have stabilised or tightened
 	
• discount rates: are subjective due to the specific nature and characteristics of individual investment properties.
 	
In addition, Note 3 highlights the impact created by COVID-19 and as a result the valuers have included a material valuation uncertainty statement in their valuation reports as at 30 June 2021. This clause indicates that less certainty, and consequently a higher degree of caution should be attached to the valuations as a result of COVID-19.
 	
The sensitivity to changes associated with the greater levels of estimation uncertainty being applied in respect of these assumptions are disclosed in Note 13.
	Our procedures included, but were not limited to:
	
	• Assessing management's process over property valuations and the oversight applied by the directors are consistent with accounting standards and SCA Property Group's valuation policy
	
	• Assessing the independence, competence and objectivity of the internal and external valuers
	
	• Performing an analytical review and risk assessment of the portfolio, analysing the key inputs and assumptions
	
	• Benchmarking the capitalisation rates and discount rates with reference to external market trends and transactions and challenging those assumptions where appropriate
	
	• Performing procedures over the specific assumptions and judgements made around the impact of COVID-19 on the valuation models including market rental income, market growth rates, rent relief provided and letting up assumptions
	
	• Holding discussions with management and the external valuers to obtain an understanding of portfolio movements and their assessment of the impact of COVID-19 on the valuations, including the material uncertainty statement included in their reports
	
	• Testing on a sample basis of externally and internally valued properties, the following:
	  o the integrity of the information in the valuation models by agreeing key inputs such as net operating income to underlying records and source evidence
	  o the forecasts used in the valuation models with reference to current financial results such as revenues and expenses, capital expenditure requirements, vacancy rates and lease renewals
	  o the mathematical accuracy of the valuation models.
	
	• We also assessed the appropriateness of the disclosures included in Note 3 and 13 to the financial statements.

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 and also includes the following information which will be included in the Group's annual report (but does not include the financial report and our auditor's report thereon): Message from the Chairman, Message from the CEO, Security Analysis and Sustainability Report, which is expected to be made available to us after that date.

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

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

When we read the Message from the Chairman, Message from the CEO, Security Analysis and Sustainability Report 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 of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within SCA Property Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of SCA Property Group's audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 60 to 85 of the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Shopping Centres Australasia Property Management Trust, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A. Coleman.

Andrew J Coleman
Partner
Chartered Accountants
Sydney, 16 August 2021

SECURITY ANALYSIS

DISTRIBUTION OF EQUITY SECURITIES AS AT 20 AUGUST 2021

Number of securities held by securityholders	No. of holders	Ordinary securities held	% of issued securities
1 to 1,000	36,855	14,860,131	1.38%
1,001 to 5,000	9,380	24,147,485	2.24%
5,001 to 10,000	5,659	41,342,909	3.83%
10,001 to 100,000	5,476	119,517,626	11.07%
100,001 and Over	137	880,153,253	81.49%
Total	57,507	1,080,021,404	100.00%

SCP only has ordinary stapled securities on issue and at 20 August 2021 there were a total of 57,507 holders.

The total number of securityholders with less than a marketable parcel of (using the closing price for SCP securities on 20 August 2021) securities is 4,297 holders and they hold 321,390 securities.

SUBSTANTIAL SECURITYHOLDER NOTICES AS AT 20 AUGUST 2021

Ordinary securities	Date of change	Securities held	%
The Vanguard Group, Inc	9/12/2019	93,195,570	10.00%
Franklin Resources, Inc	31/7/2020	75,197,565	7.01%
Blackrock Group	16/12/2020	76,019,093	7.06%
State Street Corporation and subsidiaries	22/06/2021	55,741,654	5.16%

VOTING RIGHTS AS AT 20 AUGUST 2021

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.

ON MARKET BUY-BACK

There is no current on-market buy-back.

TOP 20 REGISTERED EQUITY SECURITYHOLDERS AS AT 20 AUGUST 2021

Name	Units	% of units
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	348,490,362	32.27
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	197,079,399	18.25
CITICORP NOMINEES PTY LIMITED	136,089,015	12.60
NATIONAL NOMINEES LIMITED	60,471,451	5.60
BNP PARIBAS NOMINEES PTY LTD	33,016,919	3.06
BNP PARIBAS NOMS PTY LTD	26,406,429	2.44
CITICORP NOMINEES PTY LIMITED	12,177,052	1.13
NETWEALTH INVESTMENTS LIMITED	6,134,190	0.57
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD	4,701,313	0.44
CHARTER HALL WSALE MNGT LTD	4,460,064	0.41
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,101,582	0.38
NULIS NOMINEES (AUSTRALIA) LIMITED	2,050,865	0.19
CHARTER HALL WHOLESALE MANAGEMENT LIMITED	2,039,936	0.19
ONE MANAGED INVESTMENT FUNDS LTD	2,000,000	0.19
AMP LIFE LIMITED	1,925,874	0.18
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	1,863,936	0.17
BNP PARIBAS NOMS(NZ) LTD	1,638,528	0.15
THE TRUST COMPANY (AUSTRALIA) LIMITED	1,443,621	0.13
NAVIGATOR AUSTRALIA LTD	1,408,727	0.13
DJERRIWARRH INVESTMENTS LIMITED	1,200,000	0.11
Total	**848,699,263**	**78.58**
Balance of register	231,322,141	21.42
Grand total	**1,080,021,404**	**100.00**

DIRECTORY

Shopping Centres Australasia Property Management Trust ARSN 160 612 626

Shopping Centres Australasia Property Retail Trust ARSN 160 612 788

RESPONSIBLE ENTITY

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

REGISTERED OFFICE/PRINCIPAL OFFICE

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

SECURITIES EXCHANGE LISTING

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.
ASX code: SCP

DIRECTORS

Philip Marcus Clark AO (Chairman)
Steven Crane (Deputy Chair)
Beth Laughton
Belinda Robson
Anthony Mellowes
Mark Fleming
Philip Redmond (resigned 30 September 2020)
Dr Kirstin Ferguson (resigned 17 August 2021)

COMPANY SECRETARY

Erica Rees

AUDITOR

Deloitte Touche Tohmatsu Level 9, Grosvenor Place
225 George Street, Sydney NSW 2000 Australia

CORPORATE GOVERNANCE

SCP's 2021 Corporate Governance Statement outlines the governance systems in effect in the Reporting Period by reference to the 4th Edition of the ASX Corporate Governance Principles and Recommendations and it can be found on SCP's website at: www.scaproperty.com.au/about/governance.

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

COMPLAINTS

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

Compliance Officer
SCA Property Group
Level 5, 50 Pitt Street
Sydney NSW 2000 Australia
Or by email to: admin@scaproperty.com.au

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

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