Centuria

Centuria Capital Group

Financial Report
for the year ended 30 June 2022

Centuria Capital Group comprises of Centuria Capital Limited ABN 22 095 454 336 (the 'Company') and its subsidiaries and Centuria Capital Fund ARSN 613 856 358 ('CCF') and its subsidiaries. The Responsible Entity of CCF is Centuria Funds Management Limited ACN 607 153 588, AFSL 479 873, a wholly owned subsidiary of the Company.

Centuria Capital Group
Financial Report - 30 June 2022

Contents

These consolidated financial statements are the financial statements of the consolidated entity consisting of Centuria Capital Limited and its subsidiaries. A list of all subsidiaries is included in note E2. The consolidated financial statements are presented in Australian currency.

Centuria Capital Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Centuria Capital Limited
Level 41, Chifley Tower, 2 Chifley Square
Sydney NSW 2000

The consolidated financial statements were authorised for issue by the Directors on 10 August 2022.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available at our Shareholder Centre on our website: www.centuria.com.au

Directors' report

The Directors of Centuria Capital Limited (the 'Company') present their report together with the consolidated financial statements of the Company and its controlled entities (the 'Group') for the financial year ended 30 June 2022 and the auditor’s report thereon.

ASX listed Centuria Capital Group consists of the Company and its controlled entities including Centuria Capital Fund ('CCF'). The shares in the Company and the units in CCF are stapled, quoted and traded on the Australian Securities Exchange ('ASX') as if they were a single security under the ticker code 'CNI'.

Directors and directors' interests

Directors of Centuria Capital Limited during or since the end of the financial year are:

Name	Appointed	Resigned	Directorship of other listed entities
Mr Garry S. Charny	23 February 2016		None
Mr Peter J. Done	28 November 2007		Centuria Industrial REIT (CIP) (i) Centuria Office REIT (COF) (ii)
Mr John R. Slater	22 May 2013		None
Ms Susan L. Wheeldon	31 August 2016		None
Ms Kristie R. Brown	15 February 2021		None
Mr John E. McBain	10 December 2006		Asset Plus Limited
Mr Jason C. Huljich	28 November 2007		None
Mr Nicholas R. Collishaw	27 August 2013	30 August 2021	Centuria Industrial REIT (CIP) (i) (iii) Centuria Office REIT (COF) (ii) (iii)

(i) Director of Centuria Property Funds No. 2 Limited (CPF2L) as responsible entity for Centuria Industrial REIT
(ii) Director of Centuria Property Funds Limited (CPFL) as responsible entity for Centuria Office REIT
(iii) Nicholas Collishaw resigned as Director from the Centuria Industrial REIT and Centuria Office REIT on 30 August 2021.

Directors and directors' interests (continued)

Mr Garry S. Charny, BA. LL.B. *Independent Non-Executive Director and Chairman*		
Experience and expertise	Garry was appointed to the Board on 23 February 2016 and appointed Chairman of Centuria Capital Group on 30 March 2016. Garry is also Chairman of Centuria Life Limited, Over Fifty Guardian Friendly Society Limited and Centuria Healthcare Pty Ltd. He is Managing Director and founding principal of Wolseley Corporate, an Australian based corporate advisory and investment house which transacts both domestically and internationally. He has significant, board-level experience in listed and unlisted companies across a diverse range of sectors including property, retail, technology and media. He formerly practised as a barrister in the fields of commercial and equity.	
Other directorships	Garry is Chairman of Wolseley Corporate. He is also Chairman of Spotted Turquoise Films, an international Film and Television company based in Sydney and Los Angeles. He is Chairman of Shero Investments, a Sydney based investment company.	
Responsibilities	Chairman of the Centuria Capital Limited and Centuria Funds Management Limited Boards Member of the Conflicts Committee Member of the Nomination and Remuneration Committee (stepped down as Chairman on 22 February 2022) Member of the Centuria Capital Limited and Centuria Funds Management Limited Audit, Risk and Compliance Committee (resigned 22 February 2022) Chairman of the Centuria Life Limited Board Member of the Centuria Life Limited Audit Committee Member of the Centuria Life Limited Risk and Compliance Committee Chairman of the Centuria Healthcare Pty Limited Board Chairman of the Over Fifty Guardian Friendly Society Limited Board Member of the Over Fifty Guardian Friendly Society Limited Audit Committee Member of the Over Fifty Guardian Friendly Society Limited Risk and Compliance Committee Member of the Culture and ESG Committee	
Interests in CNI	Ordinary stapled securities	422,753

Directors and directors' interests (continued)

Mr Peter J. Done, B.Comm, FCA. *Independent Non-Executive Director*		
Experience and expertise	Peter was appointed to the Board on 28 November 2007. Peter was a Partner at KPMG for 27 years until his retirement in June 2006. He has extensive knowledge in accounting, audit and financial management in the property development and financial services industries, corporate governance, regulatory issues and Board processes through his many senior roles.	
Other directorships	Centuria Industrial REIT Centuria Office REIT	
Responsibilities	Member of the Centuria Capital Limited and Centuria Funds Management Limited Boards Member of the Nomination and Remuneration Committee Chairman of the Centuria Capital Limited and Centuria Funds Management Limited Audit, Risk and Compliance Committee Member of the Centuria Life Limited Board Chairman of the Centuria Life Limited Audit Committee Chairman of the Centuria Life Limited Risk and Compliance Committee Member of the Centuria Life Limited Investment Committee Member of the Centuria Property Funds Limited Board Member of the Centuria Property Funds Limited Audit, Risk and Compliance Committee Member of the Centuria Property Funds No. 2 Limited Board Chairman of the Centuria Property Funds No. 2 Limited Audit, Risk and Compliance Committee Member of the Over Fifty Guardian Friendly Society Limited Board Chairman of the Over Fifty Guardian Friendly Society Limited Audit Committee Chairman of the Over Fifty Guardian Friendly Society Limited Risk and Compliance Committee	
Interests in CNI	Ordinary stapled securities	1,506,182

Mr John R. Slater, Dip.FS (FP), F Fin. AICD. *Independent Non-Executive Director*		
Experience and expertise	John was appointed to the Board on 22 May 2013 having previously been an adviser to the Centuria Life Friendly Society Investment Committee from 2011. He brings a wealth of financial service experience to the Board. Between 1989 and 1999, John was a senior executive in KPMG's Financial Services and acted as State director of the Brisbane practice. He has also served on the Investment Committees of KPMG Financial Services, Berkley Group and Byron Capital. In 2008, John founded boutique Financial Advisory firm Riviera Capital, which was sold in 2016.	
Other directorships	None	
Responsibilities	Member of the Centuria Capital Limited and Centuria Funds Management Limited Boards Member of the Centuria Capital Limited and Centuria Funds Management Limited Nomination and Remuneration Committee Member of the Centuria Capital Limited and Centuria Funds Management Limited Audit, Risk and Compliance Committee Member of the Centuria Life Limited Board Chairman of the Centuria Life Limited Investment Committee Member of the Over Fifty Guardian Friendly Society Limited Investment Committee	
Interests in CNI	Ordinary stapled securities	3,110,677

Directors and directors' interests (continued)

Ms Susan L. Wheeldon, MBA. *Independent Non-Executive Director*		
Experience and expertise	Susan was appointed to the Board on 31 August 2016. Susan is Country Manager for Australia and New Zealand at Airbnb. Previously, she served in a number of roles, including Head of Government & Performance and Head of Agency at Google, working with major national and global companies to develop and deliver growth strategies that future-proof and build clients' businesses and brands in a constantly changing environment. She has previous experience in retail property asset management at AMP Capital Shopping Centres, as Head of Brand & Retail, responsible for delivering alternative revenue from 38 retail assets across Australia and New Zealand with combined annual sales in excess of $5 billion.	
Other directorships	None	
Responsibilities	Member of the Centuria Capital Limited and Centuria Funds Management Limited Boards Member of the Centuria Capital Limited and Centuria Funds Management Limited Conflicts Committee (resigned 22 February 2022) Chairman of the Centuria Capital Limited and Centuria Funds Management Limited Culture and ESG Committee Chairman of the Centuria Capital Limited and Centuria Funds Management Limited Nomination and Remuneration Committee (appointed 22 February 2022)	
Interests in CNI	Ordinary stapled securities	nil

Ms Kristie Brown, B. Comm, B. Law (Hons), *Independent Non-Executive Director*		
Experience and expertise	Kristie was appointed to the Board on 15 February 2021. Kristie is an experienced real estate investment and legal professional who joins the Centuria Board as an Independent Non-Executive Director as well as a member of the Group's Audit, Risk & Compliance Committee. Kristie is a founding partner of investment firm, Couloir Capital, and established Danube View Investments following 16 years at blue-chip law firms.	
Other directorships	Couloir Capital	
Responsibilities	Member of the Centuria Capital Limited and Centuria Funds Management Limited Boards Member of the Centuria Capital Limited and Centuria Funds Management Limited Audit, Risk and Compliance Committee Member of the Centuria Capital Limited and Centuria Funds Management Limited Conflicts Committee	
Interests in CNI	Ordinary stapled securities	nil

Directors and directors' interests (continued)

<table>
<tr><td colspan="3">Mr John E. McBain, Dip. Urban Valuation, Executive Director and Joint Chief Executive Officer</td></tr>
<tr><td>Experience and expertise</td><td colspan="2">Joint CEO John McBain’s 42-year real estate career in both Australasia and the UK spans the commercial and industrial markets and more latterly the healthcare and agriculture real estate sectors.

He is an Executive Director of Centuria Capital Limited, Centuria Life Limited, Centuria Healthcare Pty Limited and Primewest Management Limited and a Non-Executive Director of Centuria Bass Credit Limited. John is a Director of NZX-listed Asset Plus Limited (NZ) and an alternate Director of Centuria Funds Management NZ Limited and Centuria NZ Industrial Fund Limited (NZ). He also serves on the Centuria NZ and Centuria Healthcare Management committees and the Centuria Life Investment Committee.

John and Jason Huljich founded Centuria Capital together over 25 years ago and the group now oversees more than $20 billion of assets under management including four separate publicly listed vehicles and over 370 staff throughout Australia, New Zealand and The Philippines.

John is chiefly responsible for Centuria’s corporate team including corporate acquisitions and mergers. His responsibilities include corporate strategy as well as leadership of the Finance, Governance, Compliance, Corporate Investor Relations, Marketing, Communications and Centuria Life teams who report directly to him. He jointly steers the Senior Executive Committee and serves on the Non-Financial Risk Committee and the ESG Management Committee.

Since 2007, John has been instrumental in the integration of several businesses into the Centuria group, including the 360 Capital Group (2016), a majority interest in Heathley Asset Management (now Centuria Healthcare) (2019), New Zealand-based Augusta Capital Limited (now Centuria NZ) (2020) and Primewest Group (2021).

This corporate acquisition strategy, together with a highly successful asset acquisition and funds management programme overseen by fellow CEO Jason Huljich, has seen the pair oversee significant corporate growth culminating in Centuria Capital Limited entering the S&P ASX 200 Index in July 2021.

John has a property valuation qualification from the University of Auckland.</td></tr>
<tr><td>Other directorships</td><td colspan="2">Asset Plus Limited</td></tr>
<tr><td>Responsibilities</td><td colspan="2">Group Joint Chief Executive Officer</td></tr>
<tr><td rowspan="2">Interests in CNI</td><td>Ordinary stapled securities</td><td>7,700,782</td></tr>
<tr><td>Performance rights granted</td><td>2,367,445</td></tr>
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Directors and directors' interests (continued)

<table>
<tr><td colspan="3">Mr Jason C. Huljich, B. Comm. Executive Director and Joint Chief Executive Officer</td></tr>
<tr><td>Experience and expertise</td><td colspan="2">Joint CEO Jason Huljich’s 26-year real estate career spans the commercial and industrial real estate sectors. He co-founded Centuria Capital, with Joint CEO, John McBain.

He is an Executive Director of Centuria Capital Group, Centuria Life Limited, Centuria Healthcare Pty Limited, Centuria Healthcare Asset Management Limited, Primewest Management Limited, as well as Director of Centuria Funds Management (NZ) Ltd, Centuria NZ Industrial Fund Limited and Non-Executive Director of Centuria Bass Credit Limited.

Jason shares the helm of Centuria with John, collectively overseeing more than $20 billion of assets under management and over 370 staff throughout Australia, New Zealand and the Philippines.

Jason is chiefly responsible for the company’s real estate portfolio and funds management operations including the listed Centuria Industrial REIT (ASX: CIP) and Centurial Office REIT (ASX: COF), as well as a Director of Centuria’s extensive range of unlisted funds across Australia and New Zealand. Several unlisted funds regularly feature in the Top 10 Performing Core Funds in the Property Council of Australia / MSCI Australia Unlisted Retail Quarterly Property Funds Index.

Since Centuria was established, Jason has been pivotal in raising over $5 billion for the listed and unlisted vehicles. He has been central to positioning Centuria as Australia’s fourth largest external manager. Centuria Capital Group (CNI) and CIP are included in the S&P/ASX 200 Index and CIP is also part of the FTSE EPRA Nareit Global Index. COF is included in the S&P/ ASX 300 Index.

Jason has a hands-on approach to the real estate operations throughout the company’s platform. The Transactions, Development, Funds Management, Distribution and Asset Management teams all report directly to him.

Jason’s career began after graduating with a Bachelor of Commerce (Commercial Law major) from the University of Auckland. He is a Property Funds Association (PFA) of Australia Past President. The PFA is the peak industry body representing the $125 billion direct property investment industry. Jason currently sits on the Property Council of Australia’s Global Investment Committee.</td></tr>
<tr><td>Other directorships</td><td colspan="2">None</td></tr>
<tr><td>Responsibilities</td><td colspan="2">Group Joint Chief Executive Officer</td></tr>
<tr><td rowspan="2">Interests in CNI</td><td>Ordinary stapled securities</td><td>6,258,581</td></tr>
<tr><td>Performance rights granted</td><td>2,367,445</td></tr>
</table>

Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or Committee member).

Director	Board Meetings		Audit, Risk & Compliance Committee Meetings		Nomination & Remuneration Committee Meetings		Conflicts Committee meetings		Culture and ESG Committee Meetings	
	A	B	A	B	A	B	A	B	A	B
Mr Garry S. Charny	25	25	3	4	4	4	16	16	4	4
Mr Peter J. Done	25	25	6	6	4	4	#	#	#	#
Mr John R. Slater	23	25	5	6	4	4	#	#	#	#
Ms Susan L. Wheeldon	22	25	#	#	2	2	11	12	4	4
Ms Kristie R. Brown	25	25	2	2	#	#	4	4	#	#
Mr John E. McBain	24	25	#	#	#	#	#	#	#	#
Mr Jason C. Huljich	25	25	#	#	#	#	#	#	4	4
Mr Nicholas R. Collishaw	5	5	#	#	#	#	#	#	#	#

A = Number of meetings attended.
B = Number of meetings held during the time the Director held office during the year
# = Not a member of Committee

Company secretary

Anna Kovarik was appointed to the position of Company Secretary on 5 July 2018.

Anna holds a Masters of Information Technology, a BA (Hons) in Systems Management and was awarded a distinction in the Global Executive MBA program at the University of Sydney. She is qualified as a solicitor in both the United Kingdom and New South Wales and was a senior associate at Allens law practice in Sydney.

Prior to joining Centuria, Anna held the position of Group Risk Manager at Mirvac Group and was previously Head of Group Insurance for AMP and General Counsel and Company Secretary at AMP Capital Brookfield.

Principal activities

The principal activities of the Group during the financial year were the marketing and management of investment products including direct interest in property funds, friendly society investment bonds, property and development finance and other investments across Australasia.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial year were as follows:

- Contributed equity attributable to Centuria Capital Group increased to $1,415,301,000 reflecting stapled securities issued at completion of the takeover of Primewest Group Limited (Primewest) during the year, vesting of rights under the Executive Incentive Plan and participation in the Dividend Reinvestment Plan (DRP). Details of changes in contributed equity are disclosed in Note C11 to the consolidated financial statements.
- On 1 December 2021, the Group acquired a 50% holding in Centuria Agriculture Fund I (formerly Centuria Agriculture REIT III), which holds the Warragul agriculture asset purchased for $177.0m. The Fund is consolidated as at 30 June 2022.
- On 16 December 2021, the Group entered into a 3 year $100,000,000 secured loan note facility. The facility is a floating rate revolving facility with a margin of 2.25% which is due to mature on 16 December 2024.
- On 31 March 2022, the Group acquired 13 Healthcare properties from Heritage Lifecare for NZ$98,700,000. The properties were funded in combination from free cash and a secured asset facility. On 19 April 2022, the Group acquired 25 Healthcare properties from Heritage Lifecare which was onsold to Centuria New Zealand Healthcare Property Fund (CNZHPF) on 20 April 2022. As at 39 June 2022, the Group has a loan receivable of $70,044,755 with CNZHPF.
- In March 2022, the Fund issued a $70,000,000 three-year Senior Secured Medium Term Note (MTN) with a fixed coupon of 5.46% which is due to mature on 25 March 2025.

Significant changes in the state of affairs (continued)

- In April 2022, the Group issued a $30,000,000 three-year Senior Secured Medium Term Note (MTN) with a floating coupon of 3.70% which is due to mature on 25 March 2025.
- On 30 June 2022, the Group entered into a 5 year $50,000,000 secured loan note facility. The facility is a floating rate revolving facility with a margin of 2.45% which is due to mature on 30 June 2027.

Operating and financial review

The Group recorded a consolidated statutory net loss for the year of $37,361,000 (2021: profit of $149,639,000). Statutory net (loss)/profit after tax has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards, which comply with International Financial Reporting Standards.

The Group recorded an operating profit after tax of $114,509,000 (2021: $70,211,000). Operating profit after tax excludes non-operating items such as transaction costs, fair value movements and share of net profit of equity accounted investments in excess of distributions received.

The statutory NPAT includes a number of items that are not considered operating in nature, the table below provides a reconciliation from statutory profit to operating profit.

Reconciliation of statutory profit to operating profit	**2022 $'000**	2021 $'000
Statutory (loss)/profit after tax	**(37,361)**	149,639
Statutory (loss)/earnings per security (EPS) (cents)	***(4.8)***	*24.6*
Less non-operating items:		
Unrealised loss/(gain) on fair value of investments and derivatives	**167,087**	(79,843)
Transaction and other costs	**4,395**	4,503
Seed capital write back	**(750)**	-
Profit attributable to controlled property funds	**(13,861)**	(12,456)
Eliminations between the operating and non-operating segment	**4,710**	6,681
Share of equity accounted net loss/(profit) in excess of distributions received	**3,083**	175
Write-off of capitalised borrowing costs in relation to repayment of secured notes	**-**	2,349
Tax impact of above non-operating adjustments	**(12,793)**	(837)
Operating profit after tax	**114,510**	70,211
Operating EPS (cents)	***14.5***	*12.0*

A summary of the Group's operating segments is provided in Note A5 of the Financial Report. The Operating NPAT for the Group comprises the result of the divisions which report to the Joint CEOs and Board of Directors for the purpose of resource allocation and assessment of performance.

Segment	**Operating profit after tax $'000**		**Increase/ (Decrease) $'000**	**Increase/ (Decrease) %**	**Highlights**
	2022	**2021**			
Property Funds Management	**78,785**	44,558	34,227	77	(a)
Co-Investments	**28,863**	26,066	2,797	11	(b)
Developments	**4,526**	3,419	1,107	32	(c)
Property and Development Finance	**2,912**	286	2,626	918	(d)
Investment Bonds Management	**3,412**	547	2,865	524	(e)
Corporate	**(3,988)**	(4,665)			
Operating profit after tax	**114,510**	70,211			

A detailed Segment Profit and Loss as well as a detailed Segment Balance Sheet is outlined in Notes B1 and C1 respectively.

Operating and financial review (continued)

Operational highlights for the key segments were as follows:

(a) *Property Funds Management*

For the year ended 30 June 2022, Property Funds Management operating NPAT of $78,785,000 was higher than the prior year ending 30 June 2021 by $34,227,000 primarily due to the impact of acquisitions in the first half of the financial year and full year impact of the acquisition of Primewest Group Limited.

The increase in AUM was primarily attributable to approximately $3.1 billion in organic acquisitions including $2.1 billion in unlisted real estate across healthcare and agriculture and $1.0 billion in listed real estate primarily in the industrial sector in CIP.

For the year ended 30 June 2022, excluding the after tax impact of performance fees, the Property Funds Management segment NPAT increased by $23,698,000 or 74% reflecting the growth in AUM from the acquisition of Primewest at the end of FY21.

(b) *Co-Investments*

For the year ended 30 June 2022, the Co-Investments segment operating NPAT increased by $2,787,000. This was primarily due to additional units acquired during the year in COF and CIP, as well as $1,272,000 of rental income from Heritage Lifecare Centres..

The operating profit after tax for the Co-Investments segment represents the distributions and returns generated from investment stakes held less applicable financing costs.

(c) *Developments*

For the year ended 30 June 2022, the Developments segment operating net profit after tax was $4,526,000, an increase of $1,107,000 from the the year ended 30 June 2021. The increase is primarily due to development management fees from growth in development pipeline.

(d) *Property and development finance*

For the year ended 30 June 2022, the Property and development finance segment's operating NPAT was $2,912,000. This increase from last year represents the full year impact of the Group's acquisition of 50% interest in Centuria Bass, a real estate debt fund provider. The Centuria Bass operating NPAT has increased by 66% compared to FY21 due to significant expansion in funds under management.

Centuria Bass is considered a joint venture and treated as an equity accounted investment commencing from 22 April 2021. The operating results of Centuria Bass are shown in Note B1 as the Group's proportionate share.

(e) *Investment Bonds Management*

For the year ended 30 June 2022, the Investment Bonds Management segment's operating NPAT increased by $2,865,000 primarily due to an increase in Investment Management Services, one-off recovery of prior year fee and cost savings associated with the unitisation of legacy capital guaranteed products.

Earnings per security (EPS)

	2022		**2021**	
	Operating	**Statutory**[i]	**Operating**	**Statutory**
Basic EPS (cents/security)	**14.5**	**(4.8)**	12.0	24.6
Diluted EPS (cents/security)	**14.3**	**(4.8)**	11.9	24.2

[i]As the Group is in a statutory loss, the Diluted EPS is equal to Basic EPS.

Dividends and Distributions

Dividends and distributions paid or declared by the Group during the current financial year were:

Dividends/distributions paid during the year	Cents per security	Total amount $'000	Date paid
Final 2021 dividend (100% franked)	2.10	12,605	30 July 2021
Final 2021 Trust distribution	3.40	20,408	30 July 2021
Interim 2022 dividend (100% franked)	1.20	9,482	9 February 2022
Interim 2022 Trust distribution	4.30	33,977	9 February 2022
Dividends/distributions declared during the year			
Final 2022 dividend (100% franked)	0.90	7,114	11 August 2022
Final 2022 Trust distribution	4.60	36,363	11 August 2022

Events subsequent to the reporting date

From 30 June 2022 to 9 August 2022, the fair value gain on investments in listed funds is $16,470,000, with the share price in CIP moving from $2.81 to $2.99 and the share price in COF moving from $1.70 to $1.68.

In July 2022, $9,468,967 of units were redeemed in Centuria 111 St Georges Terrace Fund bringing the Group's ownership to 30%. As a result, the Group has deconsolidated this fund post year end.

In July 2022, a new Centuria Agriculture Fund (CAF) was established and the put/call option in relation to remaining 50% interest in the Warragul asset was exercised with external investor equity from new investors entering into CAF. Subsequently, the Group's existing 50% ownership reduced to 38%. As a result, the Group has deconsolidated this fund post year end.

Other than the above, there has not arisen in the interval between 30 June 2022 and the date hereof any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial periods.

Likely developments

The Group continues to pursue its strategy of focusing on its core operations, utilising a strengthened balance sheet to provide support to grow and develop these operations.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group has policies and procedures to identify and appropriately address environmental obligations that might arise in respect of the Group's operations that are subject to significant environmental laws and regulation. The Directors have determined that the Group has complied with those obligations during the financial year and that there has not been any material breach.

Indemnification of officers and auditor

The Company has agreed to indemnify all current and former directors and executive officers of the Company and its controlled entities against all liabilities to persons (other than the Company or a related body corporate) which arise out of the performance of their normal duties as a director or executive officer unless the liability relates to conduct involving a lack of good faith.

The Company has agreed to indemnify the directors and executive officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments.

The directors have not included details of the nature of the liabilities covered or the amount of premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contracts. The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any related body corporate against a liability incurred as an officer or auditor.

Non-audit services

During the financial year, KPMG, the Group's auditor, has performed services in addition to the audit and review of the financial statements. Details of amounts paid or payable to KPMG are outlined in Note F3 to the financial statements.

The directors are satisfied that the provision of non-audit services during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in the financial statements do not compromise the external auditor's independence, based on advice received from the Audit, Risk & Compliance Committee, for the following reasons:

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

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 48.

Rounding of amounts

The Group is an entity of a kind referred to in ASIC Legislative Instrument 2016/191, related to the 'rounding off' of amounts in the Directors' Report and financial statements. Amounts in the Directors' Report and financial statements have been rounded off, in accordance with the instrument to the nearest thousand dollars, unless otherwise indicated.

Nomination and Remuneration Committee Chair's letter

Dear Investor,

As Chair of the Nomination and Remuneration Committee, I am pleased to present the Remuneration Report for the year ended 30 June 2022.

Our remuneration philosophy aims to fairly reward and retain the people who we believe play a crucial role in the achievement of our long-term objectives and are a key source of our competitive advantage as a leading Australasian funds manager in the S&P/ASX200 index. As we continue to grow and mature as a company, we have sought to substantially improve the disclosure of our remuneration structure and practices to clearly link the performance of Centuria Capital Group to remuneration outcomes.

Each year, the Board reviews the Group's executive remuneration practices to ensure they remain appropriately aligned to our short and longer-term strategic objectives, and that we have appropriately considered external factors and the views expressed by our stakeholders and their advisors. Throughout the year we sought feedback from our investors and various stakeholder groups and continued to find opportunities to improve transparency of our remuneration practices, in order to provide greater clarity around how the Board reviews and sets executive remuneration. As further discussed below, the key elements of the FY22 executive remuneration structure remain consistent with the prior year, which the Board believes remains fit for purpose and supports our primary objective to drive long-term performance for our securityholders. More details of this can be found on page 16 of the remuneration report.

Executive Remuneration

In FY22, management have been successful in delivering growth in earnings as well as executing the Company's strategy of diversifying its portfolio and delivering accelerated growth in AUM. In spite of these achievements, as part of the FY22 remuneration review and in light of the current market conditions, the Nomination and Remuneration Committee has not proposed an increase in fixed remuneration for the Joint CEOs or the Chief Financial Officer for FY23, with the fixed remuneration rate retained at their FY22 amount. We have also retained the adjustments to the performance hurdles for executives' variable awards first introduced in FY21, ensuring we remain aligned with our comparator peers, whilst continuing to align with investors' interests. For the Long-Term Incentives (LTI), a combination of Relative and Absolute Total Securityholder Return (TSR) hurdles assessed against A-REIT peers in the S&P/ASX200 have been retained as the most appropriate performance hurdles, aligning executives' interests with securityholder outcomes and providing a direct comparison of Centuria's performance against our peers. The LTI proposed for the FY22-25 period will also continue to vest over years three and four.

The Short-Term Incentive (STI) hurdles have been set to ensure the awards are not only demonstrably tied to financial performance, but also ensure an ongoing annual focus on imperative business and operational issues that will drive long-term securityholder value and create the type of company we are all striving towards. More details of this can be found on page 28 of the remuneration report.

Non-Executive Director (NED) Remuneration

The NED fee structure which was first introduced in FY21 has been retained for FY22. The fee structure covers the Board and Board Committee roles across the Group (including CNI and other operating entities) and was adopted to improve the transparency of fees paid to directors across what is a complex group with ever-increasing governance standards. Further, the fee schedule has been benchmarked against A-REIT peers in the S&P/ASX200 to align director remuneration with market practice as well as recognising the significant responsibilities each director has in the various Boards and Board Committees they sit on across the Group. More details of the fee structure can be found on page 36 of the remuneration report.

The fees have been designed to be comparable to our peers in order to attract and retain the highest quality talent to the Board. Expanding the breadth and depth of Board membership across the Group continues to be a key priority of the current Board and will underpin our drive towards optimal independence and diversity in all its forms. It has been especially pleasing to note the continuing trend of female representation across all Board memberships, including Non-Executive Directors which increased from 33% to 40% during the course of the financial year.

For the current year we have also expanded Remuneration Disclosures with respect to fees paid to each Centuria Capital Limited NED. As outlined on pages 41 to 46 of the remuneration report, these enhanced disclosures now disaggregate the total fees paid to each NED across the various boards and sub committees which they serve on. The new disclosures further enhance the transparency and link between the benchmarked schedule of fees and the aggregate remuneration paid to each serving NED.

Nomination and Remuneration Committee Chair's letter (continued)

FY22 Performance and Remuneration Outcomes

Despite volatile market conditions and uncertainty brought about by recent global events, we are pleased to report that FY22 has been another record year for Centuria's operating performance, with the business delivering growth as well as meeting its Operating EPS and Distribution guidance.

The twin strategy of growing assets under management combined with the continued diversification of our portfolio across multiple sectors, has delivered stability and ensured the continued growth in our recurring revenue base. This has been delivered despite the recent volatility in listed capital markets, threats from rising inflation and interest rates as well as geopolitical tensions impacting supply chains. In that sense, the continued growth and stability in operating performance delivered for FY22, is a culmination of ongoing efforts by senior management over recent years to develop a stable operating platform and sustainable earnings for our securityholders.

In addition to growth in operating earnings, it is also pleasing to note the continued growth in the Centuria AUM with the platform executing more than $3 billion in acquisitions and divestments in FY22, crystalising acquisition and disposal fees, embedded performance fees and at the same time, further enhancing the future revenue generating potential of the business. It is important to note that the continued diversification of the business into emerging asset sectors including healthcare, agriculture and real estate debt together with its geographic diversification will allow the business to leverage earnings and unlock new sources of capital and investors in the future.

Volatility in markets like those currently experienced by our listed platforms are neither unexpected nor surprising. The challenge is the way the business and its management will respond to these events which, for Centuria, translates to remaining agile and taking advantage of its deep management expertise to unlock future opportunities. Centuria remains well placed to take advantage of these opportunities with the business securing funding in excess of $300 million, earmarked to support future acquisitions as well as refocusing its efforts towards developing and accessing new sources of capital.

It has been with this background that the Nomination and Remuneration Committee has assessed the annual performance of senior management against their FY22 STI objectives. It has been especially pleasing to note the way senior management and the business have responded to the various challenges and satisfactorily met or exceeded their financial performance hurdles, resulting in 100% award of the financial component of their FY22 STI. Details of the targets and the overperformance achieved by senior management against each target, including the rationale for the adoption of each of the financial performance metrics have been set out on page 29 of the Remuneration Report.

Whilst traditional financial measures in assessing the performance of our senior executive team will remain the cornerstone of our assessment criteria, the continuing growth in the size, scale and the geographical dispersion of Centuria's operations and its people have necessitated an increasing focus on non-financial metrics. The integration of newly acquired platforms, including Augusta in New Zealand, Primewest in Western Australia and the Centuria Bass Capital business in Sydney have elevated the importance of non-financial metrics such as staff engagement, non-financial risk management as well as our sustainability accountabilities. I am proud to observe the Group's enduring commitment to improving the environmental and social outcomes across our operations, as a key driver of our business and to create a positive impact to the communities and markets in which we operate.

The performance of our executive key management personnel against these non-financial metrics have been detailed on pages 29 to 30 of the remuneration report, with the team exceeding targets across all three metrics, resulting in the award of 100% of the non-financial component of the FY22 STI. The superior Staff Engagement Survey score of 84%, measured independently by Culture Amp has been especially pleasing for the Committee and a highlight given the significant increase in size and geographical dispersion of our people across Australia, New Zealand and the Philippines.

With the LTI remaining a key remuneration component to align the long-term interests of Centuria's investors with its senior executives, it is important to note the negative impact of declining global equity markets on Tranche 7 of LTIs, covering the 1 July 2019 to 30 June 2022 performance period. For FY22, Centuria's one-year TSR was -32% with the three-year TSR being 16.9%. This has resulted in 0% of the absolute TSR component of the Tranche 7 LTI awards vesting in FY22.

Whilst it is difficult to imagine a combination of short-term strategies within senior management's control which could have avoided or produced a different TSR outcome, it is important to note the continued growth in AUM from $6.2 billion in FY19 to $20.6 billion by the end of FY22. With this increase representing a compound annual growth rate in AUM of 49.0% over the three-year performance period, 100% of the AUM component of the Tranche 7 LTI awards vested in FY22.

Nomination and Remuneration Committee Chair's letter (continued)

This report has been approved by the Board and is intended to be informative and digestible whilst complying with our statutory reporting obligations. The Board continues to place a high priority on having meaningful dialogue with our securityholders and other stakeholders regarding our remuneration policies, in order to understand their perspectives and concerns, as well as to remain abreast of local and global market best practices.

We appreciate your ongoing support and we look forward to engaging with you again in FY23.

Yours sincerely,

Susan L. Wheeldon

Chair of the Nomination and Remuneration Committee

Audited Remuneration Report

The Board are pleased to present the Remuneration Report for the period ending 30 June 2022.

This Remuneration Report has been prepared in accordance with section 300A of the *Corporations Act 2001 (Cth)* (Act) and the applicable *Corporations Regulations 2001 (Cth)*. The remuneration report provides information about the remuneration arrangements for key management personnel (KMP), which includes Non-Executive Directors and the Group's Senior Management for the year ended 30 June 2022.

The report is structured as follows:

- details of KMP covered in this report;
- remuneration oversight and key principles;
- remuneration of Executive Directors and Senior Management;
- key terms of employment contracts;
- Non-Executive Director remuneration; and
- Director and Senior Management equity holdings and other transactions.

Details of KMP covered in this report

The following persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Company during the full financial year.

Name	Role	Term
Non-Executive Directors		
Mr Garry S. Charny	Independent Non-Executive Director and Chairman	Full term
Mr Peter J. Done	Independent Non-Executive Director	Full term
Mr John R. Slater	Independent Non-Executive Director	Full term
Ms Susan L. Wheeldon	Independent Non-Executive Director	Full term
Ms Kristie R. Brown	Independent Non-Executive Director	Full term
Executive Directors		
Mr John E. McBain	Executive Director and Joint Chief Executive Officer	Full term
Mr Jason C. Huljich	Executive Director and Joint Chief Executive Officer	Full term
Executives		
Mr Simon W. Holt	Chief Financial Officer	Full term

The term 'Senior Management' is used in this remuneration report to refer to the Executive Directors and the Chief Financial Officer.

Nomination and Remuneration Committee

The Board has an established Nomination and Remuneration Committee which operates under the delegated authority of the Board of Directors. A summary of the Nomination and Remuneration Committee Charter is included on the Centuria Capital Group website.

The functions of the Committee in respect of remuneration include:

- making recommendations to the Board regarding the remuneration of non-executive members of Centuria's Board, subsidiary boards and committees which shall be reviewed annually;
- an annual review of Senior Management's remuneration and the application of incentive programs; and
- an annual review of the structure and application of the short-term and long-term incentive schemes and policies for executives and staff.

Audited Remuneration Report (continued)

Nomination and Remuneration Committee (continued)

Additionally, the function of the Committee in respect of Board, Joint CEOs and Senior Executive performance include:

- evaluating the performance of the Board, including Committees and individual Directors;
- assessing the performance of the Joint CEOs and Senior Executives against their key performance indicators; and
- ensuring other human resource management programs, including performance assessment programs are in place.

The following Non-Executive Directors of Centuria are members of the Nomination and Remuneration Committee

- Ms Susan L. Wheeldon (Non-Executive Director and Committee Chair from 22 February 2022);
- Mr Garry S. Charny (Non-Executive Director, Chairman of Centuria Capital Limited and Committee Chair until 22 February 2022);
- Mr John R. Slater (Non-Executive Director); and
- Mr Peter J. Done (Non-Executive Director).

The Committee is tasked by the Board to advise it in relation to remuneration outcomes and it may obtain external professional advice, and secure the attendance of advisors with relevant experience if it considers this necessary. There were no remuneration recommendations made by external advisors during the year in relation to FY22 remuneration.

Remuneration policy and link to performance

Group Structure

Centuria Capital Group is an ASX-listed specialist investment manager with a 26-year track record of delivering a range of products and services to investors, advisers and securityholders. Our business is centered around property funds management and investment bonds, with the following key areas of focus:

- Centuria Property Funds which specialises in listed property funds (A-REITs) and unlisted property funds including:
  - listed REITs, Centuria Office REIT (COF) and Centuria Industrial REIT (CIP) (Australia);
  - listed property fund Asset Plus Limited (NZ);
  - Centuria Diversified Property Fund;
  - Centuria Agriculture Fund;
  - Centuria Healthcare Property Fund;
  - Centuria New Zealand Industrial Fund;
  - Centuria New Zealand Property Fund;
  - Centuria New Zealand Healthcare Property Fund;
  - 120 closed-end unlisted property funds in Australia and New Zealand;
  - Centuria Bass (50% interest in real estate credit supplier); and
- Centuria LifeGoals Investment Bonds.

The Group encompasses a portfolio of wholesale and retail funds, a healthcare business with related wholesale and retail funds, and a New Zealand business with listed and unlisted funds. It is noted that the listed REITs also are not staffed and responsibility for these are managed by the executive team and employees of CNI. The Group structure is outlined on page 17.

The combined market capitalisation of the listed headstock (Centuria Capital Group) and its two listed REITS, CIP and COF, is over approximately $4.3 billion as at 30 June 2022.

Given the overall size of the Group, the complexities of the business it operates and its international scope, the Board has adopted a number of remuneration practices that reflect this. These are represented in our Joint CEO structure as well as the new Directors' Fees Schedule, which are discussed further in pages 18 and 37 of this report, respectively.

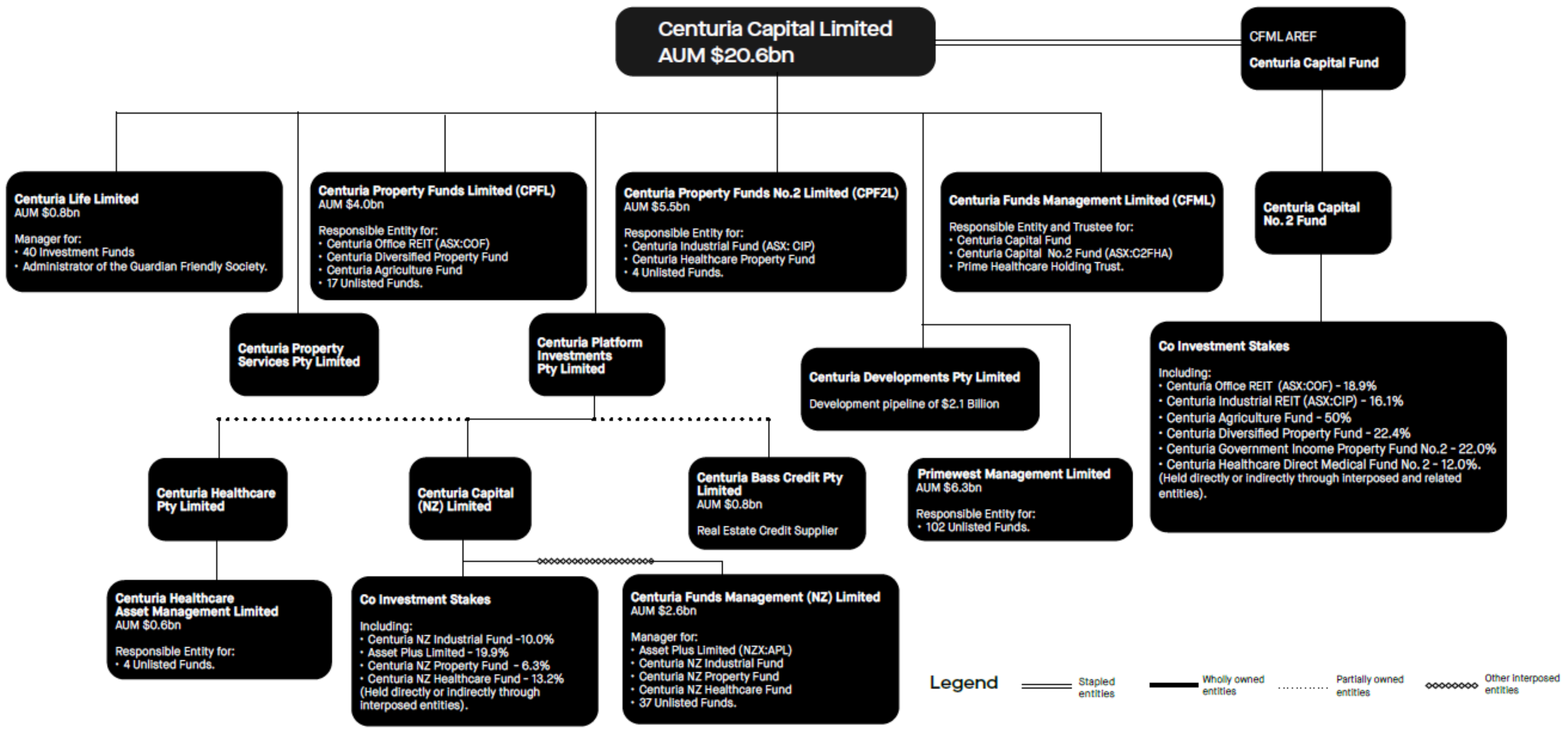
Audited Remuneration Report (continued)

Remuneration policy and link to performance (continued)

Group Structure (continued)

Abridged Group Structure

The below group structure only outlines the key operating and management entities of the Centuria Capital Group (note: this is not a full list of controlled entities and associates).



Audited Remuneration Report (continued)

Remuneration policy and link to performance (continued)

Group Structure (continued)

Joint CEO Structure

The Joint CEO structure was established in 2019 as an important part of the Group's long-term management succession and retention plan. In support of the Joint CEO structure the Board takes into account the following matters:

- the Joint CEOs have a strong background in all aspects of the business but also have unique yet complementary skill sets, which allows them to focus on different areas in the management of the complexities of the business given the Group's overall structure. Mr Huljich has primary oversight of funds management, distribution and property services and Mr McBain has primary oversight of corporate functions (corporate strategy, M&A, finance, treasury, legal, communications and investor relations) and the Life business; and
- the Board recognises the significant importance that a strong succession plan has on any business. The Joint CEOs have worked seamlessly together for 26 years. By creating the Joint CEO role for Mr Huljich in 2019, the Board believes it has moved to ensure investors can have confidence in the future direction of the Group, and that, with Joint CEOs, the business has two strong leaders, collaborating to optimise investor value in a tried and tested way. The Joint CEO structure has been adopted to ensure any future departure is without disruption to the Group's operations, which will inevitably lead to superior outcomes for securityholders.

The remuneration of the Joint CEOs reflects the position they hold in the real estate funds management industry and their experience and achievements gained from working together over a period of 26 years at Centuria. Given the complementary skill sets of the two CEOs and their division of key responsibilities (outlined above), the Board believes the remuneration of the Joint CEOs is a benefit for investors by removing the need for expensive secondary key executive resources which many other A-REIT peers require, such as a Chief Investment Officer and/or Chief Operating Officer.

Through the Joint CEO structure, the Group is able to minimise the size of the senior executive group to be leaner, less costly and nimbler than its peers, which the Board believes is a significant competitive advantage and in the long-term interests of securityholders. As part of its benchmarking process, the Board believes the reduced senior executive group in association with the Joint CEO structure is a significant cost-saving practice for the Group in comparison to its peers.

The Nomination and Remuneration Committee, as well as the Board, annually review the appropriateness of the Joint CEO structure to ensure its efficiency and effectiveness by assessing the joint performance of the CEOs in delivering strong securityholder outcomes within the context of the Group's continued growth compared to A-REIT peers' performance and total executive team costs.

The FY22 fixed remuneration amount for the Joint CEOs was $1,552,500. The Committee considered a number of factors in setting this amount:

- recognition of the Joint CEOs' strong execution of the Group's growth strategy and continued strong financial performance under their leadership, including a substantial 98% growth in AUM over FY21 and inclusion in the S&P/ASX 200 Index; and
- the Joint CEOs' response to the COVID-19 pandemic, where they voluntarily took a six month 15% reduction to their FY21 fixed remuneration and displayed outstanding performance in positioning the Group to rebound quickly from the initial impact of the pandemic.

Audited Remuneration Report (continued)

Remuneration policy and link to performance (continued)

Group Structure (continued)

As part of the FY22 remuneration review, the Nomination and Remuneration Committee has not proposed an increase in fixed remuneration for the Joint CEOs for FY23, which will remain at the FY22 amount above. The unchanged fixed remuneration has been recommended despite management delivering:

- another record year for Centuria's operating performance, with the business delivering growth as well as meeting its Operating EPS and Distribution guidance;
- continued growth in the Centuria AUM with the platform executing more than $3 billion in acquisitions and divestments in FY22;
- the twin strategy of growing assets under management, combined with the continued diversification of our portfolio across multiple sectors, despite recent market volatilities;
- continued diversification of the business into emerging asset sectors including healthcare, agriculture and real estate debt allowing the business to leverage its geographic diversification and unlock new sources of capital and investors in the future; and
- increasing focus on non-financial metrics such as staff engagement, non-financial risk management as well as environmental, social and governance outcomes.

Remuneration of Senior Management

Remuneration Philosophy

The Group recognises the important role people play in the achievement of its business strategy and long-term objectives and as a key source of competitive advantage. To grow and be successful across these two areas, the Group must be able to attract, motivate and retain capable individuals with exceptional talent, expertise, experience and relationships. Our Group is able to achieve this goal by following our remuneration principles outlined in the table below.

The main objective in rewarding the Group's Senior Management for their performances is to ensure that shareholders' wealth is maximised through the Group's continued growth.

Remuneration Structure

The table below outlines the Group's remuneration principles, the components of Senior Management's remuneration and the underpinning rationale for each element of the remuneration structure. The Nomination and Remuneration Committee ensures the criteria used to assess and reward staff includes financial and non-financial measures of performance.

The table below summarises the key features of executive remuneration and the objectives of each element.

Our Remuneration Principles

Delivering value for securityholders in the most efficient manner	Drive an ownership mentality	Attract, motivate & retain talent
The Joint CEO structure optimises the size of the senior executive group in relation to its peers to make it leaner and more agile than our peers	Including senior staff in the LTI equity plan to provide a sense of ownership and alignment, as well as distributing securities to all non-LTI staff	Ensuring competitive, at-risk rewards are provided to attract and retain the best executive talent

Audited Remuneration Report (continued)

Remuneration of Senior Management (continued)

Remuneration Structure (continued)

	Total executive remuneration		
	Fixed	**At-risk**	
Type of Remuneration	**Fixed remuneration**	**Short-term incentive**	**Long-term incentive**
What is the objective?	• Attract and retain key talent • Be competitive	• Drive annual financial growth targets and securityholder returns • Reward value creation over a one-year period whilst supporting the long-term strategy • Incentivise desired behaviours in line with the Group's risk appetite	• Support delivery of the business strategy and growth objectives • Incentivise long-term value creation • Drive alignment of employee and securityholder interests
How is it set?	Fixed remuneration is set with reference to market competitive rates in comparison to ASX-listed A-REITs for similar positions, adjusted to account for the experience, ability and productivity of the individual employee.	Senior executives participate in the Group's STI plan which is assessed against key areas of financial and non-financial performance that are designed to create an ongoing annual focus on imperative business and operational issues that create the type of company we all strive towards. Refer to the FY22 STI Scorecard for further details.	Senior executives participate in the Group's LTI plan which is assessed against securityholder returns over a three-year performance period. The significant weighting towards relative TSR in the LTI aligns executive's interests with securityholder outcomes and provides a direct comparison of the Group's performance against their comparator group of peers. Refer to the LTI Structure section for further details.
How is it delivered?	• Base salary • Superannuation • Other eligible salary sacrifice benefits	Awarded in cash or shares at the Board's discretion	Equity with performance assessed over three years (vesting in years three and four)
Opportunity		**Joint CEOs** • 125% of fixed remuneration at maximum **CFO** • 100% of fixed remuneration at maximum	**Joint CEOs** • 125% of fixed remuneration at maximum **CFO** • 100% of fixed remuneration at maximum

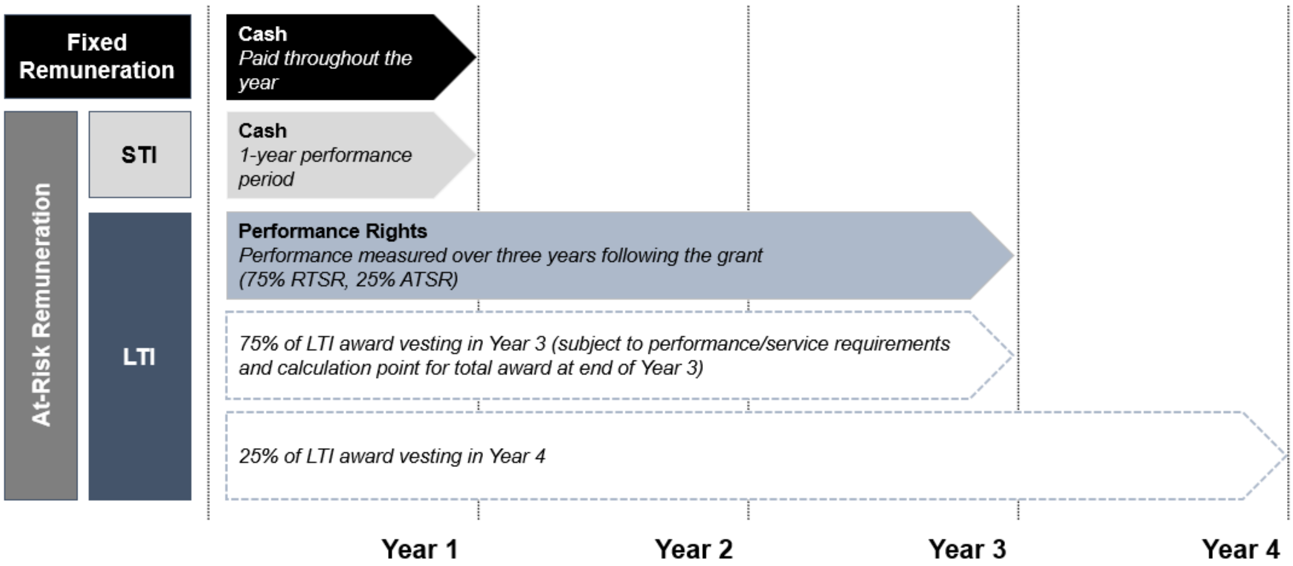
Audited Remuneration Report (continued)

Remuneration of Senior Management (continued)

Delivery of FY22 Executive Remuneration Components

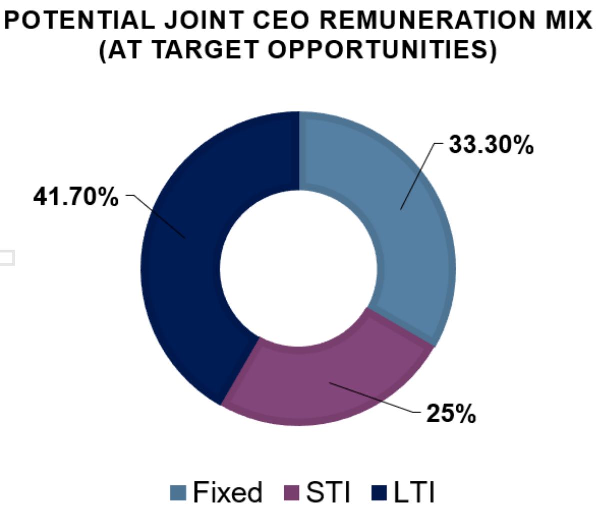
The diagram below outlines the payment/delivery timing of each element of executive remuneration.

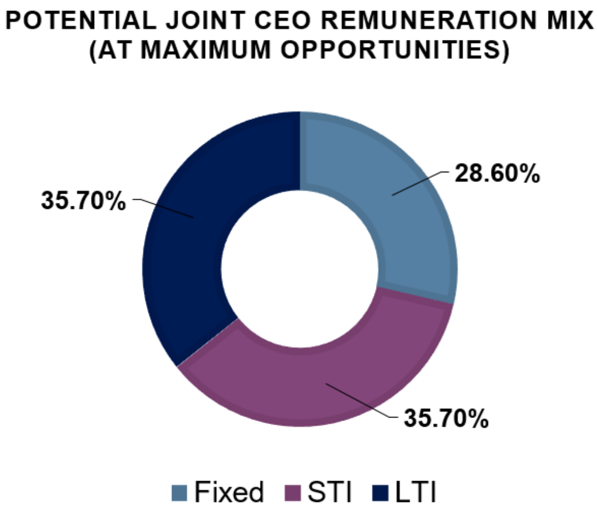
When are the key FY22 remuneration components earned and received?



Remuneration Mix

Remuneration packages include a mix of fixed and variable remuneration and short and long-term performance-based incentives. The graphs below detail the approximate fixed and variable components for Senior Management.



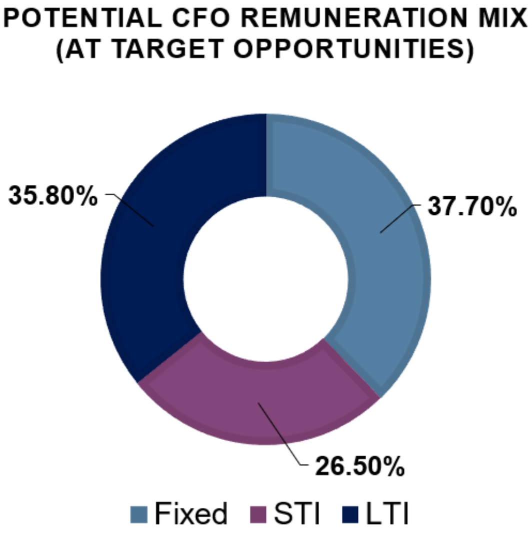


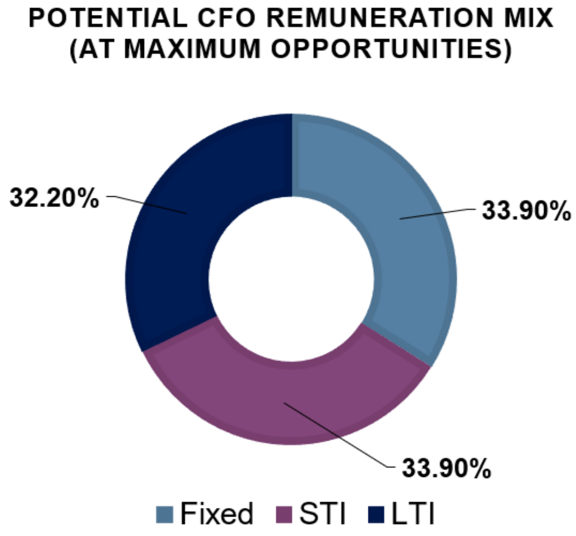
Audited Remuneration Report (continued)

Remuneration of Senior Management (continued)

Remuneration Mix (continued)

The proportion of fixed and variable remuneration for the CFO is established by the Joint CEOs and the Nomination and Remuneration Committee and then approved by the Board.





Audited Remuneration Report (continued)

Remuneration of Senior Management (continued)

Remuneration Benchmarking

The Committee believes it is critical to understand the relevant market for key executive talent in order to ensure the Group’s remuneration strategy and frameworks support the guiding principle which is to attract, motivate and retain capable individuals with exceptional talent, expertise, experience and relationships.

The Committee regularly reviews the composition of the benchmarking of peer groups to ensure they continue to represent appropriate reference points for establishing total remuneration for the Group’s executives. In general, the Committee considers companies with similarities to the Group on one or more of the following characteristics:

- industry or comparable lines of business;
- operate in multiple geographies;
- number of employees;
- revenue or FUM; and
- market capitalisation on the ASX (using the combined market capitalisation for CNI, CIP and COF of approximately $4.3 billion as at 30 June 2022, for benchmarking purposes).

The Committee reviews benchmarking data for a broad set of ASX-listed A-REIT peers that exhibit the above characteristics, however, it considers the following ASX-listed entities to be the most comparable peers for the Group and represent our main source of competition for executive talent:

- Charter Hall Group (ASX: CHC);
- Goodman Group (ASX: GMG);
- Stockland (ASX: SGP);
- Mirvac Group (ASX: MGR);
- Dexus (ASX: DXS);
- GPT Group (ASX: GPT);
- Scentre Group (ASX: SCG); and
- Vicinity Centres (ASX: VCX).

Whilst benchmarking data is used as one input into remuneration decisions, the Committee also considers various fundamental factors including:

- the size and complexity of the role, including geographical reach including offshore responsibilities;
- the criticality of the role to successful execution of the Group’s business strategy;
- skills and experience of the individual;
- period of service;
- scarcity of talent;
- surrounding market conditions and sentiment; and
- the Group’s growth trajectory.

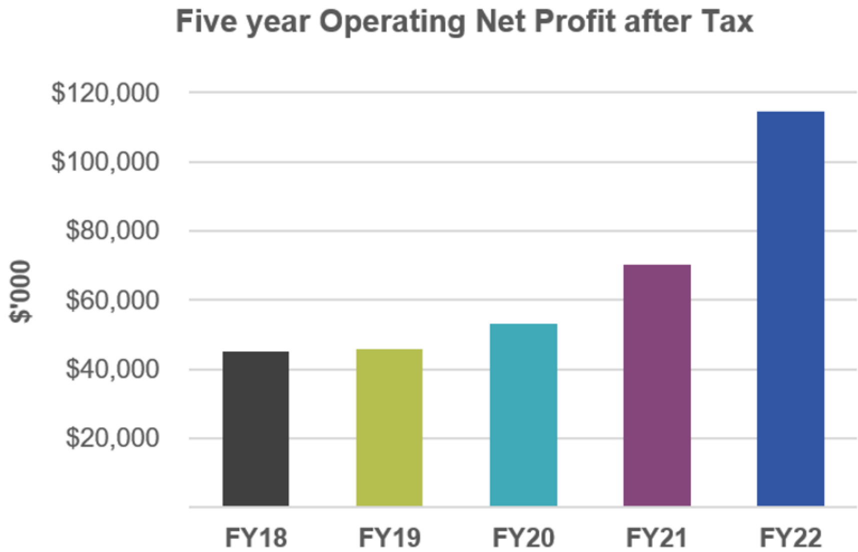
Audited Remuneration Report (continued)

Remuneration of Senior Management (continued)

Historical Performance, Shareholder Wealth and Remuneration

Financial Performance

The Group's overall objective is to reward Executive Directors and Senior Management based on the Group's performance and build on shareholders' wealth but this is subject to market conditions for the year. The graph below sets out the Group's operating net profit after tax for the past five years.



The table below sets out summary information about the Group's earnings for the past five years.

Five year summary	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
Operating profit after tax ($'000)	114,510	70,211	53,253	45,706	45,087
Statutory profit after tax attributable to Centuria Capital Group securityholders ($'000)	(37,852)	143,456	21,105	50,795	54,765
Share price at start of year	$2.78	$1.79	$1.77	$1.40	$1.23
Share price at end of year	$1.81	$2.78	$1.79	$1.77	$1.40
Interim dividend	5.5cps	4.5cps	4.5cps	4.25cps	4.1cps
Final dividend	5.5cps	5.5cps	5.2cps	5.0cps	4.1cps
Special non-cash dividend	-	-	-	7.8cps	-
Statutory basic earnings per Centuria Capital Group security	(4.8)cps	24.6cps	4.7cps	14.2cps	19.8cps
Operating basic earnings per Centuria Capital Group security	14.5cps	12.0cps	12.0cps	12.7cps	16.3cps
Joint CEO STI outcome (% of maximum)	100%	100%	93%	N/A	N/A
Joint CEO LTI outcome (% of vesting of grant)	25%	100%	100%	100%	100%
CFO STI outcome (% of maximum)	100%	90%	93%	N/A	N/A
CFO LTI outcome (% of vesting of grant)	25%	100%	100%	100%	100%

Audited Remuneration Report (continued)

Remuneration of Senior Management (continued)

Historical Performance, Shareholder Wealth and Remuneration (continued)

Total Securityholder Return (TSR)

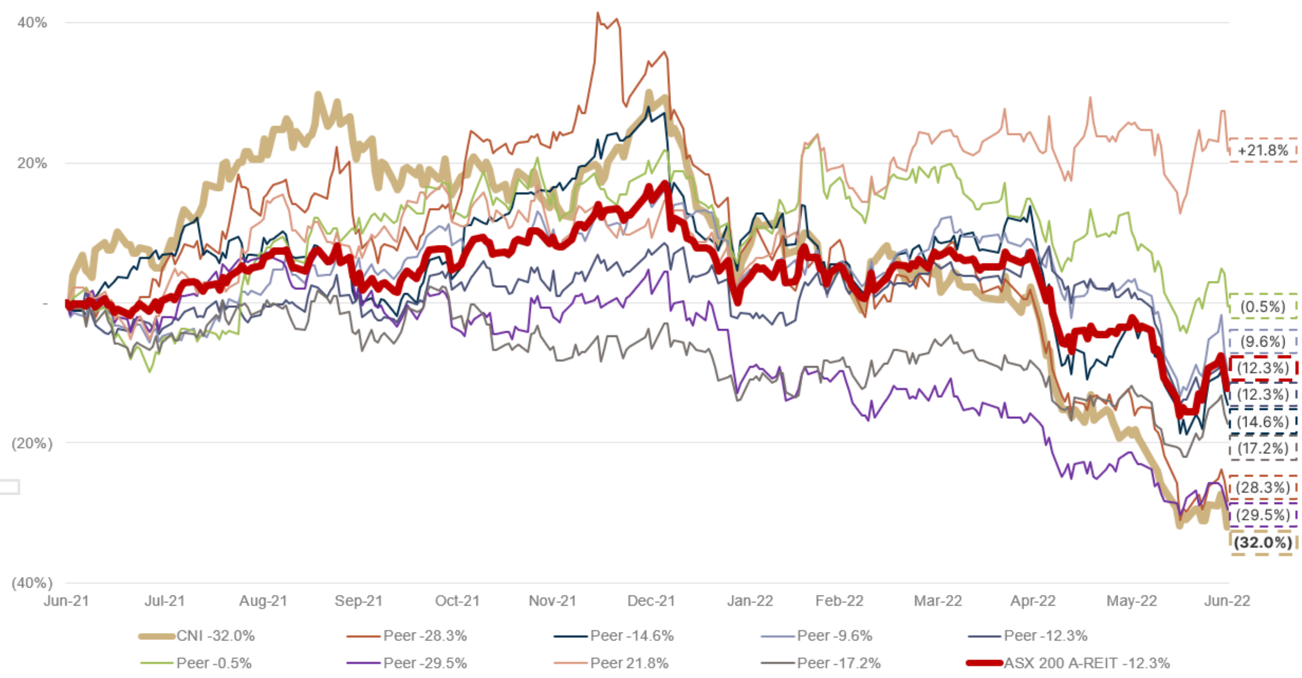
Following the major acquisition of the Primewest business in 2021, on 16 July 2021, Centuria Capital joined the S&P/ASX200 index ranked #154 and this ranking is currently circa #155 - #165 taking into account the post-transaction free float market capitalisation.

Due to the factors set out on page 23 and subject to the qualification also outlined, the Group considers the following ASX-listed entities as its most comparable peers which forms the basis of its remuneration benchmarking exercises:

- Charter Hall Group (ASX: CHC);
- Goodman Group (ASX: GMG);
- Stockland (ASX: SGP);
- Mirvac Group (ASX: MGR);
- Dexus (ASX: DXS);
- GPT Group (ASX: GPT);
- Scentre Group (ASX: SCG); and
- Vicinity Centres (ASX: VCX).

The graphs and table below highlight Centuria's performance against the nominated A-REIT peers, the broader S&P/ASX200 Index and the S&P 200 A-REIT Index.

12-month Total Shareholder Return – (30-Jun-21 to 30-Jun-22)



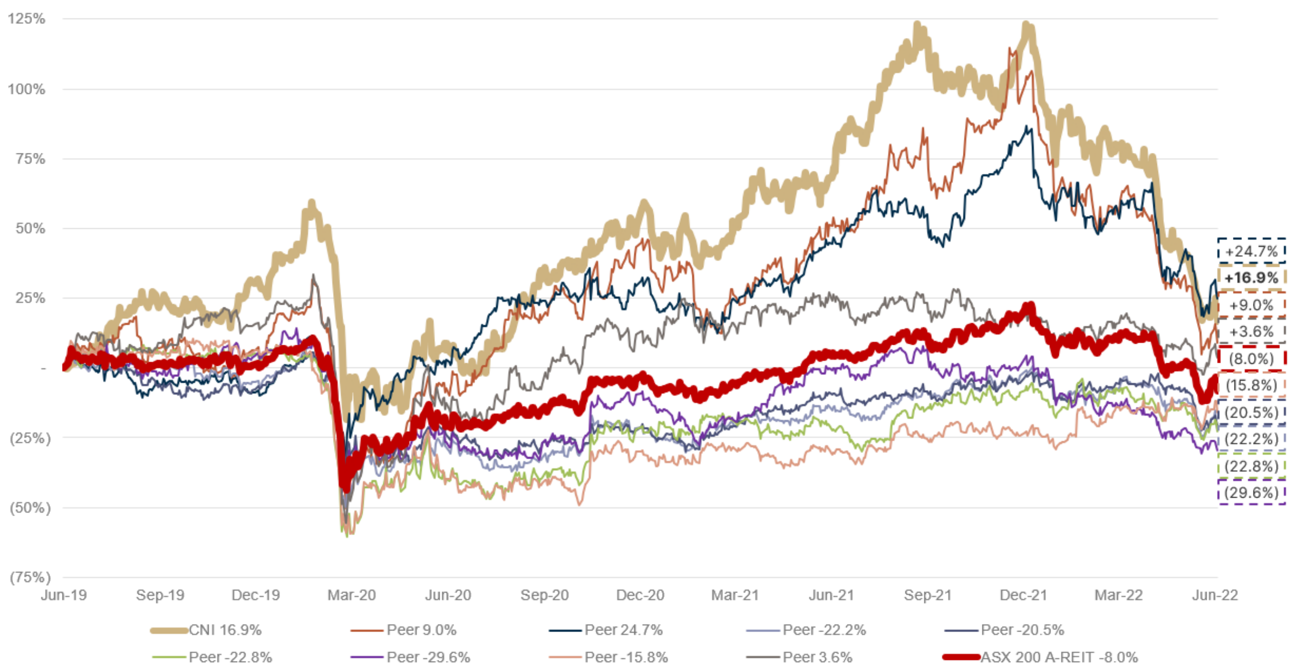
Source: TSR data from FactSet and IRESS
Note: TSR calculated from closing price 30 June 2021 (as the last trading day in the period) to closing price 30 June 2022
TSR data includes reinvested distributions and represents total return, not an annualised figure

Audited Remuneration Report (continued)

Remuneration of Senior Management (continued)

Historical Performance, Shareholder Wealth and Remuneration (continued)

3-year Total Shareholder Return – (28-Jun-19 to 30-Jun-22)



Source: TSR data from FactSet and IRESS
Note: TSR calculated from closing price 28 June 2019 (as the last trading day in the period) to closing price 30 June 2022
TSR data includes reinvested distributions and represents total return, not an annualised figure

Total Shareholder Return – Summary

	3-year return 28-Jun-19 to 30-Jun-22	1H22 30-Jun-21 to 31-Dec-21	2H22 31-Dec-21 to 30-Jun-22	FY22 30-Jun-21 to 30-Jun-22
Centuria Capital Group	**16.9%**	**27.8%**	**(46.8%)**	**(32.0%)**
Peer	24.7%	25.9%	(32.1%)	(14.6%)
Peer	9.0%	33.9%	(46.4%)	(28.3%)
Peer	3.6%	(6.5%)	(11.5%)	(17.2%)
Peer	(15.8%)	9.4%	11.3%	21.8%
Peer	(20.5%)	6.8%	(17.9%)	(12.3%)
Peer	(22.2%)	13.7%	(20.6%)	(9.6%)
Peer	(22.8%)	18.5%	(16.0%)	(0.5%)
Peer	(29.6%)	1.3%	(30.4%)	(29.5%)
Indices				
S&P ASX 200	10.4%	3.8%	(9.9%)	(6.5%)
S&P ASX 200 / A-REIT	(8.0%)	14.7%	(23.5%)	(12.3%)

Source: TSR data from FactSet and IRESS
Notes: TSR data includes reinvested distributions and represents total return, not an annualised figure
TSR is calculated from the closing price of the last trading day in the prior period to capture share price return from the first day of the relevant period

Audited Remuneration Report (continued)

Remuneration of Senior Management (continued)

Historical Performance, Shareholder Wealth and Remuneration (continued)

A major focus for FY22 was continuing the Group's dual strategy of growing AUM and ongoing diversification of our portfolio across multiple sectors. During FY22 Group AUM grew 18.4% to $20.6 billion. However, like many of our peers and the broader S&P/ASX200 Index, our share price has been negatively impacted by the deteriorating global equity markets over the past year, against a backdrop of geopolitical and economic uncertainty on a global scale.

For FY22, Centuria's one-year absolute TSR was -32% with the three-year absolute TSR being 16.9%. Despite Centuria's relative TSR performance compared to the majority of its peers, Tranche 7 LTI awards were based on annual absolute TSR metrics, unlike the majority of its peers, resulting in nil vesting.

However, it should be noted that our three-year TSR is measurably higher than seven of our eight nominated peers, as well as the broader S&P/ASX200 Index and the S&P 200 A-REIT Index. Centuria believes that important factors driving this outcome include:

- the selection of a lean Senior Management team and incentivising them appropriately;
- the synergy and cohesiveness that exists between management and a diverse Board enabling long term strategies to be set and implemented seamlessly; and
- a recognition that the culture that exists within the group is tangible and promotes a productive, diverse and rewarding working atmosphere where employees strive to outperform.

Notwithstanding our one-year TSR outcome, which has been impacted by external market factors outside executives' control, it is important to reiterate the substantial compound annual growth rate in AUM of 49.0% achieved over the same three-year period. This clearly demonstrates the ability of our high-performing management team - led by our highly complementary and experienced Joint CEOs - to execute the Group's growth strategy over an extended period.

Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

For the CFO, this is reviewed annually by the Joint CEOs and the Nomination and Remuneration Committee. The process consists of a review of Group, business unit and individual performance as well as relevant comparative remuneration in the market. The same process is used by the Nomination and Remuneration Committee when reviewing the fixed remuneration of the Joint CEOs.

Senior Management are given the opportunity to receive their fixed remuneration in a variety of forms including cash and salary sacrifice items such as motor vehicles, motor vehicle allowances and/or additional superannuation contributions.

Audited Remuneration Report (continued)

Remuneration of Senior Management (continued)

Short-Term Incentives (STI)

The objective of the STI program is to link the achievement of the Group's non-financial and financial targets with the remuneration received by Senior Management accountable for meeting those targets. The potential STI available is set at a level to provide sufficient incentive for Senior Management to achieve operational targets and such that the cost to the Group is reasonable in the circumstances.

STI Structure

FY22 STI Plan Structure		
Performance period	12 months	
Opportunity	Joint CEOs CFO	125% of total fixed remuneration at maximum. 100% of total fixed remuneration at maximum.
How the STI is paid	STI awards may be settled in either cash and/or shares at the Board's discretion.	
Performance measures & conditions	Financial measures (60%)	Growth in Assets Under Management (AUM) Operating Earnings Per Share (EPS) Growth Equity Flow Growth
	Non-financial measures (40%)	Staff Engagement Non-Financial Risk Management Environmental, Social and Governance (ESG)
How are STI targets set?	In determining STI hurdle targets, the following factors are considered by the Committee and Board: • performance of peer fund managers over a range of asset classes; • direct returns from asset classes, in particular property, equities and fixed interest; • outlook for financial markets including fixed interest returns; • effective financial market views on asset values e.g. cap rate compression or expansion; • performance of Centuria compared to other peer managers; and • quality of Centuria's financial products compared to market and how contemporary they are in this context.	
How is the STI assessed?	At the Board's absolute discretion, the Group's Senior Management may be provided with the opportunity to receive an annual, performance-based incentive.	
	The Nomination and Remuneration Committee assesses annually the individual scorecards of participants against the KPIs in determination of the annual STI outcome. The 'STI Achieved' section outlines the overall scorecard outcomes for FY22.	
What happens when an executive ceases employment?	Joint CEOs	If employment terminates part way through a financial year (other than for termination for serious misconduct), the Joint CEOs are entitled to the STI for the full financial year.
	CFO	If employment terminates part way through a financial year, the CFO forfeits any applicable STI for the relevant financial year.
Is there any STI deferral?	No	

Audited Remuneration Report (continued)

Remuneration of Senior Management (continued)

Short-Term Incentives (STI) (continued)

FY22 Performance Measures and Objectives

FY22 STI Scorecard

Performance hurdle	Weighting	Rationale for use	Target criteria	Outcomes
Financial metrics				
Growth in AUM	30%	Increasing AUM is fundamental to the Group's growth strategy	• Target = $19.5 billion, resulting in 100% of the award vesting. • Outperformance target = $20.38 billion, resulting in 125% granting of the award.	For FY22, the company's total AUM is $20.6 billion as at 30 June 2022, representing a growth of approximately 18.4% from the prior reporting period (FY21: $17.4 billion). This achievement was above outperformance target.
Operating EPS	15%	Ensures continued focus on growing and managing the profitability of the business as a key driver of sustainable securityholder returns	• Original Target = guidance • Outperformance target = FY21 of 12.0cps +15%, resulting in 125% granting of award	For FY22, the original operating EPS guidance was 13.2cps and upgraded to 14.5 cps. Current forecast FY22 OEPS is 14.5cps. This achievement was above outperformance target.
Equity flow growth	15%	Provides alignment to the Group's growth strategy	• Target = 17.5% resulting in 100% of award vesting • Outperformance target = 20% resulting in 125% granting of award.	Year-on-year equity flow growth was 35%. Equity flows relate to equity raised from public sources for property funds. This achievement was above outperformance target.
Non-financial metrics				
Staff engagement*	15%	A motivated and engaged workforce will drive positive business	The Company conducts annual company-wide surveys with employees. Results from these surveys are calculated into a score, with vesting occurring at these achievement points: • Score of 55% = 50% of the award • Score of 65%= 75% of the award • Score of 75% and over = 100% of the award	There has been significant ongoing work in staff engagement, which has recorded positive results. These include the following: • a new staff engagement survey platform has been instigated allowing for national and global benchmarking; • we have used an external consultant to review and assess the initial survey which indicated overall staff engagement score of 84%, outperforming the real estate industry benchmarks by 8% and overall Australian businesses by 12%; and • the Board assessed the outcomes of the staff engagement surveys in conjunction with the above initiatives as meeting target, resulting in 100% of the award being achieved.

Audited Remuneration Report (continued)

Remuneration of Senior Management (continued)

Short-Term Incentives (STI) (continued)

FY22 STI Scorecard (continued)

Performance hurdle	Weighting	Rationale for use	Target criteria	Outcomes
Non-financial metrics (continued)				
Non-financial risk management	10%	It is critical for our Senior Management to establish and foster a culture of risk awareness and mitigation across the organisation	The Non Financial Risk Committee exists to provide a regular conduit for important non-financial information to flow between management and the Board. The main criteria employed to assess performance were: • regular attendance by Key Management Personnel; • regular and accurate formal Board reporting; and • ensuring that all relevant matters within the ambit of the Committee were brought to the Board's attention in a timely manner	The Board noted the work of the Committee as it related to a number of important non-financial risks e.g. unit pricing policies, potential conflict issues, fund restructuring issues, performance reporting issues, group risks, DRP issues and a large number of other relevant issues. The Board monitored the achievements of the Committee in raising each issue and implementing transparent solutions. The Board assessed the outcomes of the Non-Financial Risk Committee as meeting target, resulting in 100% of the award being achieved.
ESG	15%	Provides alignment to the areas of focus under our sustainability framework	The ESG metric is assessed against key achievements in the implementation of the company's ESG strategy, including: • improving diversity throughout the Group; and • development and roll-out of the company's environmental and sustainability initiatives across the Group.	Management has executed the following steps in relation to ESG during FY22: • integration of climate risk as part of the assessment of acquisitions and the investment process; • delivery of the Company's second Sustainability Report to coincide with the holding of the 2022 AGM; and • improved gender diversity across the Group achieving targeted 40% female/60% male. The Board assessed the outcomes of the above actions as meeting target, resulting in 100% of the award being achieved.

* Employee engagement is measured as a score through a new annual company-wide survey conducted independently by "Culture Amp" who reported directly to the CNI Board.

Audited Remuneration Report (continued)

Remuneration of Senior Management (continued)

Short-Term Incentives (STI) (continued)

In addition to the scorecard above, the Board took into consideration the following non-financial achievements made in FY22 in determining the final outcome of the FY22 STI awards:

- during FY22 CNI was included in the S&P/ASX 200 for the first time in its history;
- the target Group operating performance was achieved despite a backdrop of significant market volatility;
- during FY22 having completed the acquisition of Primewest, the Group successfully integrated its operations;
- a new comprehensive Employee Engagement Survey was deployed across the Group using Culture Amp, with the results exceeding real estate industry benchmarks by 8% and the rest of Australian business benchmarks by 12%;
- further diversified the Group's representation across the various property sectors by establishing its first dedicated Agricultural Fund;
- expanded the Group's Healthcare portfolio through the Healthcare Joint Venture with Morgan Stanley;
- during FY22 Centuria continued to increase its commitment to Sustainability and ESG outcomes following the appointment of a General Manager - Sustainability and its commitment to provide a second Sustainability Report prior to the 2022 AGM;
- the Group achieved further improvements on its weighted NABERS rating to 4.96 stars (4.83 at June 2021);
- successfully responded to several environmental catastrophes including floods across the Eastern seaboard protecting the safety and interests of tenants and investors;
- increased stakeholder and investor engagement;
- strengthened and expanded sources of listed and unlisted capital sources; and
- despite headwinds impacting certain asset sectors, non financial property services metrics, including average tenant retention, portfolio occupancy and square metres of leasing deals completed, all exceeded prior year benchmarks.

Audited Remuneration Report (continued)

Remuneration of Senior Management (continued)

Short-Term Incentives (STI) (continued)

STI Achieved

The table below outlines the percentage of target STI achieved (and forfeited) in relation to financial and non-financial KPIs, and the total STI awarded, for each executive in 2022.

		Financial			Non-financial			
Executive	**STI on maximum opportunity**	**Weighting**	**Achieved**	**Forfeited**	**Weighting**	**Achieved**	**Forfeited**	**STI awarded**
John McBain (Joint CEO)	$1,940,625	60%	100%	0%	40%	100%	0%	$1,940,625
Jason Huljich (Joint CEO)	$1,940,625	60%	100%	0%	40%	100%	0%	$1,940,625
Simon Holt (CFO)	$786,500	60%	100%	0%	40%	100%	0%	$786,500

Long-Term Incentives (LTI)

The Group has an Executive Incentive Plan (LTI Plan) which forms a key element of the Group's incentive and retention strategy for Senior Management under which Performance Rights (Rights) are issued.

The primary objectives of the LTI Plan include:

- focusing executives on the longer term performance of the Group to drive long term shareholder value creation;
- ensure Senior Management remuneration outcomes are aligned with shareholder interests, in particular, the strategic goals and performance of the Group; and
- ensure remuneration is competitive and aligned with general market practice by ASX listed entities.

Rights issued under the LTI Plan are issued in accordance with the thresholds approved at the Annual General Meeting (AGM).

Audited Remuneration Report (continued)

Remuneration of Senior Management (continued)

Long-Term Incentives (LTI) (continued)

LTI Structure

LTI plan structure			
Performance period	Three year performance with 75% of any LTI award vesting in Year 3 with the remaining 25% vesting in Year 4		
Opportunity	Joint CEOs	125% of total fixed remuneration at maximum	
	CFO	95% of total fixed remuneration at maximum	
Instrument	Performance Rights. The allocation of the LTI grants is on a face value basis using the volume weighted average price of the Company's shares over the five ASX trading days immediately preceding 1 July of the grant year (being the date of the commencement of the performance period). Each Performance Right is a right to acquire one Security in the Group (or an equivalent cash amount), subject to the achievement of the "performance hurdles" set out below.		
Performance metrics	**Relative Total Securityholder Return (RTSR) (75%)**	**RTSR (compounded) when ranked to the comparator group of S&P/ASX 200 A-REIT Accumulation Index stocks over the performance period**	**Performance Rights subject to RTSR Hurdle that vest**
		Exceeds the comparator group 75th percentile	100%
		More than the comparator group 50th percentile and less than 75th percentile	Between 50% to 100% progressive pro-rata vesting (i.e. on a straight-line basis)
		Equal to the comparator group 50th percentile	50%
		Less than the comparator group 50th percentile	0%
	Absolute Total Securityholder Return (ATSR) (25%)	**Annual ATSR achieved over the performance period**	**Performance Rights subject to ATSR Hurdle that vest**
		15% or greater	100%
		Between 10% and 15%	Between 25% to 100% progressive pro-rata vesting (i.e. on a straight-line basis)
		10%	25%
		Less than 10%	0%
Rationale for the performance metric and conditions	Both RTSR and ATSR measure the return securityholders would earn if they held a notional number of securities over a period of time. RTSR provides a relative measure of growth in the Group's security price in comparison to relative peers (being the S&P/ASX200 A-REIT accumulation index). ATSR provides an absolute measure of growth in the Group's security price. The ATSR target is determined with reference to the following factors which can impact future performance: • performance of peer fund managers over a range of asset classes; • direct returns from asset classes in particular property, equities and fixed interest; • outlook for financial markets including fixed interest returns; • effective financial market views on asset values e.g. cap rate compression or expansion; • performance of Centuria compared to other peer managers; and • quality of Centuria's financial products compared to market and how contemporary they are in this context. By combining RTSR with an ATSR measure, executives can be rewarded for driving positive returns and investors have the confidence that interests are aligned with long-term business growth and the creation of shareholder wealth. The inclusion of an ATSR metric has been designed to counter-balance RTSR outcomes which may vest when overall market conditions are down.		

Audited Remuneration Report (continued)

Remuneration of Senior Management (continued)

Long-Term Incentives (LTI) (continued)

LTI plan structure	
What happens when an executive ceases employment?	If a participant ceases to be employed by the Group before the end of the Performance Period, whether the Performance Rights lapse will depend on the circumstances of cessation. If a participant ceases employment due to resignation, termination for cause or termination for gross misconduct, all unvested Performance Rights will lapse at cessation unless the Board determines otherwise. If a participant ceases employment for any other reason prior to Performance Rights vesting, a pro-rata number of unvested Performance Rights (based on the Performance Period that has elapsed at the time of cessation) will remain unvested until the end of the original Performance Period and vest to the extent that the relevant performance hurdles have been satisfied at any time. The balance of Performance Rights will lapse at cessation.
Malus and clawback	In the event of fraud, dishonesty or material misstatement of financial statements, the Board may make a determination, including lapsing unvested Performance Rights or 'clawing back' securities allocated upon vesting, to ensure that no unfair benefit is obtained by a participant.
Dividends and voting rights	Rights do not carry a right to vote or to dividends or, in general, a right to participate in other corporate actions such as bonus issues.
Re-testing	Awards are tested once, at the end of the performance period of three years. There is no further retesting of the performance conditions.
Change of control provisions	If a change of control event occurs, the Board has the discretionary power to determine whether any unvested Performance Rights should ultimately vest, lapse or become subject to different vesting conditions. In making such a determination, the Board may have regard to any factors that the Board considers relevant, including the period elapsed, the extent to which the vesting conditions have been satisfied and the circumstances of the event.

LTI Grants

Currently, the Group operates three tranches of the LTIP as below:

Tranche	**Grant date (Joint CEOs)**	**Grant date (Other Participants)**	**Performance period**
7	18 October 2019	18 October 2019	1 July 2019 to 30 June 2022
8	26 November 2020	13 November 2020	1 July 2020 to 30 June 2023
9	3 December 2021	12 August 2021	1 July 2021 to 30 June 2024

Audited Remuneration Report (continued)

Remuneration of Senior Management (continued)

Long-Term Incentives (LTI) (continued)

The table below outlines Rights which were previously granted to Senior Management and testing against those conditions.

Tranche	KMP	No. of Rights Granted	Performance Period	Vesting Conditions	Achievement of Conditions	No. of Rights Vesting	Value
7	Mr John E. McBain	187,500	1 July 2019 - 30 June 2022	FUM Growth Hurdle	AUM Growth was 49% resulting in 100% vesting	187,500	$1.87
		562,500				-	-
	Mr Jason C. Huljich	187,500				187,500	$1.87
		562,500		Absolute TSR Growth Hurdle	Absolute TSR was 6.25%, resulting in 0% vesting	-	-
	Mr Simon W. Holt	69,514				69,514	$1.87
		208,542				-	-
8	Mr John E. McBain	682,278	1 July 2020 - 30 June 2023	Relative TSR Growth Hurdle (i)	N/A	-	-
		227,426				-	-
	Mr Jason C. Huljich	682,278				-	-
		227,426		Absolute TSR Growth Hurdle (ii)	N/A	-	-
	Mr Simon W. Holt	274,630				-	-
		91,543				-	-
9	Mr John E. McBain	530,086	1 July 2021 - 30 June 2024	Relative TSR Growth Hurdle (iii)	N/A	-	-
		176,935				-	-
	Mr Jason C. Huljich	530,086				-	-
		176,935		Absolute TSR Growth Hurdle (iv)	N/A	-	-
	Mr Simon W. Holt	204,370				-	-
		68,123				-	-

(i): *The Tranche 8 Relative TSR fair value is $1.75 for Joint CEOs and $1.58 for CFO.*
(ii): *The Tranche 8 Absolute TSR fair value is $1.29 for Joint CEOs and $1.10 for CFO.*
(iii): *The Tranche 9 Relative TSR fair values are $1.92 (three-year vesting) and $1.85 (four-year vesting) for Joint CEOs and $2.05 (three-year vesting) and $1.98 (four-year vesting) for CFO.*
(iv): *The Tranche 9 Absolute TSR fair value are $1.18 (three-year vesting) and $1.16 (four-year vesting) for Joint CEOs and $1.23 (three-year vesting) and $1.19 (four-year vesting) for CFO.*

Key Terms of Employment Contracts

Joint Chief Executive Officers

Mr John E. McBain, was appointed as CEO of the Group in April 2008. Mr Jason C. Huljich, was appointed as Joint CEO of the Group in June 2019. Mr John E. McBain and Mr Jason C. Huljich are employed under contract. The summary of the major terms and conditions of their employment contracts are as follows:

- fixed compensation plus superannuation contributions;
- car parking within close proximity to the Company's office;
- eligible to participate in the bonus program determined at the discretion of the Board;
- the Group may terminate their employment contract by providing six months written notice or provide payment in lieu of the notice period plus an additional six months. Any payment in lieu of notice will be based on the total fixed compensation package; and
- the Group may terminate their employment contract at any time without notice if serious misconduct has occurred. When termination with cause occurs, the Joint Chief Executive Officers are only entitled to remuneration up to the date of termination.

The Nomination and Remuneration Committee ensures severance payments due to the Joint Chief Executive Officers on termination are limited to pre-established contractual arrangements which do not commit the Group to making any unjustified payments in the event of non-performance.

Other Senior Management (standard contracts)

All Senior Management are employed under contract. The Group may terminate their employment agreement by providing three months written notice or providing payment in lieu of the notice period (based on the total fixed compensation package).

Audited Remuneration Report (continued)

Key Terms of Employment Contracts (continued)

Statutory Remuneration Table to KMP

The following table discloses total remuneration of Executive Directors and Senior Management in accordance with the *Corporations Act 2001*:

		Short-term employee benefits		Other long-term benefits		Total
	Year	Salaries including superannuation ($)*	Short Term Incentive ($)	Long service leave ($)	Share-based payments ($)	$
Executive KMP						
Mr John E. McBain	**2022**	**1,552,500**	**1,940,625**	**90,109**	**1,175,247**	**4,758,481**
	2021	1,265,626	1,687,500	83,748	858,689	3,895,563
Mr Jason C. Huljich	**2022**	**1,552,500**	**1,940,625**	**29,356**	**1,175,247**	**4,697,728**
	2021	1,261,372	1,940,625	1,403	840,072	4,043,472
Mr Simon W. Holt	**2022**	**786,500**	**786,500**	**18,702**	**445,780**	**2,037,482**
	2021	677,760	643,500	59,642	311,886	1,692,788
Total	**2022**	**3,891,500**	**4,667,750**	**138,167**	**2,796,274**	**11,493,691**
	2021	3,204,758	4,271,625	144,793	2,010,647	9,631,823

**The amount includes superannuation of $23,568 (FY21: $21,694) for each Executive KMP which is the maximum annual employer contribution cap.*

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

- Non-Executive Directors receive adequate remuneration to attract and retain the requisite talent;
- reflect the complexity of the Group structure and the time commitment associated with oversight of multi-faceted operating entities within the Group;
- reflects the risk and responsibility accepted by the Non-Executive Directors and their commercial expertise; and
- the structure should align the Non-Executive Directors with investors, not providing any disincentive to take independent action.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the aggregate amount determined is then divided between the Directors as agreed. An aggregate maximum amount of not more than $2,000,000 per year was approved at the 2017 Annual General Meeting.

Each Director receives a fee for being a Director of Group companies and an additional fee is paid to the Chairman and to the Chairman of each Board Committee. The payment of the additional fees to each Chairman recognises the additional time commitment and responsibility associated with the position. Non-Executive Directors do not receive equity as a form of payment.

Audited Remuneration Report (continued)

Non-Executive Director Remuneration (continued)

Structure (continued)

As highlighted on page 16, the Centuria structure, whilst not unique, comprises multiple operating entities, both listed and unlisted. These include CNI, COF, CIP, Centuria Life, Centuria Healthcare, Centuria New Zealand, Centuria Bass Credit and Primewest. Each Board has specific requirements and obligations. In recognition of the complexity of the Group and in the interests of good governance and transparency, the Group has adopted a Directors' fee schedule which is disclosed in the table below.

The fee schedule covers the Board and Board Committee roles across the headstock and other operating entities which the Centuria Directors are appointed to. The fee schedule is designed to improve transparency while recognising that each Board is responsible for actively overseeing the financial position and monitoring the business and affairs of the particular entity on behalf of its stakeholders, to whom Directors are accountable.

In determining the fee schedule, the Non-Executive Director fees were benchmarked against the same peer group of S&P/ASX200 A-REIT companies used to determine levels of executive committee pay. Additionally, the complexity of the overall Group and the commitment levels required by Non-Executive Directors was considered in setting the level of fees.

The fee schedule, outlined below, became effective from 1 June 2021:

Director Fee Schedule		
Centuria Capital Limited		
Board	Chair Member	$335,000 $110,000
Audit, Risk & Compliance Committee	Chair Member	$20,000 $10,000
Conflicts Committee	Chair Member	$50,000 $15,000
Nomination and Remuneration Committee	Chair Member	$20,000 $10,000
Culture, People & ESG Committee	Chair Member	$20,000 $10,000
Centuria Life Limited		
Board	Chair Member	$90,000 $30,000
Audit Committee	Chair (ii) Member	- $10,000
Risk & Compliance Committee	Chair (ii) Member (ii)	- -
Investment Committee	Chair Member (ii)	$70,000 -
Centuria Property Funds Limited		
Board	Chair Member (i)	$110,000 $30,000 / $55,000
Audit, Risk & Compliance Committee	Chair Member	$15,000 $10,000
Centuria Property Funds No. 2 Limited		
Board	Chair Member (i)	$115,000 $30,000 / $55,000
Audit, Risk & Compliance Committee	Chair (ii) Member	- $10,000
Centuria Healthcare Pty Ltd		
Board	Chair Member	$70,000 $35,000
Centuria Healthcare Asset Management Ltd		
Board	Chair Member	$50,000 $30,000

Note (i): *Committee members who are also Directors on the Centuria Capital Group Board are remunerated $30,000 and all other committee members are remunerated $55,000.*
Note (ii): *The Chair/Member of the Committee is a Director on the Centuria Capital Limited Board and does not receive an additional fee.*

Audited Remuneration Report (continued)

Non-Executive Director Remuneration (continued)

Structure (continued)

Following a review of the Non-Executive Directors' fees during FY22, from 1 July 2022, the Non-Executive Directors' fees for each of the Boards and Committees increased by 4%. The review of Non-Executive Director remuneration involved market analysis of remuneration practices for comparable ASX-listed A-REIT peers. This increase was approved after considering the market data and the changes in workload and accountabilities of NEDs as the Group has continued to grow its AUM and diversify its portfolio over the past year.

Details of Boards and Board Committees

Centuria Capital Limited
The Board of Centuria Capital Limited sets the strategic direction and objectives of the Centuria Group. Through its regular monthly board meetings, as well as the many transaction specific meetings, it oversees the performance of the executive management team in delivering against the strategic goals across the entire operations of the Group.

The Board of Centuria Capital Limited and the Board of Centuria Funds Management Limited, as the responsibility entity of the Centuria Capital Fund, oversee and govern the complex stapled CCG structure (Ticker Code: CNI). Where appropriate, meetings take place concurrently for maximum efficiency.

Sub-committees chaired by independent Non-Executive Directors and established by the Centuria Capital Limited Board provide a forum for greater oversight of the governance requirements of the organisation.

Centuria Funds Management Limited
The Centuria Funds Management Limited Board concurrently with the Centuria Capital Limited Board and as the responsible entity of the stapled Centuria Capital Fund, provides oversight over management decision making, particularly in relation to the various co-investment stakes. This includes associated capital raisings and borrowings through facilities and note issuances in the market. Centuria Funds Management Limited holds an Australian Financial Services Licence that enables it to provide a wide range of financial products and investment advisory services as well as being the trustee of the Centuria Capital No. 2 Fund which is the issuer of listed redeemable debt notes (Ticker Code: C2FHA).

Centuria Capital Fund is a fund that has each of its units stapled to Centuria Capital Limited shares, with the two securities traded alongside each other as a single instrument (CNI). The Centuria Capital Fund holds various strategic co-investment stakes primarily in listed and unlisted funds managed by Centuria. CCF through its subsidiaries is also the vehicle through which the group:
• undertakes both long-term and short-term investment decisions;
• supports the establishment of new funds through the provision of initial seed capital;
• provides underwriting support as and when required;
• undertakes equity raisings; and
• raises finance through various external facilities and the issuance of both listed and unlisted notes.

Centuria Life Limited
Centuria Life Limited is an APRA regulated entity and is the vehicle through which the Centuria Capital Group issues and offers its full suite of Investment Bond products in addition to providing investment management and administration services to Over Fifty Guardian Friendly Society Limited (Guardian). Guardian has in excess of $800 million in assets under management. With the great majority of the products offered by the business having daily unit pricing, it requires the application of strict governance and compliance systems and processes to meet regulatory requirements in addition to the continuous monitoring of Board and APRA mandated capital adequacy requirements.

Centuria Healthcare Pty Limited
Centuria Capital Group owns 64% of Centuria Healthcare Pty Limited, formerly Heathley Healthcare. Through its various subsidiaries, including Centuria Healthcare Asset Management Limited, the responsible entity for a number of unlisted healthcare registered schemes this company provides extensive property, funds management and development management services across a range of established healthcare assets and development opportunities. The Centuria Capital Group currently has a majority interest in Centuria Healthcare Pty Limited, with a put and call option exercisable in 2024 to acquire the remaining stake in the healthcare business. In the meantime, Centuria Capital Group has day to day control over the operating and financial decisions of the business and the Board meets on a monthly basis to set the strategic direction of Centuria's healthcare business.

Audited Remuneration Report (continued)

Non-Executive Director Remuneration (continued)

Details of Boards and Board Committees (continued)

Centuria Property Funds Limited
Centuria Property Funds Limited (CPFL) is the responsible entity of the ASX-listed Centuria Office REIT (Ticker Code: COF) and the responsible entity of the open ended Centuria Diversified Property Fund and 19 closed ended registered schemes with over $4.0 billion total assets under management. CPFL is also regulated by ASIC to provide Custodian Services to various property funds. The Board must ensure that CPFL continually meets its obligations as an Australian Financial Services Licence holder including capital adequacy, minimum net tangible asset, liquidity and cashflow testing requirements.

Centuria Property Funds No. 2 Limited
Centuria Property Funds No. 2 Limited (CPF2L) is the responsible entity of the ASX-listed Centuria Industrial Fund (Ticker Code: CIP) and the responsible entity of the open ended Centuria Healthcare Property Fund and 4 closed ended registered schemes with over $5.5 billion total assets under management. CPF2L is also regulated by ASIC to provide Custodian Services to various property funds. The Board must ensure that CPF2L continually meets its obligations as an Australian Financial Services Licence holder including capital adequacy, minimum net tangible asset, liquidity and cashflow testing requirements.

Audit, Risk & Compliance Committee
The CNI Board has an established Audit, Risk and Compliance Committee to assist in relation to audit, risk management and compliance oversight responsibilities, ensuring the integrity of the Group's financial reporting and compliance with statutory and regulatory obligations mandated by ASIC and prudential requirements governed by APRA. The Committee meets on a quarterly basis and is also accountable for assessing the effectiveness of the Group's Risk Management Policy and ensuring there is a continuous process for the management of significant risks throughout the Group.

Conflicts Committee
Identifying and addressing all matters involving conflicts of interest, whether actual or perceived is the cornerstone of good corporate governance. The Board of Centuria Capital Group has established a Conflicts Committee to review and assess specific arrangements proposed to manage conflicts as and when they arise. The Committee has an independent Chairman, Professor Simon Rice AO, and its members are all independent Non-Executive Directors from within the Group. Meetings take place whenever required to provide the Board of the relevant Centuria entity with guidance on whether the measures proposed, if properly implemented, are adequate to manage the conflict. Amongst its A-REIT peers in the S&P/ASX200, Centuria is the only company to have such a committee.

Nomination and Remuneration Committee
The Nomination and Remuneration Committee is tasked with ensuring that the Boards of the various Centuria Group entities comprise of members with the appropriate mix of skills, tenure, experience, training and diversity to provide the right balance of stewardship and oversight on behalf of its stakeholders. The Committee is also tasked with providing appropriate governance and monitoring of the Group's remuneration policies, adherence to codes of conduct as well as advice with respect to the appropriate quantum and structure of remuneration for Senior Management and staff. The aim of the Nomination and Remuneration Committee is to ensure the appropriate balance of risk and rewards for people whilst ensuring appropriate stewardship of the Group's resources on behalf of its stakeholders.

Culture and ESG Committee
The Culture and ESG Committee was established by the Board as a result of the Board's recognition of the importance of ESG to the long term sustainability of the Company and the increasing relevance to Centuria's investors as the Company grows. The Committee is chaired by Susan L. Wheeldon, Board member of CNI. The Board also recognised the Company's responsibility to the community in which it operates and as such, established the Committee to assist the Board in fulfilling its oversight responsibilities and to make recommendations on matters pertaining to culture, the environment, social and governance.

Investment Committees
Centuria Capital Group has various investment committees to oversee the relevant entity's investment and portfolio management practices to ensure they are in line with the risk and return requirements of its investors, as well as ensuring that investment decisions are made in accordance with the appropriate regulatory requirements. The Centuria Life and Over Fifty Guardian Friendly Society Investment Committees in particular monitor fund rules and target achieving the long-term strategic objectives of investors.

Audited Remuneration Report (continued)

Non-Executive Director Remuneration (continued)

Non Executive Director - Statutory Remuneration Table

The below table outlines total fees paid to NEDs for 2021 and 2022. All the fees below include superannuation and since 1 June 2021 reflect the rates outlined in the benchmarked Director fee schedule on page 37.

	Year	Total Fees (i) $
Non-Executive KMP		
Mr Garry S. Charny	**2022**	**495,000**
	2021	337,810
Ms Kristie R. Brown	**2022**	**125,312**
Note (ii)	2021	38,846
Mr Peter J. Done	**2022**	**230,000**
	2021	197,348
Mr John R. Slater	**2022**	**230,000**
	2021	159,919
Ms Susan L. Wheeldon	**2022**	**146,771**
	2021	106,793
Mr Nicholas R. Collishaw	**2022**	**52,727**
Note (iii)	2021	200,888
Total	**2022**	**1,279,810**
	2021	1,041,604

Note (i): *Board and Committee fees are paid as cash and are inclusive of superannuation contributions which are paid in accordance with the applicable superannuation legislation. Non Executive Directors are not entitled to retirement benefits other than superannuation.*

Total fees for each Non Executive Director disclosed in the table above include superannuation contributions as follows:
- *Mr Garry S. Charny $29,932 (2021: $28,043)*
- *Ms Kristie R. Brown $11,392 (2021: $3,370)*
- *Mr Peter J. Done $10,455 (2021: $6,997)*
- *Mr John R. Slater $20,909 (2021: $13,874)*
- *Ms Susan L. Wheeldon $13,343 (2021: $9,265)*
- *Mr Nicholas R. Collishaw $4,242 (2021: $17,429)*

Note (ii): *Ms Kristie R. Brown was appointed a member of the Centuria Capital Board on 15 February 2021.*
Note (iii)*: Mr Nicholas R. Collishaw resigned from the Board on 30 August 2021.*

Audited Remuneration Report (continued)

Non-Executive Director Remuneration (continued)

Non Executive Director - Statutory Remuneration Table (continued)

The below presentation shows how fees paid to each NED aligns with their roles in various subsidiary Boards and Committees as per the fee schedule on page 37. This new fee structure and schedule was effective from 1 June 2021. The 2021 fees in the tables below therefore only represent the fees for one month. The 2021 full year fees paid to NEDs are outlined in the table presented above.

Mr Garry S. Charny

	Year	Board meetings held during FY22	Board	Audit, Risk and Compliance Committee	Conflicts Committee	Nomination and Remuneration Committee	Culture and ESG Committee	Investment Committee	Total $
Centuria Capital Limited	**2022 - 12 months**	**25**	**335,000**	**-**	**0#**	**0#**	**0#**	**-**	**335,000**
	2021 - 1 Month (New Fee Structure)**		27,917	0#	0#	0#	-	-	27,917
Centuria Life Limited	**2022 - 12 months**	**13**	**90,000**	**0#**	**-**	**-**	**-**	**-**	**90,000**
	2021 - 1 Month (New Fee Structure)**		7,500	0#	-	-	-	-	7,500
Centuria Healthcare Pty Ltd (i)	**2022 - 12 months**	**14**	**70,000**	**-**	**-**	**-**	**-**	**-**	**70,000**
	2021 - 1 Month (New Fee Structure)**		5,833	-	-	-	-	-	5,833
Total	**2022 - 12 months**	**52**	**495,000**	**-**	**-**	**-**	**-**	**-**	**495,000**
	2021 - 1 Month (New Fee Structure)**		41,250	-	-	-	-	-	41,250

***Note (i):** The meetings held during the year includes the meetings held by the Centuria Healthcare Pty Ltd Board Sub-committee.*

** The new fee structure and schedule outlined on page 37 was effective from 1 June 2021. The 2021 fees in this table therefore only represent the fees for one month. The 2021 full year fees paid to NEDs are outlined in the table presented on page 40.

NED is chair/member of this committee, however receives no additional fee for their role on the committee.

Audited Remuneration Report (continued)

Non-Executive Director Remuneration (continued)

Non Executive Director - Statutory Remuneration Table (continued)

Ms Kristie R. Brown

	Year	Board meetings held during FY22	Board	Audit, Risk and Compliance Committee	Conflicts Committee	Nomination and Remuneration Committee	Culture and ESG Committee	Investment Committee	Total $
Centuria Capital Limited (i)	**2022 - 12 months**	**25**	**110,000**	**10,000**	**5,132**	**-**	**-**	**-**	**125,132**
	2021 - 1 Month (New Fee Structure)**		9,167	833	-	-	-	-	10,000
Total	**2022 - 12 months**	**25**	**110,000**	**10,000**	**5,132**	**-**	**-**	**-**	**125,132**
	2021 - 1 Month (New Fee Structure)**		9,167	833	-	-	-	-	10,000

Note (i): *Ms Kristie Brown was appointed a member of the Centuria Capital Board on 15 February 2021.*

** The new fee structure and schedule outlined on page 37 was effective from 1 June 2021. The 2021 fees in this table therefore only represent the fees for one month. The 2021 full year fees paid to NEDs are outlined in the table presented on page 40.

Audited Remuneration Report (continued)

Non-Executive Director Remuneration (continued)

Non Executive Director - Statutory Remuneration Table (continued)

Mr Peter J. Done

	Year	Board meetings held during FY22	Board	Audit, Risk and Compliance Committee	Conflicts Committee	Nomination and Remuneration Committee	Culture and ESG Committee	Investment Committee	Total $
Centuria Capital Limited	**2022 - 12 months**	**25**	**110,000**	**20,000**	**-**	**10,000**	**-**	**-**	**140,000**
	2021 - 1 Month (New Fee Structure)**		9,167	1,667	-	833	-	-	11,667
Centuria Life Limited	**2022 - 12 months**	**13**	**30,000**	**0#**	**-**	**-**	**-**	**-**	**30,000**
	2021 - 1 Month (New Fee Structure)**		2,500	0#	-	-	-	-	2,500
Centuria Property Funds Limited	**2022 - 12 months**	**27**	**30,000**	**0#**	**-**	**-**	**-**	**-**	**30,000**
	2021 - 1 Month (New Fee Structure)**		2,500	0#	-	-	-	-	2,500
Centuria Property Funds No. 2 Limited	**2022 - 12 months**	**28**	**30,000**	**0#**	**-**	**-**	**-**	**-**	**30,000**
	2021 - 1 Month (New Fee Structure)**		2,500	0#	-	-	-	-	2,500
Total	**2022 - 12 months**	**93**	**200,000**	**20,000**	**-**	**10,000**	**-**	**-**	**230,000**
	2021 - 1 Month (New Fee Structure)**		16,667	1,667	-	833	-	-	19,167

** The new fee structure and schedule outlined on page 37 was effective from 1 June 2021. The 2021 fees in this table therefore only represent the fees for one month. The 2021 full year fees paid to NEDs are outlined in the table presented on page 40.

NED is chair/member of this committee, however receives no additional fee for their role on the committee.

Audited Remuneration Report (continued)

Non-Executive Director Remuneration (continued)

Non Executive Director - Statutory Remuneration Table (continued)

Mr John R. Slater

	Year	Board meetings held during FY22	Board	Audit, Risk and Compliance Committee	Conflicts Committee	Nomination and Remuneration Committee	Culture and ESG Committee	Investment Committee	Total $
Centuria Capital Limited	**2022 - 12 months**	**25**	**110,000**	**10,000**	**-**	**10,000**	**-**	**-**	**130,000**
	2021 - 1 Month (New Fee Structure)**		9,167	833	-	833	-	-	10,833
Centuria Life Limited	**2022 - 12 months**	**13**	**30,000**	**-**	**-**	**-**	**-**	**70,000**	**100,000**
	2021 - 1 Month (New Fee Structure)**		2,500	-	-	-	-	5,833	8,333
Total	**2022 - 12 months**	**38**	**140,000**	**10,000**	**-**	**10,000**	**-**	**70,000**	**230,000**
	2021 - 1 Month (New Fee Structure)**		11,667	833	-	833	-	5,833	19,166

** The new fee structure and schedule outlined on page 37 was effective from 1 June 2021. The 2021 fees in this table therefore only represent the fees for one month. The 2021 full year fees paid to NEDs are outlined in the table presented on page 40.

Audited Remuneration Report (continued)

Non-Executive Director Remuneration (continued)

Non Executive Director - Statutory Remuneration Table (continued)

Ms Susan L. Wheeldon

	Year	Board meetings held during FY22	Board	Audit, Risk and Compliance Committee	Conflicts Committee	Nomination and Remuneration Committee	Culture and ESG Committee	Investment Committee	Total $
Centuria Capital Limited (i)	**2022 - 12 months**	**25**	**110,000**	**-**	**9,688**	**7,083**	**20,000**	**-**	**146,771**
	2021 - 1 Month (New Fee Structure)**		9,167	-	1,250	-	1,667	-	12,084
Total	**2022 - 12 months**	**25**	**110,000**	**-**	**9,688**	**7,083**	**20,000**	**-**	**146,771**
	2021 - 1 Month (New Fee Structure)**		9,167	-	1,250	-	1,667	-	12,084

Note (i): *Ms Susan Wheeldon was a member of the Conflicts Committee until 22 February 2022. On 22 February 2022, she was appointed Chair of the Nomination and Remuneration Committee.*

** The new fee structure and schedule outlined on page 37 was effective from 1 June 2021. The 2021 fees in this table therefore only represent the fees for one month. The 2021 full year fees paid to NEDs are outlined in the table presented on page 40.

Audited Remuneration Report (continued)

Non-Executive Director Remuneration (continued)

Non Executive Director - Statutory Remuneration Table (continued)

Mr Nicholas R. Collishaw

	Year	Board meetings held during FY22	Board	Audit, Risk and Compliance Committee	Conflicts Committee	Nomination and Remuneration Committee	Culture and ESG Committee	Investment Committee	Total $
Centuria Capital Limited (i)	**2022 - 12 months**	**25**	**18,333**	**-**	**-**	**-**	**1,667**	**-**	**20,000**
	2021 - 1 Month (New Fee Structure)**		9,167	-	-	-	833	-	10,000
Centuria Property Funds Limited (i)	**2022 - 12 months**	**27**	**5,000**	**-**	**-**	**-**	**-**	**-**	**5,000**
	2021 - 1 Month (New Fee Structure)**		2,500	-	-	-	-	-	2,500
Centuria Property Funds No. 2 Limited (i)	**2022 - 12 months**	**28**	**5,000**	**-**	**-**	**-**	**-**	**-**	**5,000**
	2021 - 1 Month (New Fee Structure)**		2,500	-	-	-	-	-	2,500
Centuria Healthcare Asset Management Limited (ii)	**2022 - 12 months**	**6**	**22,727**	**-**	**-**	**-**	**-**	**-**	**22,727**
	2021 - 1 Month (New Fee Structure)**		5,833	-	-	-	-	-	5,833
Total	**2022 - 12 months**	**86**	**51,060**	**-**	**-**	**-**	**1,667**	**-**	**52,727**
	2021 - 1 Month (New Fee Structure)**		20,000	-	-	-	833	-	20,833

Note (i): *Mr Nicholas Collishaw resigned from the Board of Centuria Capital Limited, Centuria Property Funds Limited and Centuria Property Funds No.2 Limited on 30 August 2021*
Note (ii): *Mr Nicholas Collishaw resigned from the Board of Centuria Healthcare Asset Management Limited on 17 September 2021*

** The new fee structure and schedule outlined on page 37 was effective from 1 June 2021. The 2021 fees in this table therefore only represent the fees for one month. The 2021 full year fees paid to NEDs are outlined in the table presented on page 40.

Audited Remuneration Report (continued)

Non-Executive Director Remuneration (continued)

Related Party Transactions

Since 2021 the Board has adopted a policy that, as a matter of general principle, third party consultancy fees should not be paid to entities that are related to independent directors. Any directors who are associated with entities that received consulting fees have had their independence tested and confirmed by reference to ASIC guidelines on independence and through an external review.

There were no fees paid in FY22. In FY21, the following transactions occurred between the Group and key management personnel:

Entity	Related Party	30 June 2022 $	30 June 2021 $
Wolseley Corporate Pty Ltd	Mr Garry S. Charny	**-**	328,707
Tailwind Consulting Pty Ltd	Mr John R. Slater	**-**	211,977

Director and Senior Management Equity Holdings and Other Transactions

Director and Senior Management Equity Holdings

Set out below are details of movements in fully paid ordinary shares held by Directors and Senior Management as at the date of this report.

Name	Balance at 1 July 2021	Movement	Balance at 30 June 2022	Changes prior to signing	Balance at signing date
Mr Garry S. Charny	406,753	16,000	**422,753**	-	**422,753**
Mr Peter J. Done	1,506,182	-	**1,506,182**	-	**1,506,182**
Mr John R. Slater	3,110,677	-	**3,110,677**	-	**3,110,677**
Ms Susan L. Wheeldon	-	-	**-**	-	**-**
Ms Kristie R. Brown	-	-	**-**	-	**-**
Mr John E. McBain	7,062,484	638,298	**7,700,782**	-	**7,700,782**
Mr Jason C. Huljich	5,289,612	968,969	**6,258,581**	-	**6,258,581**
Mr Simon W. Holt	777,889	230,496	**1,008,385**	-	**1,008,385**

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

Mr Garry S. Charny
Director

Mr Peter J. Done
Director

Sydney
10 August 2022

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Centuria Capital Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Centuria Capital Group for the financial year ended 30 June 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG	Paul Thomas
	Partner
	Sydney
	10 August 2022

Centuria Capital Group
ABN 22 095 454 336

Financial report
30 June 2022

Contents

Consolidated statement of comprehensive income

For the year ended 30 June 2022

	Notes	**2022 $'000**	2021 $'000
Revenue	B1, B2	**299,716**	228,932
Share of net profit of equity accounted investments	E1	**7,101**	3,070
Net movement in policyholder liability		**16,514**	5,788
Fair value movements of financial instruments and property	B3	**(190,384)**	103,929
Expenses	B4	**(135,313)**	(155,864)
Finance costs	B5	**(31,593)**	(20,289)
(Loss)/profit before tax		**(33,959)**	165,566
Income tax expense	B6	**(3,402)**	(15,927)
(Loss)/profit after tax		**(37,361)**	149,639
(Loss)/profit after tax is attributable to:			
Centuria Capital Limited		**20,637**	23,431
Centuria Capital Fund (non-controlling interests)		**(58,489)**	120,025
External non-controlling interests		**491**	6,183
(Loss)/profit after tax		**(37,361)**	149,639
Foreign currency translation reserve		**(4,262)**	(757)
Total comprehensive (loss)/income for the year		**(41,623)**	148,882
Total comprehensive (loss)/income for the year is attributable to:			
Centuria Capital Limited		**16,375**	22,674
Centuria Capital Fund (non-controlling interests)		**(58,489)**	120,025
External non-controlling interests		**491**	6,183
Total comprehensive (loss)/income		**(41,623)**	148,882
(Loss)/profit after tax attributable to:			
Centuria Capital Limited		**20,637**	23,431
Centuria Capital Fund (non-controlling interests)		**(58,489)**	120,025
(Loss)/profit after tax attributable to Centuria Capital Group securityholders		**(37,852)**	143,456
		Cents	Cents
(Loss)/earnings per Centuria Capital Group security			
Basic (cents per stapled security)	B7	**(4.8)**	24.6
Diluted (cents per stapled security)	B7	**(4.8)**	24.2
(Loss)/earnings per Centuria Capital Limited share			
Basic (cents per share)		**2.6**	4.0
Diluted (cents per share)		**2.6**	4.0

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

Consolidated statement of financial position
As at 30 June 2022

	Notes	2022 $'000	2021 $'000
Cash and cash equivalents	D2	**200,565**	273,351
Receivables	C2	**113,487**	127,197
Income tax receivable	B6(b)	**6,861**	977
Financial assets	C3	**961,692**	990,524
Other assets		**9,972**	8,679
Inventory	C5	**134,783**	53,744
Deferred tax assets	B6(c)	**50,006**	42,526
Equity accounted investments	E1	**74,769**	55,637
Investment properties	C4	**337,500**	208,140
Right of use asset	C10	**17,006**	19,947
Intangible assets	C6	**788,209**	790,551
Total assets		**2,694,850**	2,571,273
Payables	C7	**134,619**	88,675
Provisions		**5,113**	4,077
Borrowings	C8	**629,385**	426,642
Provision for income tax	B6(b)	**4,165**	1,764
Interest rate swaps at fair value		**18,750**	31,205
Benefit Funds policyholder's liability		**270,557**	303,650
Call/Put option liability	C9	**84,095**	22,690
Deferred tax liabilities	B6(c)	**95,522**	100,572
Lease liability	C10	**19,443**	21,757
Total liabilities		**1,261,649**	1,001,032
Net assets		**1,433,201**	1,570,241
Equity			
Equity attributable to Centuria Capital Limited			
Contributed equity	C11	**389,717**	386,634
Reserves		**3,491**	3,720
Retained earnings		**284,478**	283,058
Total equity attributable to Centuria Capital Limited		**677,686**	673,412
Equity attributable to Centuria Capital Fund (non-controlling interests)			
Contributed equity	C11	**1,025,584**	1,018,822
Retained earnings		**(313,452)**	(183,970)
Total equity attributable to Centuria Capital Fund (non-controlling interests)		**712,132**	834,852
Total equity attributable to Centuria Capital Group securityholders		**1,389,818**	1,508,264
Equity attributable to external non-controlling interests			
Contributed equity		**15,683**	31,781
Retained earnings		**27,700**	30,196
Total equity attributable to external non-controlling interests		**43,383**	61,977
Total equity		**1,433,201**	1,570,241

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity
For the year ended 30 June 2022

	Centuria Capital Limited				Centuria Capital Fund (non-controlling interests)				External non-controlling interests			
	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total $'000	Contributed equity $'000	Retained earnings $'000	Total $'000	Total attributable to Centuria Capital Group Securityholders $'000	Contributed equity $'000	Retained earnings $'000	Total $'000	Total equity $'000
Balance at 1 July 2021	386,634	3,720	283,058	673,412	1,018,822	(183,970)	834,852	1,508,264	31,781	30,196	61,977	1,570,241
Profit for the year	-	-	20,637	20,637	-	(58,489)	(58,489)	(37,852)	-	491	491	(37,361)
Foreign currency translation reserve	-	(4,262)	-	(4,262)	-	-	-	(4,262)	-	-	-	(4,262)
Total comprehensive income for the year	-	(4,262)	20,637	16,375	-	(58,489)	(58,489)	(42,114)	-	491	491	(41,623)
Equity settled share based payments expense	981	4,033	-	5,014	-	-	-	5,014	-	-	-	5,014
Dividends and distributions paid/accrued	-	-	(18,965)	(18,965)	-	(70,523)	(70,523)	(89,488)	-	(3,895)	(3,895)	(93,383)
Securities issued	2,039	-	-	2,039	6,636	-	6,636	8,675	-	-	-	8,675
Cost of equity raising	(173)	-	-	(173)	(344)	-	(344)	(517)	-	-	-	(517)
Change in value of securities issued	236	-	-	236	470	-	470	706	-	-	-	706
Fair value differential on acquisition (impact of transaction as part of stapled group)	-	-	(252)	(252)	-	(470)	(470)	(722)	-	-	-	(722)
Deconsolidation of controlled property funds	-	-	-	-	-	-	-	-	(22,077)	908	(21,169)	(21,169)
Issued equity to non-controlling interests	-	-	-	-	-	-	-	-	5,979	-	5,979	5,979
Balance at 30 June 2022	389,717	3,491	284,478	677,686	1,025,584	(313,452)	712,132	1,389,818	15,683	27,700	43,383	1,433,201

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

Consolidated statement of changes in equity

For the year ended 30 June 2022

	Centuria Capital Limited				Centuria Capital Fund (non-controlling interests)				External non-controlling interests			
	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total $'000	Contributed equity $'000	Retained earnings $'000	Total $'000	Total attributable to Centuria Capital Group securityholders $'000	Contributed equity $'000	Retained earnings $'000	Total $'000	Total equity $'000
Balance at 1 July 2020	177,149	2,901	17,074	197,124	545,744	(9,771)	535,973	733,097	57,230	40,819	98,049	831,146
Profit for the year	-	-	23,431	23,431	-	120,025	120,025	**143,456**	-	6,183	6,183	**149,639**
Foreign currency translation reserve	-	(757)	-	(757)	-	-	-	**(757)**	-	-	-	**(757)**
Total comprehensive income for the year	**-**	**(757)**	**23,431**	**22,674**	**-**	**120,025**	**120,025**	**142,699**	**-**	**6,183**	**6,183**	**148,882**
Acquisition of subsidiaries with Non-controlling interests	-	-	-	-	-	-	-	**-**	18,992	(917)	18,075	**18,075**
Equity settled share based payments expense	1,482	1,576	-	3,058	-	-	-	**3,058**	-	-	-	**3,058**
Dividends and distributions paid/accrued	-	-	(19,808)	(19,808)	-	(40,219)	(40,219)	**(60,027)**	-	(3,295)	(3,295)	**(63,322)**
Transactions with owners in their capacity as owners	-	-	2,671	2,671	-	5,685	5,685	**8,356**	-	-	-	**8,356**
Stapled securities issued	209,208	-	-	209,208	475,185	-	475,185	**684,393**	-	-	-	**684,393**
Cost of equity raising	(1,205)	-	-	(1,205)	(2,107)	-	(2,107)	**(3,312)**	-	-	-	**(3,312)**
Fair value differential on acquisition (impact of transaction as part of stapled group)	-	-	259,690	259,690	-	(259,690)	(259,690)	**-**	-	-	-	**-**
Purchase of external non-controlling interests	-	-	-	-	-	-	-	**-**	(42,982)	(13,387)	(56,369)	**(56,369)**
Deconsolidation of controlled property funds	-	-	-	-	-	-	-	**-**	(1,459)	793	(666)	**(666)**
Balance at 30 June 2021	**386,634**	**3,720**	**283,058**	**673,412**	**1,018,822**	**(183,970)**	**834,852**	**1,508,264**	**31,781**	**30,196**	**61,977**	**1,570,241**

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

Consolidated statement of cash flows
For the year ended 30 June 2022

	Notes	2022 $'000	2021 $'000
Cash flows from operating activities			
Management fees received		**186,462**	110,355
Performance fees received		**20,829**	1,772
Rent received		**27,764**	15,333
Distributions received		**53,119**	38,832
Interest received		**4,531**	2,191
Payments to suppliers and employees		**(106,726)**	(135,469)
Cash received on development projects		**48,511**	42,723
Interest paid		**(26,393)**	(15,355)
Income taxes paid		**(19,560)**	(10,280)
Applications - Benefits Funds		**27,801**	15,611
Redemptions - Benefits Funds		**(44,737)**	(42,851)
Net cash provided by operating activities	D3	**171,601**	22,862
Cash flows from investing activities			
Proceeds from sale of related party investments		**89,817**	33,988
Purchase of investments in related parties		**(164,281)**	(128,519)
Repayment of loans by related parties		**82,991**	3,750
Loans to related parties		**(149,531)**	(31,216)
Loans repaid by other parties		**-**	6,702
(Purchase)/sale of investment property		**(237,700)**	861
Purchase of equity accounted investments		**(28,381)**	(26,089)
Disposal of equity accounted investments		**8,324**	5,000
Payments for property, plant and equipment		**(2,697)**	(3,343)
Cash balance on deconsolidation of property funds		**(12,926)**	105,308
Purchase of subsidiaries		**-**	(104,996)
Collections from reverse mortgage holders		**2,551**	888
Sale/(purchase) of property held for development		**10,149**	(22,621)
Benefit Funds net disposals of investments in financial assets		**12,925**	21,319
Proceeds from sale of investments		**4,737**	-
Return of investment to external non-controlling interests		**-**	(356)
Net cash used in investing activities		**(384,022)**	(139,324)
Cash flows from financing activities			
Proceeds from issue of securities to securityholders of Centuria Capital Group		**8,300**	133,073
Equity raising costs paid		**(328)**	(2,611)
Proceeds from borrowings		**248,719**	242,616
Repayment of borrowings		**(23,395)**	(98,645)
Capitalised borrowing costs paid		**(1,900)**	(4,877)
Distributions paid to securityholders of Centuria Capital Group		**(90,524)**	(52,124)
Proceeds from issues of securities to external non-controlling interests		**3,658**	1,376
Distributions paid to external non-controlling interests		**(3,820)**	(3,227)
Net cash provided by financing activities		**140,710**	215,581
Net (decrease)/increase in cash and cash equivalents		**(71,711)**	99,119
Cash and cash equivalents at the beginning of the financial year		**273,351**	174,458
Effects of exchange rate changes on cash and cash equivalents		**(1,075)**	(226)
Cash and cash equivalents at end of year		**200,565**	273,351

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

A About the report

A1 General information

The shares in Centuria Capital Limited, (the 'Company') and the units in Centuria Capital Fund ('CCF') are stapled and trade together as a single stapled security (‘Stapled Security’) on the ASX as ‘Centuria Capital Group’ (the 'Group') under the ticker code 'CNI'.

The Group is a for-profit entity and its principal activities are the marketing and management of investment products including property investment funds and friendly society investment bonds, as well as co-investments in property investment funds.

Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements of the Group comprising the Company (as ‘Parent’) and its controlled entities for the year ended 30 June 2022 were authorised for issue by the Group’s Board of Directors on 10 August 2022.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for financial assets at fair value through profit and loss, other financial assets, investment properties and derivative financial instruments which have been measured at fair value at the end of each reporting period. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, which is the company’s functional currency, unless otherwise noted.

Assets and liabilities have been presented on the face of the statement of financial position in decreasing order of liquidity and do not distinguish between current and non-current items.

Going concern

The financial report has been prepared on a going-concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Rounding of amounts

The Group is an entity of a kind referred to in ASIC Legislative Instrument 2016/191, related to the ‘rounding off’ of amounts in the Directors’ Report and financial statements. Amounts in the Directors’ Report and financial statements have been rounded off, in accordance with the instrument to the nearest thousand dollars, unless otherwise indicated.

A2 Significant accounting policies

The accounting policies and methods of computation in the preparation of the consolidated financial statements are consistent with those adopted in the previous financial year ended 30 June 2021 with the exception of the adoption of new accounting standards outlined below or in the relevant notes to the consolidated financial statements.

When the presentation or classification of items in the consolidated financial statements has been amended, comparative amounts are also reclassified, unless it is impractical. Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

These financial statements contain all significant accounting policies that summarise the recognition and measurement basis used and which are relevant to provide an understanding of the financial statements. Accounting policies that are specific to a note to the financial statements are described in the note to which they relate.

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in Other Comprehensive Income (OCI):

A2 Significant accounting policies (continued)

- an investment in equity securities designated as at Fair value through OCI (FVOCI) (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the Australian dollar (AUD) at the exchange rate at the reporting date. The income and expenses of foreign operations are translated into AUD at the exchange rates at the date of the transactions.

Foreign currency differences arising from the translation of foreign operations are recognised in OCI and accumulated into the translation reserve, except to the extent that the translation difference is allocated to NCI.

A3 Other new Accounting Standards and Interpretations

The AASB has issued new or amendments to standards that are first effective from 1 July 2021.

The following amended standards and interpretations that have been adopted do not have a significant impact on the Group's consolidated financial statements.

Standards now effective:

AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2
AASB 2020-8 amends AASB 9 Financial Instruments, AASB 7 Financial Instruments: Disclosures, AASB 4 Insurance Contracts, AASB 16 Leases and AASB 139 Financial Instruments: Recognition and Measurement to introduce practical expedients in relation to accounting for modification of financial contracts and/or leases if a change results directly from IBOR reform. Amendments also allow a series of exemptions from the regular hedge accounting rules and introduce additional disclosures requirements.

AASB 2021-3 Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions beyond 30 June 2021
AASB 2021-3 extends the practical expedient introduced by AASB 2020-4 Amendments to Australian Accounting Standards - COVID-19 - Related Rent Concessions by a further 12 months - permitting lessees to apply the relief to rent concessions for which reductions in lease payments were originally due on or before 30 June 2022.

Standards not yet effective:

A number of new standards are effective for annual periods beginning after 1 July 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 17 Insurance Contracts
- AASB 2020-5 Amendments to Australian Accounting Standards - Insurance Contracts
- AASB 2022-1 Amendments to Australian Accounting Standards - Initial application of AASB 17 and AASB 9 - Comparative Information
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2021-7(a-c) Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

A4 Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense that are not readily apparent from other sources. The judgements, estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in the following notes:

- Note B2 Revenue - Performance fees
- Note C4 Investment properties
- Note C6 Intangible assets
- Note F2 Financial instruments

A5 Segment summary

As at 30 June 2022 the Group has six reportable operating segments. These reportable operating segments are the divisions which report to the Group's Joint Chief Executive Officers and Board of Directors for the purpose of resource allocation and assessment of performance.

The reportable operating segments are:

Operating segments	Description
Property Funds Management	Management of listed and unlisted property funds.
Co-Investments	Direct interest in property funds, properties held for sale and other liquid investments
Developments	Management of development projects and completion of structured property developments which span sectors ranging from Commercial Office, Industrial, Health through to Residential Mixed Use.
Property & Development Finance	Provision of real estate secured non-bank finance for land sub-division, bridging finance, development projects and residual stock.
Investment Bonds Management	Management of the Benefit Funds of Centuria Life Limited and management of the Over Fifty Guardian Friendly Society Limited. The Benefit Funds include a range of financial products, including single and multi-premium investments.
Corporate	Overheads for supporting the Group's operating segments and management of a reverse mortgage lending portfolio.

In addition, the Group also provides disclosures in relation to a further four non-operating segments, which are:

Non-operating segments	Description
Non-operating items	Comprises transaction costs, mark-to-market movements in investment, property and derivative financial instruments, share of equity accounted net profit in excess of distributions received and all other non-operating activities.
Benefit Funds	Represents the operating results and financial position of the Benefit Funds of Centuria Life Limited which are required to be consolidated in the Group's financial statements in accordance with accounting standards.
Controlled Property Funds	Represents the operating results and financial position of property funds which are managed by the group and consolidated under accounting standards. The Group's principal activities do not include direct ownership of these funds for the purpose of measuring control under accounting standards and deriving rental income. Therefore the results attributable to the controlled property funds are excluded from operating profit. However, the performance management of the controlled property funds is included in operating profit, aligned with how performance of the business is assessed by management of the Group.
Eliminations	Elimination of transactions between the operating segments and the other non-operating segments above, including transactions between the operating entities within the Group, the property funds controlled by the Group and the benefit funds.

The accounting policies of reportable segments are the same as the Group's accounting policies.

Refer below for an analysis of the Group's segment results:

- Note B1 Segment profit and loss
- Note C1 Segment balance sheet
- Note D1 Operating segment cash flows

B Business performance

B1 Segment profit and loss

For the year ended 30 June 2022	Notes	Property Funds Management $'000	Co-Investments $'000	Development $'000	Property and development finance $'000	Investment Bonds Management $'000	Corporate $'000	Operating profit $'000	Non operating items $'000	Benefits Funds $'000	Controlled Property Funds $'000	Eliminations $'000	Statutory profit $'000
Management fees		124,634	-	11,447	-	10,723	-	**146,804**	-	-	-	(6,439)	**140,365**
Property acquisition fees		26,850	-	-	-	-	-	**26,850**	-	-	-	-	**26,850**
Property performance fees		32,950	-	-	-	-	-	**32,950**	-	-	-	-	**32,950**
Financing fees		1,986	-	73	4,592	-	-	**6,651**	(4,592)	-	-	-	**2,059**
Development revenue		-	-	14,246	-	-	-	**14,246**	-	-	-	-	**14,246**
Property sales fees		2,326	-	-	-	-	-	**2,326**	-	-	-	-	**2,326**
Interest revenue		120	1,450	758	2,886	-	3,235	**8,449**	(2,886)	430	2	(59)	**5,936**
Rental income		-	1,272	450	-	-	62	**1,784**	-	-	18,271	-	**20,055**
Recoverable outgoings		-	-	-	-	-	-	**-**	-	-	5,402	-	**5,402**
Distribution/dividend revenue		-	45,515	-	-	-	-	**45,515**	(2,706)	6,541	-	(4,212)	**45,138**
Underwriting fees		3,473	-	-	-	-	-	**3,473**	-	-	-	-	**3,473**
Other income		790	564	898	307	528	474	**3,561**	(2,818)	41	132	-	**916**
Total Revenue	**B2**	**193,129**	**48,801**	**27,872**	**7,785**	**11,251**	**3,771**	**292,609**	**(13,002)**	**7,012**	**23,807**	**(10,710)**	**299,716**
Share of net profit of equity accounted investments	E1	-	-	-	-	-	-	**-**	7,101	-	-	-	**7,101**
Net movement in policyholder liabilities		-	-	-	-	-	-	**-**	-	16,514	-	-	**16,514**
Fair value movements of financial instruments and property	B3	-	-	-	-	-	-	**-**	(167,087)	(24,848)	32	1,519	**(190,384)**
Cost of sales		-	-	(12,653)	-	-	-	**(12,653)**	-	-	-	-	**(12,653)**
Expenses	B4	(74,839)	(374)	(8,738)	(3,621)	(6,693)	(22,176)	**(116,441)**	237	(5,429)	(7,199)	6,172	**(122,660)**
Finance costs	B5	(5,884)	(17,765)	(7)	(5)	(11)	(2,385)	**(26,057)**	(1,063)	(2)	(2,779)	(1,692)	**(31,593)**
(Loss)/profit before tax		112,406	30,662	6,474	4,159	4,547	(20,790)	**137,458**	(173,814)	(6,753)	13,861	(4,711)	**(33,959)**
Income tax benefit/(expense)	B6	(33,621)	(1,799)	(1,948)	(1,247)	(1,135)	16,802	**(22,948)**	12,793	6,753	-	-	**(3,402)**
(Loss)/profit after tax		**78,785**	**28,863**	**4,526**	**2,912**	**3,412**	**(3,988)**	**114,510**	**(161,021)**	**-**	**13,861**	**(4,711)**	**(37,361)**
(Loss)/profit after tax attributable to:													
Centuria Capital Limited		78,785	5,965	4,526	2,912	3,412	(53,393)	**42,207**	(21,570)	-	-	-	**20,637**
Centuria Capital Fund		-	22,898	-	-	-	49,405	**72,303**	(139,451)	-	13,370	(4,711)	**(58,489)**
(Loss)/profit after tax attributable to Centuria Capital Group securityholders		**78,785**	**28,863**	**4,526**	**2,912**	**3,412**	**(3,988)**	**114,510**	**(161,021)**	**-**	**13,370**	**(4,711)**	**(37,852)**
Non-controlling interests		-	-	-	-	-	-	**-**	-	-	491	-	**491**
(Loss)/profit after tax		**78,785**	**28,863**	**4,526**	**2,912**	**3,412**	**(3,988)**	**114,510**	**(161,021)**	**-**	**13,861**	**(4,711)**	**(37,361)**

B1 Segment profit and loss (continued)

For the year ended 30 June 2021	Notes	Property Funds Management $'000	Co-Investments $'000	Development $'000	Property and Development Finance $'000	Investment Bonds Management $'000	Corporate $'000	Operating profit $'000	Non operating items $'000	Benefits Funds $'000	Controlled Property Funds $'000	Eliminations $'000	Statutory profit $'000
Management fees		73,437	-	2,528	-	7,433	-	**83,398**	-	-	-	(3,879)	**79,519**
Property acquisition fees		7,881	-	-	-	-	-	**7,881**	-	-	-	-	**7,881**
Property performance fees		17,908	-	-	-	-	-	**17,908**	-	-	-	-	**17,908**
Financing fees		420	-	-	863	-	-	**1,283**	(863)	-	-	-	**420**
Development revenue		-	-	50,271	-	-	-	**50,271**	-	-	-	-	**50,271**
Property sales fees		769	-	-	-	-	-	**769**	-	-	-	-	**769**
Interest revenue		170	830	-	-	20	2,786	**3,806**	-	768	-	(60)	**4,514**
Rental income		3,977	-	78	-	-	162	**4,217**	-	-	10,212	-	**14,429**
Recoverable outgoings		-	-	-	-	-	-	**-**	-	-	3,464	-	**3,464**
Distribution/dividend revenue		-	35,753	-	-	-	-	**35,753**	(1,469)	8,813	-	(2,371)	**40,726**
Premiums - discretionary participation features		-	-	-	-	-	-	**-**	-	1,441	-	-	**1,441**
Underwriting fees		5,090	-	-	-	-	-	**5,090**	-	-	-	-	**5,090**
Other income		-	40	12	-	552	1,736	**2,340**	-	73	87	-	**2,500**
Total revenue		**109,652**	**36,623**	**52,889**	**863**	**8,005**	**4,684**	**212,716**	**(2,332)**	**11,095**	**13,763**	**(6,310)**	**228,932**
Share of net profit of equity accounted investments	E1	-	-	-	-	-	-	**-**	3,070	-	-	-	**3,070**
Net movement in policyholder liabilities		-	-	-	-	-	-	**-**	-	5,788	-	-	**5,788**
Fair value movements of financial instruments and property	B3	-	-	-	-	-	-	**-**	79,843	20,348	8,048	(4,310)	**103,929**
Expenses	B4	(45,811)	(234)	(3,708)	(440)	(7,086)	(16,382)	**(73,661)**	(4,503)	(29,741)	(7,159)	3,879	**(111,185)**
Cost of sales		-	-	(44,679)	-	-	-	**(44,679)**	-	-	-	-	**(44,679)**
Finance costs	B5	(1,133)	(11,168)	(6)	-	(3)	(2,578)	**(14,888)**	(3,262)	(3)	(2,196)	60	**(20,289)**
Profit/(Loss) before tax		62,708	25,221	4,496	423	916	(14,276)	**79,488**	72,816	7,487	12,456	(6,681)	**165,566**
Income tax benefit/(expense)	B6	(18,150)	845	(1,077)	(137)	(369)	9,611	**(9,277)**	837	(7,487)	-	-	**(15,927)**
Profit/(Loss) after tax		**44,558**	**26,066**	**3,419**	**286**	**547**	**(4,665)**	**70,211**	**73,653**	**-**	**12,456**	**(6,681)**	**149,639**
Profit/(loss) after tax attributable to:													
Centuria Capital Limited		44,558	4,534	3,419	286	547	(24,026)	**29,318**	(5,887)	-	-	-	**23,431**
Centuria Capital Fund		-	21,532	-	-	-	19,361	**40,893**	79,540	-	1,824	(2,232)	**120,025**
Profit/(loss) after tax attributable to Centuria Capital Group securityholders		**44,558**	**26,066**	**3,419**	**286**	**547**	**(4,665)**	**70,211**	**73,653**	**-**	**1,824**	**(2,232)**	**143,456**
Non-controlling interests		-	-	-	-	-	-	**-**	-	-	10,632	(4,449)	**6,183**
Profit/(loss) after tax		**44,558**	**26,066**	**3,419**	**286**	**547**	**(4,665)**	**70,211**	**73,653**	**-**	**12,456**	**(6,681)**	**149,639**

B2 Revenue

Revenue has been disaggregated in the segment profit and loss in Note B1.

(a) Recognition and measurement

Type of revenue	Description	Revenue recognition policy
Management fees	The Group provides:	
	a) fund management services to property funds in accordance with the fund constitutions. The services are provided on an ongoing basis and revenue is calculated and recognised in accordance with the relevant constitution. The fees are invoiced and paid monthly in arrears.	Over-time
	b) property management services to the owners of property assets in accordance with property services agreements. The services are utilised on an ongoing basis and revenue is calculated and recognised in accordance with the specific agreement. The fees are invoiced monthly with variable payment terms depending on the individual agreements.	Over-time
	c) lease management services to the owners. The revenue is recognised when the specific service is delivered (e.g. on lease execution) and consideration is due 30 days from invoice date.	Point-in-time
	d) development management services to the owners of property assets in accordance with development management agreements. Revenue is calculated in accordance with the specific agreement and invoiced in accordance with the contract terms. Consideration is due from the customer based on the specific terms agreed in the contract and is recognised when the Company has control of the benefit.	Over-time
Distribution/ dividend revenue	Distribution/dividend revenue from investments is recognised when the shareholder has a right to receive payment.	Point-in-time
Interest Revenue	Interest revenue is accrued on an over-time by reference to the principal outstanding using the effective interest rate.	Over-time
Rental Income	Rental income from investment property is recognised in profit or loss on a straight line basis over the term of the lease.	Over-time
Finance Work Fees	Liquidity management services to property funds in accordance with the fund constitutions. The revenue is recognised when the specific service is delivered (e.g. on facility execution) and consideration is due 30 days from invoice date.	Point-in-time

B2 Revenue (continued)

(a) Recognition and measurement (continued)

Type of revenue	Description	Revenue recognition policy
Performance fees	The Group receives a performance fee for providing management services where the property fund outperforms a set internal rate of return (IRR) benchmark at the time the property is sold. Consideration is due upon successful sale of the investment property if the performance hurdles are satisfied. In measuring the performance fees to be recognised each period, consideration is given to the facts and circumstances with respect to each investment property including external factors such as its current valuation, passage of time and outlook of the property market. Performance fees are only recognised when they are deemed to be highly probable and the amount of the performance fees will not result in a significant reversal in future periods. The Group's performance fees are recognised over-time under AASB 15 Revenue from Contracts with Customers. The key assumptions made in estimating the amount of performance fee revenue that is highly probable include:	Over-time
	>2 years from forecast fund end date: It is assumed that the highly probable threshold is only met when the forecast end date of the fund is within two years from balance date. The forecast end date is generally based on the relevant fund end date as expressed in the relevant PDS or a revised fund end date in the event that an alternative strategy is undertaken by the Group, in which case the unbooked portion of any forecast performance fees are recognised over the extended term of the fund. In instances where the fund term is extended beyond two years from the reporting date and the Group has already accrued a performance fee in prior periods, the Group will continue to accrue any additional fee over the extended remaining period.	
	Probability thresholds for sensitivity to property valuations: The level of constraint applied to performance fee revenue is adjusted depending on remaining fund tenure. Specifically, a discount in property values between 10.0% to 20.0% is applied, depending on when in the two-year window the fund is expected to wind up. In instances where the fund term is extended beyond two years from the reporting date and the Group has already accrued a performance fee in prior periods, a discount in property values between 2.5% to 10.0% is applied depending on the remaining fund term as it is assumed the fund term extension was on the basis that fund performance can be further enhanced, thereby reducing the risk of valuation decrements and increasing the likelihood of achieving the full performance fee.	
	Fair value of investment properties: The fair value of investment properties is based on the latest available valuation of the underlying property from the published financial statements or board approved valuations.	
Recoverable outgoings	The Group recovers the costs associated with general building and tenancy operation from lessees in accordance with specific clauses within lease agreements. These are invoiced monthly based on an annual estimate. The consideration is due 30 days from invoice date. Should any adjustment be required based on actual costs incurred, this is recognised in the statement of financial performance within the same reporting period and billed annually.	Over-time
Property acquisition fees	The Group provides property acquisition related services to property funds and the revenue is based on a fixed percentage included in the PDS issued at the establishment of the fund. The consideration is due upon successful settlement of the investment property.	Point-in-time
Property sales fees	The Group provides sales services to the owners of property assets in accordance with property management agreements. The consideration is due upon successful sale of the investment property.	Point-in-time
Development revenue	The Group recognises development revenue based on satisfaction of performance obligations on an over-time basis as its customers control the land on which the developments are being delivered.	Over-time

B2 Revenue (continued)

(b) Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	Recognised in 2022 $'000	Unrecognised performance obligations 2022 $'000	Recognised in 2021 $'000	Unrecognised performance obligations 2021 $'000
Property performance fees*	32,950	179,273	17,908	21,388
Development revenue	14,246	25,954	49,664	2,280
Management fees**	57,822	75,999	22,308	86,544

* The underlying property funds managed by the Group have embedded performance fees of $215,081,000 as at 30 June 2022. Based on the assumptions outlined in B2(a), the total estimated amount of performance fees available to the Group to recognise in the future is $179,273,000. Unrecognised performance fees are based on current valuations with fund expiries ranging up to FY30 and may not be fees that will eventuate nor recognised upon Fund expiry or at the point performance fees recognition will normally be triggered.

** Only relates to unlisted property funds management fees which have defined fund terms.

(c) Transactions with related parties

Management fees are charged to related parties in accordance with the respective trust deeds and management agreements.

	2022 $	2021 $
Management fees from Property Funds managed by Centuria	**134,751,000**	75,021,656
Distributions from Property Funds managed by Centuria	**38,597,343**	31,620,548
Performance fees from Property Funds managed by Centuria	**32,950,250**	17,908,370
Property acquisition fees from Property Funds managed by Centuria	**26,850,177**	7,881,250
Interest from Debt Funds managed by Centuria	**2,885,503**	1,194,002
Management fees from Over Fifty Guardian Friendly Society	**3,618,246**	3,725,242
Sales fees from Property Funds managed by Centuria	**2,326,011**	769,175
Underwriting fees in relation to Property Funds managed by Centuria	**3,472,595**	5,089,589
Interest income on loans to Property Funds managed by Centuria	**1,381,964**	701,934
Fees from Debt funds managed by Centuria	**307,120**	582,098
	247,140,209	144,493,864

Terms and conditions of transactions with related parties

Investments in property funds and benefit funds held by certain directors and director-related entities are made on the same terms and conditions as all other investors and policyholders. Directors and director-related entities receive the same returns on these investments as all other investors and policyholders.

The Group pays some expenses on behalf of related entities and receives a reimbursement for those payments.

B3 Fair value movements of financial instruments and property

The following table provides a summary of fair value movements of investments during the year.

	2022 $'000	2021 $'000
Movement in Centuria Industrial REITs listed market price	**(101,599)**	64,786
Movement in Centuria Office REITs listed market price	**(56,719)**	27,358
Fair value movement in Healthcare put/call option	**(26,005)**	(5,523)
Other fair value movements	**(6,061)**	17,308
Total fair value movement	**(190,384)**	103,929

B4 Expenses

	2022 $'000	2021 $'000
Employee benefits expense	**75,410**	49,410
Cost of sales - development	**12,653**	44,679
Property management fees paid	**4,594**	4,168
Property outgoings and fund expenses	**5,393**	5,652
Consulting and professional fees	**5,109**	4,077
Insurance costs	**5,000**	1,747
Transaction costs	**3,652**	5,220
Depreciation Expense	**4,179**	3,731
Administration fees	**3,278**	1,943
Information Technology expenses	**3,359**	1,870
Acquisition fee rebates expense	**1,360**	-
Claims - discretionary participation features	**165**	26,804
Other expenses	**11,161**	6,563
	135,313	155,864

(a) Transactions with key management personnel

i Transactions with directors

For transactions with directors, refer to details included in the Audited Remuneration Report on page 15.

ii Key management personnel compensation

The aggregate compensation paid to key management personnel of the Group is set out below:

	2022 $	2021 $
Short-term employee benefits	**9,678,084**	8,120,098
Post-employment benefits	**160,976**	144,764
Other long-term employment benefits	**138,167**	144,793
Share-based payments	**2,796,274**	2,010,647
	12,773,501	10,420,302

Detailed information on key management personnel is included in the Audited Remuneration Report.

B5 Finance costs

	2022 $'000	2021 $'000
Operating interest charges	**18,112**	12,497
Bank loans in Controlled Property Funds interest charges	**2,779**	2,196
Reverse mortgage facility interest charges	**1,999**	2,334
Loss/(gain) on derivatives on fair value hedges	**(14,503)**	8,080
(Gain)/loss on financial assets fair value hedges	**14,503**	(8,080)
Finance charge - puttable instruments	**5,884**	1,133
Other finance costs	**1,750**	1,006
Finance lease interest	**1,069**	1,123
	31,593	20,289

Recognition and measurement

The Group's finance costs include:

- interest expense recognised using the effective interest rate method; and
- the net gain or loss on hedging instruments that are recognised in profit or loss.

B6 Taxation

	2021 $'000	2020 $'000
Current tax expense in respect of the current year	**23,877**	7,048
Adjustments to current tax in relation to prior years	**(1,117)**	61
	22,760	7,109
Deferred tax (benefit)/expense relating to the origination and reversal of temporary differences	**(18,468)**	8,904
Adjustments to deferred tax in relation to prior years	**(890)**	(86)
Income tax expense	**3,402**	15,927

(a) Reconciliation of income tax expense

The prima facie income tax expense on profit before income tax reconciles to the income tax expense in the consolidated financial statements as follows:

	2022 $'000	2021 $'000
(Loss)/profit before tax	**(33,956)**	165,566
Less: (loss)/profit not subject to income tax	**45,169**	(114,680)
	11,213	50,886
Income tax expense calculated at 30%	**3,364**	15,266
Add/(deduct) tax effect of amounts which are not deductible/(assessable)		
Tax offset for franked dividends	**(301)**	(389)
Adjustments due to foreign exchange	**-**	(86)
Non-allowable expenses - other	**1,415**	1,007
Adjustments to income tax expense in relation to prior years	**(1,117)**	61
Effects of different tax rates of subsidiaries operating in other jurisdictions	**41**	68
Income tax expense	**3,402**	15,927

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable for Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period. Taxable income derived for New Zealand tax purposes is at the tax rate of 28%.

(b) Current tax assets and liabilities

	2022 $'000	2021 $'000
Current tax assets/(liabilities) attributable to:		
Income tax receivable/(payable) - Australia	**3,721**	(996)
Income tax receivable - New Zealand	**-**	977
Income tax payable to benefit fund policy holders - Australia	**(1,025)**	(768)
	2,696	(787)

B6 Taxation (continued)

(c) Movement of deferred tax balances

Financial year ended 30 June 2022	Opening balance $'000	Movement $'000	Closing balance $'000
Deferred tax assets			
Provisions	3,498	(633)	2,865
Transaction costs	4,387	195	4,582
Capital losses	24,781	(1,468)	23,313
Revenue tax losses	2,943	(1,402)	1,541
Financial derivatives	2,319	9,034	11,353
Property held for development	3,942	1,772	5,714
Right of use asset/Lease liability	48	67	115
Equity accounted investment	523	-	523
Other	85	(85)	-
	42,526	7,480	50,006
Deferred tax liabilities			
Indefinite life management rights	(86,678)	-	(86,678)
Accrued performance fees	(6,345)	(5,189)	(11,534)
Accrued income	(352)	(56)	(408)
Unrealised gain/(loss) on financial assets	(6,794)	10,286	3,492
Other	(403)	9	(394)
	(100,572)	5,050	(95,522)

Financial year ended 30 June 2021	Opening balance $'000	Movement $'000	Closing balance $'000
Deferred tax assets			
Provisions	2,164	1,334	3,498
Transaction costs	3,762	625	4,387
Capital losses	25,128	(347)	24,781
Financial derivatives	2,757	(438)	2,319
Revenue tax losses	1,118	1,825	2,943
Property held for development	3,964	(22)	3,942
Right of use asset/Lease liability	103	(55)	48
Equity accounted investment	523	-	523
Other	-	85	85
	39,519	3,007	42,526
Deferred tax liabilities			
Indefinite life management rights	(33,253)	(53,425)	(86,678)
Accrued performance fees	(1,498)	(4,847)	(6,345)
Accrued income	(290)	(62)	(352)
Unrealised gain/(loss) on financial assets	(381)	(6,413)	(6,794)
Other	(403)	-	(403)
	(35,825)	(64,747)	(100,572)

Recognition and measurement

Income tax expense represents the sum of the tax currently payable and payable on a deferred basis.

B6 Taxation (continued)

Recognition and measurement (continued)

i *Current tax*

The tax currently payable is based on taxable income for the year. Taxable income differs from profit as reported in the consolidated profit or loss because of items of income or expense that are assessable or deductible in other years as well as items that are never assessable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii *Deferred tax*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases.

Deferred tax liabilities are generally recognised for all assessable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and tax offsets, to the extent that it is probable that sufficient future taxable profits will be available to utilise them.

However, deferred tax assets and liabilities are not recognised for:

- assessable temporary differences that arise from the initial recognition of assets or liabilities in a transaction that is not a business combination which affects neither taxable income nor accounting profit;
- assessable temporary differences relating to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- assessable temporary differences arising from goodwill

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The applicable rates are 30% for deferred tax assets and liabilities arising to the Australian subsidiaries of the Company and 28% for deferred tax asset and liabilities arising to the New Zealand subsidiaries of the Company. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

iii *Tax consolidation*

The Company and all its wholly-owned Australian resident subsidiaries are part of a tax consolidated group under Australian taxation law. The Company is the head company of the tax consolidated group. Tax expense/benefit, deferred tax assets and deferred tax liabilities arising from temporary differences of the members of the tax consolidated group are recognised in their separate financial statements using a 'standalone taxpayer' approach. Under the tax funding agreement between members of the tax consolidated group, amounts are recognised as payable to or receivable by each member in relation to the tax contribution amounts paid or payable between the Company and the members of the the tax consolidated group.

The Benefit Funds are part of the tax consolidated group, and they are allocated a share of the income tax liability attributable to Centuria Life Limited equal to the income tax liability that would have arisen to the Benefit Funds had they been stand-alone entities.

Centuria Capital Fund ('CCF') and its sub-trusts are not part of the tax consolidated group. Under current Australian income tax legislation, trusts are not liable for income tax, provided their securityholders are presently entitled to the net (taxable) income of the trust including realised capital gains, each financial year.

B6 Taxation (continued)

Recognition and measurement (continued)

iii *Tax consolidation (continued)*

Primewest Group Limited (Primewest Group) was not a wholly-owned subsidiary of the Company for tax purposes at 30 June 2021 and is its own tax consolidated group at 30 June 2021. Primewest Group's tax rate was 27.5% prior to the company's acquisition of Primewest Group Limited. The tax rate was increased to 30% retrospectively on the date of acquisition in accordance with Australian tax legislation. From 1 August 2021, Primewest Group formed part of the Company's consolidated tax group as a result of the Company acquiring the remaining interest post year-end.

Centuria Healthcare Pty Ltd ('Centuria Healthcare') is not a wholly-owned subsidiary of the Company at 30 June 2022. Centuria Healthcare has its own tax consolidated group with its wholly-owned subsidiaries for the full year. Centuria Healthcare is the head company of the Centuria Healthcare tax consolidated group. Tax expense/benefit, deferred tax assets and deferred tax liabilities arising from temporary differences of the members of the tax consolidated group are recognised in their separate financial statements using a 'standalone taxpayer' approach. As no tax funding agreement existed at 30 June 2022 between the members of the tax consolidated group, any amounts payable or receivable in relation to the tax contribution for each entity is recognised as a contribution of capital with the head company of the tax consolidated group.

The New Zealand tax resident subsidiaries of the Company are all stand-alone taxpayers from a New Zealand income tax perspective as they have not elected to form a consolidated group for New Zealand tax purposes.

iv *Current and deferred tax for the period*

Income taxes relating to items recognised directly in equity are recognised directly in equity and not in the statement of comprehensive income. In the case of a business combination, the tax effect is included in the accounting for the business combination.

B7 (Losses)/earnings per security

	2022 Cents	2021 Cents
Basic (cents per stapled security)	**(4.8)**	24.6
Diluted (cents per stapled security)[(i)]	**(4.8)**	24.2

The (losses)/earnings used in the calculation of basic and diluted (losses)/earnings per security is the (loss)/profit for the year attributable to Centuria Capital Group securityholders as reported in the consolidated statement of comprehensive Income.

[(i)]As the Group is in a statutory loss, the Diluted EPS is equal to Basic EPS.

The weighted average number of ordinary securities used in the calculation of basic and diluted earnings per security is as follows:

	2022	2021
Weighted average number of ordinary securities (basic)	**791,188,235**	584,215,946
Weighted average number of ordinary securities (diluted) [(i)]	**800,319,140**	591,683,198

[(i)] The weighted average number of ordinary securities used in the calculation of diluted earnings per security is determined as if 30 June 2022 was the end of the performance period of the grants of Rights under the LTI Plan. All Rights that would have vested if 30 June 2022 was the end of the performance period are deemed to have been issued at the start of the financial year.

B8 Dividends and distributions

	2022 Cents per security	2022 Total $'000	2021 Cents per security	2021 Total $'000
Dividends/distributions paid during the year				
Final year-end dividend (fully franked)	**2.10**	**12,605**	1.80	8,690
Final year-end distribution	**3.40**	**20,408**	3.40	16,420
Interim dividend (fully franked)	**1.20**	**9,482**	1.20	7,203
Interim distribution	**4.30**	**33,977**	3.30	19,811
Dividends/distributions declared during the year				
Final dividend (fully franked) [(i)]	**0.90**	**7,114**	2.10	12,605
Final distribution [(i)]	**4.60**	**36,363**	3.40	20,408

[(i)] The Group declared a final dividend/distribution in respect of the year ended 30 June 2022 of 5.5 cents per stapled security which included a fully franked dividend of 0.9 cents per share and a trust distribution of 4.6 cents per unit. The final dividend had a record date of 30 June 2022 and payable on 11 August 2022. The total amount paid of $43,477,000 (2020: $33,013,000) has been provided for as a liability in these financial statements.

(a) Franking credits

	2022 $'000	2021 $'000
Amount of franking credits available to shareholders of the Company[(i)]	**9,447**	11,297

[(i)] Before taking into account the impact of the final dividend paid on 11 August 2022

Of the franking credit balance of $9,447,000 at 30 June 2022, $7,179,000 relates to the Centuria Capital Limited tax consolidated group and $2,268,000 relates to the Centuria Healthcare tax consolidated group.

C Assets and liabilities

C1 Segment balance sheet

As at 30 June 2022	Notes	Property Funds Management $'000	Co-Investments $'000	Development $'000	Property and development finance $'000	Investment Bonds Management $'000	Corporate $'000	Operating balance sheet $'000	Benefits Funds $'000	Controlled Property Funds $'000	Eliminations $'000	Statutory balance sheet $'000
Assets												
Cash and cash equivalents	D2	94,123	11,763	39,313	-	7,616	32,184	**184,999**	9,503	6,063	-	**200,565**
Receivables	C2	72,451	14,034	10,250	-	388	8,818	**105,941**	4,187	3,359	-	**113,487**
Income tax receivable	B6	-	-	-	-	-	6,861	**6,861**	-	-	-	**6,861**
Financial assets	C3	-	726,579	-	-	-	38,008	**764,587**	257,328	31	(60,254)	**961,692**
Other assets		-	-	-	-	63	9,909	**9,972**	-	-	-	**9,972**
Inventory	C5	-	88,712	40,690	-	-	-	**129,402**	-	5,648	(267)	**134,783**
Deferred tax assets	B6(c)	22,883	1,182	4,668	-	373	17,512	**46,618**	3,388	-	-	**50,006**
Equity accounted investments	E1	-	49,117	-	25,765	-	-	**74,882**	-	-	(113)	**74,769**
Investment properties	C4	-	-	-	-	-	-	**-**	-	337,500	-	**337,500**
Right of use asset	C10	-	-	-	-	-	17,006	**17,006**	-	-	-	**17,006**
Intangible assets	C6	788,209	-	-	-	-	-	**788,209**	-	-	-	**788,209**
Total assets		**977,666**	**891,387**	**94,921**	**25,765**	**8,440**	**130,298**	**2,128,477**	**274,406**	**352,601**	**(60,634)**	**2,694,850**
Liabilities												
Payables	C7	35,549	61,835	6,353	-	2,832	19,549	**126,118**	1,018	7,677	(194)	**134,619**
Provisions		3,002	-	-	-	-	2,111	**5,113**	-	-	-	**5,113**
Borrowings	C8	-	436,705	-	-	-	3,606	**440,311**	-	190,239	(1,165)	**629,385**
Provision for income tax	B6	2,620	-	-	-	-	395	**3,015**	1,150	-	-	**4,165**
Interest rate swap at fair value		-	-	-	-	-	18,750	**18,750**	-	-	-	**18,750**
Benefit Funds policy holders' liability		-	-	-	-	-	-	**-**	270,557	-	-	**270,557**
Call/Put option liability		-	-	-	-	-	48,695	**48,695**	-	-	35,400	**84,095**
Deferred tax liability	B6(c)	93,310	-	192	-	275	64	**93,841**	1,681	-	-	**95,522**
Lease liability	C10	-	-	-	-	-	19,443	**19,443**	-	-	-	**19,443**
Total liabilities		**134,481**	**498,540**	**6,545**	**-**	**3,107**	**112,613**	**755,286**	**274,406**	**197,916**	**34,041**	**1,261,649**
Net assets		**843,185**	**392,847**	**88,376**	**25,765**	**5,333**	**17,685**	**1,373,191**	**-**	**154,685**	**(94,675)**	**1,433,201**

C1 Segment balance sheet (continued)

As at 30 June 2021	Notes	Property Funds Management $'000	Co-Investments $'000	Development $'000	Investment Bonds Management $'000	Property and Development Finance $'000	Corporate $'000	Operating balance sheet $'000	Benefits Funds $'000	Controlled Property Funds $'000	Eliminations $'000	Statutory balance sheet $'000
Assets												
Cash and cash equivalents	D2	54,497	158,418	9,526	2,638	-	24,558	**249,637**	16,835	6,879	-	**273,351**
Receivables	C2	47,573	27,910	2,462	269	-	8,715	**86,929**	6,049	1,475	(194)	**94,259**
Contract Asset	C2	-	-	32,938	-	-	-	**32,938**	-	-	-	**32,938**
Income tax receivable		306	-	-	-	-	671	**977**	-	-	-	**977**
Financial assets	C3	-	695,871	-	-	-	54,309	**750,180**	288,179	-	(47,835)	**990,524**
Other assets		141	-	13	84	-	8,441	**8,679**	-	-	-	**8,679**
Investment properties	C4	-	-	-	-	-	-	**-**	-	208,140	-	**208,140**
Property held for development		-	-	53,744	-	-	-	**53,744**	-	-	-	**53,744**
Deferred tax assets		28,553	-	4,152	-	-	9,821	**42,526**	-	-	-	**42,526**
Equity accounted investments	E1	-	29,933	-	-	25,704	-	**55,637**	-	-	-	**55,637**
Right of use asset		-	-	-	-	-	19,947	**19,947**	-	-	-	**19,947**
Intangible assets	C6	790,551	-	-	-	-	-	**790,551**	-	-	-	**790,551**
Total assets		**921,621**	**912,132**	**102,835**	**2,991**	**25,704**	**126,462**	**2,091,745**	**311,063**	**216,494**	**(48,029)**	**2,571,273**
Liabilities												
Payables	C7	5,593	29,220	3,308	1,230	-	44,541	**83,892**	385	4,592	(194)	**88,675**
Provisions		2,417	-	-	-	-	1,660	**4,077**	-	-	-	**4,077**
Borrowings	C8	-	298,440	15,955	-	-	7,006	**321,401**	-	106,428	(1,187)	**426,642**
Provision for income tax		5,658	-	-	-	-	(4,662)	**996**	768	-	-	**1,764**
Interest rate swap at fair value		-	-	-	-	-	31,205	**31,205**	-	-	-	**31,205**
Benefit Funds policy holders' liability		-	-	-	-	-	-	**-**	303,650	-	-	**303,650**
Deferred tax liability	B6(c)	90,074	-	-	-	-	4,238	**94,312**	6,260	-	-	**100,572**
Call/Put option liability		-	-	-	-	-	22,690	**22,690**	-	-	-	**22,690**
Lease liability		-	-	-	-	-	21,757	**21,757**	-	-	-	**21,757**
Total liabilities		**103,742**	**327,660**	**19,263**	**1,230**	**-**	**128,435**	**580,330**	**311,063**	**111,020**	**(1,381)**	**1,001,032**
Net assets		**817,879**	**584,472**	**83,572**	**1,761**	**25,704**	**(1,973)**	**1,511,415**	**-**	**105,474**	**(46,648)**	**1,570,241**

C2 Receivables

	Notes	2022 $'000	2021 $'000
Receivables from related parties	C2(a)	**92,342**	63,252
Other receivables[i]		**21,047**	31,007
Contract assets - development		**98**	32,938
		113,487	127,197

[i] Prior year other receivables includes $16,400,000 of receivables from the sale of Vitalharvest shares.

All receivables are current except for $11,013,000 of performance fees receivable which are non-current. These are located in Note C2(a)

The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

(a) Receivables from related parties

The following amounts were owed by related parties of the Group at the end of the financial year:

	2022 $	2021 $
Performance fees owing from property funds managed by Centuria	**35,863,456**	24,296,035
Management fees owing from property funds managed by Centuria	**26,216,186**	13,772,263
Loan receivable from Centuria Government Income Property Fund	**-**	11,248,798
Recoverable expenses owing from property funds managed by Centuria	**16,825,906**	5,913,021
Distribution receivable from Centuria Industrial REIT	**4,373,677**	3,941,846
Distribution receivable from Centuria Office REIT	**3,780,375**	3,336,852
Deposits receivable from property funds managed by Centuria	**3,757,900**	-
Distribution receivable from unlisted property funds managed by Centuria	**1,238,847**	743,345
Sales fees owing from property funds managed by Centuria	**286,032**	-
	92,342,379	63,252,160

Recognition and measurement

Receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method, less an allowance for impairment. Due to the short-term nature of these financial rights, their carrying amounts are estimated to represent their fair values.

i *Contract assets - development*

The timing of revenue recognition, billings and cash collections results in billed accounts receivable (trade receivables) and unbilled receivables (contract assets) on the consolidated statement of financial position.

C3 Financial assets

	Notes	2022 $'000	2021 $'000
Investments in trusts, shares and other financial instruments at fair value		**242,834**	271,911
Investment in related party unit trusts at fair value	C3(a)	**608,729**	664,304
Loans receivable from related parties (i)		**70,045**	-
Reverse mortgage receivables (ii)		**40,084**	54,309
		961,692	990,524

Financial assets are classified as non-current assets.
(i) The loan receivable from Centuria NZ Healthcare Property Fund accrues interest at 4.75% per annum and does not have an expiry date.

(ii) Whilst some mortgages are likely to be repaid during the next 12 months, the Group does not control the repayment date.

C3 Financial assets (continued)

(a) Investments in related party unit trusts carried at fair value through profit or loss

The following table details related party investments carried at fair value through profit and loss.

	2022			2021		
Financial assets held by the Group	**Fair value $**	**Units held**	**Ownership**	**Fair value $**	**Units held**	**Ownership**
Centuria Industrial REIT	**284,076,307**	**101,094,771**	**15.92%**	344,998,908	92,741,642	16.81%
Centuria Office REIT	**154,858,724**	**91,093,367**	**15.25%**	189,290,479	80,893,367	15.72%
Centuria NZ Industrial Fund	**39,932,013**	**25,015,037**	**10.00%**	48,584,204	39,279,014	16.10%
Centuria Healthcare Direct Medical Fund No.2	**25,483,689**	**18,673,473**	**12.04%**	16,386,598	16,991,495	11.08%
Prime Healthcare Holding Trust	**21,500,000**	**21,500,000**	**10.00%**	-	-	0%
Asset Plus Limited	**17,329,033**	**72,507,288**	**19.99%**	21,915,324	72,507,288	19.99%
Matrix Trust	**11,092,900**	**9,313,938**	**5.00%**	5,892,821	5,106,431	5.00%
Dragon Hold Trust	**9,696,223**	**969,622,257**	**10.00%**	1,500,000	1,500,000	10.00%
Primewest Agricultural Trust No. 2	**6,775,000**	**6,775,000**	**19.81%**	-	-	0%
Centuria NZ Property Fund	**5,224,905**	**5,000,000**	**6.27%**	3,645,664	3,850,000	10.00%
Pialba Place Trust	**4,375,331**	**5,129,345**	**23.32%**	3,908,561	5,129,345	23.32%
Centuria Healthcare Aged Care Property Fund No.1	**2,954,165**	**5,513,559**	**9.21%**	2,948,651	5,513,559	9.21%
Primewest Large Format Retail Trust No. 2	**3,407,301**	**3,097,546**	**7.29%**	2,439,720	2,430,000	6.64%
Centuria NZ Healthcare Property Fund	**4,997,192**	**5,734,989**	**13.15%**	-	-	0%
Centuria Government Income Property Fund	**643,539**	**643,539**	**0.64%**	-	-	0%
Primewest 251 St Georges Terrace Trust	**101,300**	**100,000**	**0.26%**	104,126	104,126	0.27%
Centuria 25 Grenfell Street Fund	**40,010**	**40,010**	**0.08%**	-	-	0%
Centuria Scarborough House Fund	**-**	**-**	**0%**	105,921	102,836	0.22%
Albany Brooks Gardens Trust	**-**	**-**	**0%**	422,950	275,000	1.60%
	592,487,632			642,143,927		
Financial assets held by the Benefit Funds						
Centuria Office REIT	**11,502,742**	**6,766,319**	**1.32%**	15,875,494	6,784,399	1.32%
Centuria Industrial REIT	**3,597,699**	**1,280,320**	**0.25%**	5,137,580	1,381,070	0.25%
Centuria SOP Fund	**1,140,900**	**1,000,000**	**3.28%**	1,147,200	1,000,000	3.28%
	16,241,341			22,160,274		
	608,728,973			664,304,201		

C3 Financial assets (continued)

(a) Investments in related party unit trusts carried at fair value through profit or loss (continued)

Related party unit trusts carried at fair value through profit and loss	**30 June 2022 $'000**	30 June 2021 $'000
Opening balance	**664,304**	440,529
Investment purchases	**160,789**	126,584
Acquisition of subsidiary	**-**	14,366
Carrying value transferred from controlled property funds	**-**	9,860
Disposal	**(80,478)**	(16,604)
Foreign currency translation	**(2,448)**	(145)
Fair value gain/(loss)	**(146,692)**	89,714
Carrying value transferred from/(to) equity accounted investments	**13,254**	-
	608,729	664,304

Recognition and measurement

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss ("FVTPL"), which are initially measured at fair value only.

Financial assets are classified as financial assets at FVTPL when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the statement of comprehensive income.

AASB 9 contains three principal classification categories for financial assets:

- measured at amortised cost;
- measured at fair value through other comprehensive income (FVOCI); and
- measured at FVTPL.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(i) Financial assets at amortised cost

Loans and receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less any allowance under the Expected Credit Loss ("ECL") model.

(ii) Recoverability of loans and receivables

At each reporting period, the Group assesses whether financial assets carried at amortised cost are ‘credit-impaired’. A financial asset is ‘credit-impaired’ when one or more events that has a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group 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 assets.

Lifetime ECLs result from all possible default events over the expected life of the trade receivables and are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

The Group analyses the age of outstanding receivable balances and applies historical default percentages adjusted for other current observable data as a means to estimate lifetime ECL, including forecasts of interest rates and inflation, as well as the financial stress of counterparties and their ability to operate as a going concern. Debts that are known to be uncollectable are written off when identified.

The Group has continued to analyse the age of outstanding receivable balances post balance sheet date and applied estimated percentages of recoverability to estimate ECL, as well as the financial stress of counterparties and their ability to operate as a going concern. Debts that are known to be uncollectible are written off when identified.

C3 Financial assets (continued)

Recognition and measurement (continued)

(iii) Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets recognised at FVTPL include reverse mortgage loan receivables, reverse mortgage derivatives and investments in trusts.

C4 Investment properties

	2022 $'000	2021 $'000	Asset type	2022 Capitalisation rate %	2022 Discount rate %	2022 Valuer
264 Copelands Rd, Warragul VIC	**177,000**	-	Agriculture	5.6	7.5	Knight Frank
111 St George Terrace, Perth WA	**160,500**	159,000	Office	6.5	6.8	Cushman & Wakefield
Foundation Place, QLD	**-**	31,500		-	-	
60 Investigator Drive, QLD	**-**	7,250		-	-	
26 Westbrook Parade, WA	**-**	5,220		-	-	
40 John Rice Avenue, SA	**-**	5,170		-	-	
	337,500	208,140				

Investment properties are classified as non-current.

	2022 $'000	2021 $'000
Opening balance	**208,140**	167,110
Capital improvements and associated costs	**385**	356
Gain/(loss) on fair value	**2,251**	5,712
Change in deferred rent and lease incentives	**(1,136)**	(2,068)
Deconsolidation of controlled property funds*	**(49,140)**	(12,110)
Acquisition of subsidiary	**177,000**	49,140
Closing balance ^	**337,500**	208,140

* Primewest Property Income Fund (PPIF) was deconsolidated from the Group on 31 October 2021.

^ The carrying amount of investment properties includes components related to deferred rent, capitalised lease incentives and leasing fees amounting to $10,577,700 (30 June 2021: $10,575,100).

Key estimate and judgements

(a) Recognition and measurement

The investment properties recognised by the Group are properties owned by related party funds that are taken to be controlled by the Group under accounting standards. Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are initially recorded at cost which includes stamp duty and other transaction costs. Subsequently, the investment properties are measured at the fair value with any change in value recognised in profit or loss. The carrying amount of investment properties includes components relating to deferred rent, lease incentives and leasing fees.

An investment property is derecognised upon disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(b) Valuation techniques and significant unobservable inputs

The fair value of the investment properties were determined by the directors of the Responsible Entity of the relevant fund or by an external, independent valuation company having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Fair value is based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

C4 Investment properties (continued)

(b) Valuation techniques and significant unobservable inputs (continued)

The valuations were prepared by considering the following valuation methodologies:

- **Capitalisation approach**: the annual net rental income is capitalised at an appropriate market yield to arrive at the property's market value. Appropriate capital adjustments are then made where necessary to reflect the specific cash flow profile and the general characteristics of the property.
- **Discounted cash flow approach**: this approach incorporates the estimation of future annual cash flows over a 10 year period by reference to expected rental growth rates, ongoing capital expenditure, terminal sale value and acquisition and disposal costs. The present value of future cash flows is then determined by the application of an appropriate discount rate to derive a net present value for the property.
- **Direct comparison approach**: this approach identifies comparable sales on a dollar per square metre of lettable area basis and compares the equivalent rates to the property being valued to determine the property's market value.

The valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit-worthiness; the allocation of maintenance and insurance responsibilities between the lessor and lessee; and the remaining economic life of the property. It has been assumed that whenever rent reviews or lease renewals are pending with anticipated reversionary increases, all notices and, where appropriate, counter notices have been served validly and within the appropriate time.

The most significant unobservable input used in the above valuation techniques and its relationship with fair value measurement is the capitalisation rate. The higher/lower the rate, the lower/higher the fair value.

(c) Fair value measurement

The fair value measurement of investment properties has been categorised as a Level 3 fair value as it is derived from valuation techniques that include inputs that are not based on observable market data (unobservable inputs).

Significant unobservable inputs	Fair value measurement sensitivity to significant increase in input	Fair value measurement sensitivity to significant decrease in input	Range of inputs FY22	Range of inputs FY21
Market rent	Increase	Decrease	$28psm to $598psm	$572psm to $593psm
Capitalisation rate	Decrease	Increase	5.6% to 6.5%	6.0% to 6.5%
Discount rate	Decrease	Increase	5.6% to 7.5%	6.4% to 6.8%

A further sensitivity analysis was taken by the Group to assess the fair value of investment property values. The table below illustrates the valuation of movements in capitalisation rates and discount rate:

	Fair value 30 June 2022 $000	Capitalisation Rate impact -0.25% $000	+0.25% $000	Fair value 30 June 2021 $000	Capitalisation Rate impact -0.25% $000	+0.25% $000
Investment properties	337,500	14,620	(13,444)	208,140	8,141	(7,549)

C5 Inventory

	Note	June 2022 $'000	June 2021 $'000
Property held for development	C5(a)	**45,679**	53,744
Properties held for sale	C5(b)	**89,104**	-
		134,783	53,744

Property held for sale are classified as current.

Other than 54 Cook Street, Auckland, Property held for development are classified as non-current.

(a) Property held for development

	June 2022 $'000	June 2021 $'000
54 Cook Street, Auckland, New Zealand	**24,174**	20,905
17-19 Man Street, Queenstown, New Zealand	**14,447**	11,263
741 Cudgen Road, Cudgen, Australia	**5,648**	-
27-29 Young St, West Gosford, Australia	**1,410**	1,295
209 Kotham Road, Victoria, Australia	**-**	20,281
	45,679	53,744
Opening balance	**53,744**	31,295
Capital expenditure	**16,390**	2,611
Foreign currency translation	**(1,429)**	(162)
Acquisitions	**11,025**	20,000
Disposals (i)	**(30,062)**	-
Impairment	**(3,989)**	-
	45,679	53,744

(i) Disposals for the period include 209 Kotham Road, Victoria and 57 Wyatt Street, South Australia.

Recognition and measurement
Properties held for development relates to land and property developments that are held for sale or development and sale in the normal course of the Group's business. Properties held for development are carried at the lower of cost or net realisable value. The calculation of net realisable value requires estimates and assumptions which are regularly evaluated and are based on historical experience and expectations of future events that are believed to be reasonable under the circumstances. Properties held for development are classified as non-current assets unless they are contracted to be sold within 12 months of the end of the reporting period, in which case they are classified as current assets.

C5 Inventory (continued)

(b) Properties held for sale

On 31 March 2022, the Group acquired 13 Healthcare properties from Heritage Lifecare for NZ$98,700,000. The properties were funded in combination from free cash and a secured asset facility. On 19 April 2022, the Group acquired 25 Healthcare properties from Heritage Lifecare which was onsold to Centuria New Zealand Healthcare Property Fund (CNZHPF) on 20 April 2022. As at 39 June 2022, the Group has a loan receivable of $70,044,755 with CNZHPF.

	June 2022 $'000	June 2021 $'000
16 Anvers Place, Christchurch (Hoon Hay Rest Home)	**12,794**	-
1 Hennessy Place, Christchurch (George Manning)	**12,485**	-
10 Danvers Street, Hastings (Waiapu Lifecare)	**11,382**	-
202 - 204 Kamo Road, Whangarei (Puriri Court Lifecare)	**10,707**	-
69 Moehau Street, Te Puke (Carter House Lifecare)	**8,603**	-
51 Botanical Road, Tauranga (Hodgson House Lifecare)	**7,633**	-
361 Mangorei Road, New Plymouth (Riverside Lifecare)	**6,397**	-
50 McLauchlan Street, Blenheim (Waterlea Lifecare)	**6,176**	-
117 Shakespeare Street, West Coast (Granger House Lifecare)	**6,088**	-
1 Cargill Street, Invercargill (Cargill Lifecare)	**3,045**	-
124 Maxwell Road, Marlborough (Maxwell Lifecare)	**2,118**	-
15 Karina Terrace, Palmerston (Karina Lifecare)	**1,676**	-
	89,104	-
Opening balance	**-**	-
Acquisitions	**91,366**	-
Foreign currency translation	**(2,262)**	-
	89,104	-

Recognition and measurement

Properties held for sale are carried at the lower of cost or net realisable value. The calculation of net realisable value requires estimates and assumptions which are regularly evaluated and are based on historical experience and expectations of future events that are believed to be reasonable under the circumstances. Properties held for sale are classified as non-current assets unless they are contracted to be sold within 12 months of the end of the reporting period, in which case they are classified as current assets.

C6 Intangible assets

	2022 $'000	2021 $'000
Goodwill	**479,957**	481,696
Indefinite life management rights	**308,252**	308,855
	788,209	790,551

	2022 $'000	2021 $'000
Opening balance	**790,551**	280,120
Acquired goodwill	**-**	319,216
Acquired indefinite life management rights	**-**	196,799
Foreign currency translation	**(2,574)**	29
Purchase price accounting adjustments	**232**	(5,613)
	788,209	790,551

Goodwill and intangible assets are classified as non-current.

Goodwill and management rights are solely attributable to the Property Funds Management cash generating unit with recoverability determined by a value in use calculation using profit and loss projections covering a five year period, with a terminal value determined after five years.

C6 Intangible assets (continued)

Recognition and measurement

i *Indefinite life management rights*

Management rights acquired in a business combination are initially measured at fair value and reflect the right to provide asset and fund management services in accordance with the management agreements.

ii *Goodwill*

Goodwill acquired in a business combination is measured at cost and subsequently measured at cost less any impairment losses. The cost represents the excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired.

iii *Impairment*

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash generating units or CGUs). Non-financial assets other than goodwill that were previously impaired are reviewed for possible reversal of the impairment at each reporting date.

Key estimates and judgements

The key assumptions used in the value in use calculations for the Property Funds Management cash-generating unit are as follows:

Revenue

Revenues in 2023 are based on the Board approved budget for 2023 and are assumed to increase at a rate of 7.5% (2021: 7.5%) per annum for years 2024-2027. The directors believe this is a prudent and achievable growth rate based on past experience.

Expenses

Expenses in 2023 are based on the budget for 2023 and are assumed to increase at a rate of 5.0% (2021: 5.0%) per annum for the years 2024-2027. The directors believe this is an appropriate growth rate based on past experience.

Discount rate

Discount rates are determined to calculate the present value of future cash flows. A pre-tax rate of 11.80% (2021: 9.37%) is applied to cash flow projections. In determining the appropriate discount rate, regard has been given to relevant market data as well as Group specific inputs.

Terminal growth rate

Beyond 2026, a growth rate of 3.0% (2021: 3.0%), in line with long term economic growth, has been applied to determine the terminal value of the asset.

Sensitivity to changes in assumptions

As at 30 June 2022, the estimated recoverable amount of intangibles including goodwill relating to the Property Funds Management cash-generating unit exceeded its carrying amount by $324,500,000 (2021: $585,400,000). The table below shows the key assumptions used in the value in use calculation and the amount by which each key assumption must change in isolation in order for the estimated recoverable amount to be equal to its carrying value.

	Revenue growth rate (average)	Pre-tax discount rate	Expenses growth rate
Assumptions used in value in use calculation	**7.50%**	**11.80%**	**5.00%**
Rate required for recoverable amount to equal carrying value	**1.82%**	**15.42%**	**12.26%**

C7 Payables

	2022 $'000	2021 $'000
Sundry creditors [i][ii]	**63,825**	22,550
Dividend/distribution payable [iii]	**43,477**	44,513
Accrued expenses	**27,317**	21,612
	134,619	88,675

[i] Sundry creditors are non-interest bearing liabilities and are payable on commercial terms of 7 to 60 days.
[ii] Sundry creditors includes $11,020,000 of deposits in transit in relation to the redemptions of Centuria 111 St Georges Terrace Fund that were allotted in July 2022, $8,867,000 of cash held on behalf of PW (HICT) Pty Ltd in relation to tax payable on wind-up of fund and $5,900,000 of cash in relation to applications for the Primewest Agricultural Trust No. 2.
[iii] Prior year includes the Primewest final distribution of $11,500,000.

All trade and other payables are considered to be current as at 30 June 2022, due to their short-term nature.

Recognition and measurement

Payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. Due to the short-term nature of these financial obligations, their carrying amounts are estimated to represent their fair values.

C8 Borrowings

	Notes	2022 $'000	2021 $'000
Secured listed redeemable notes	C8(a)	**198,693**	198,693
Fixed rate secured notes	C8(b)	**99,388**	29,366
Floating rate secured notes	C8(b)	**96,650**	66,650
Secured bank loans - New Zealand	C8(d)	**44,417**	7,440
Reverse mortgage bill facilities and notes	C8(c)	**4,600**	7,006
Secured bank loans in Controlled Property Funds	C8(e)	**190,239**	106,505
Development facility	C8(f)	**-**	15,955
Borrowing costs capitalised		**(4,602)**	(4,973)
		629,385	426,642

The terms and conditions relating to the above facilities are set out below.

(a) Secured listed redeemable notes

On 21 April 2021, the Fund issued $198,693,000 of listed redeemable notes with a variable interest rate of 4.25% plus the bank bill rate which is due to mature on 21 April 2026. These notes are secured against assets within certain subsidiaries of the Group.

C8 Borrowings (continued)

(b) Secured notes

Fixed	Classification	Coupon Rate	Due Date	Total limit $'000	Facility available $'000	2022 $'000	2021 $'000
Tranche 5	Non-current	5.00%	21 April 2024	29,388	-	**29,388**	29,366
Tranche 7	Non-current	5.46%	25 March 2025	70,000	-	**70,000**	-
				99,388	-	**99,388**	29,366

Floating	Classification	Coupon Rate	Due Date	Total limit $'000	Facility available $'000	2022 $'000	2021 $'000
Tranche 4	Current	BBSW +4.25%	21 April 2023	35,000	-	**35,000**	35,000
Tranche 6	Non-current	BBSW +4.50%	21 April 2024	31,650	-	**31,650**	31,650
Tranche 8	Non-current	BBSW +3.35%	25 March 2025	30,000	-	**30,000**	-
Revolver A	Non-current	BBSY +2.25%	16 December 2024	100,000	100,000	**-**	-
Revolver B	Non-current	BBSY +2.45%	30 June 2027	50,000	50,000	**-**	-
				246,650	**150,000**	**96,650**	66,650

The following facilities were entered into during the period.

On 16 December 2021, the Group entered into a 3 year $100,000,000 secured loan note facility. The facility is a floating rate revolving facility with a margin of 2.25% which is due to mature on 16 December 2024.

In March 2022, the Group issued a $70,000,000 three-year Senior Secured Medium Term Note (MTN) with a fixed coupon of 5.46% which is due to mature on 25 March 2025.

In April 2022, the Group issued a $30,000,000 three-year (MTN) with a floating coupon of 3.35% which is due to mature on 25 March 2025.

On 30 June 2022, the Group entered into a 5 year $50,000,000 secured loan note facility. The facility is a floating rate revolving facility with a margin of 2.45% which is due to mature on 30 June 2027. The loan is a multi-currency facility allowing both AUD and NZD currencies.

(c) Reverse mortgage bill facilities and notes (secured)

As at 30 June 2022, the Group had $4,600,000 (2021: $7,006,000) non-recourse notes on issue to ANZ Bank, secured over the remaining reverse mortgages held in Senex Warehouse Trust No.1 (a subsidiary of the Group) due to mature on 30 November 2023 and is classified as non-current as at 30 June 2022.

The facility limit as at 30 June 2022 is $5,500,000 (2021: $8,200,000) and is reassessed every 6 months with a view to reducing the facility in line with the reduction in the reverse mortgage book. Under the facility agreement, surplus funds (being mortgages repaid (including interest) less taxes, administration expenses and any hedge payments) are required to be applied against the facility each month.

	2022 $'000	2021 $'000
Facility	**5,500**	8,200
Amount used at reporting date	**(4,600)**	(7,006)
Amount unused at reporting date	**900**	1,194

C8 Borrowings (continued)

(d) Secured bank loans - New Zealand

The borrowings facilities for New Zealand are outlined as follows. These facilities are secured against assets within certain subsidiaries of the Group.

On 30 March 2022, the Group entered into a 18 month NZ$50,000,000 secured loan revolving facility. The facility is a floating rate revolving facility with a margin of 2.00% which is due to mature on 30 September 2023.

	Classification	Maturity date	Facility limit $'000	Funds available $'000	Draw down $'000	Borrowing costs $'000	Total $'000
30 June 2022							
New Zealand Investment Facility	Non-current	30 November 2023	10,823	10,823	**-**	-	**-**
New Zealand Asset Facility	Non-current	30 September 2023	45,094	677	**44,417**	-	**44,417**
							44,417
30 June 2021							
New Zealand Investment Facility	Non-current	30 November 2022	11,160	3,720	**7,440**	-	**7,440**
							7,440

(e) Bank Loans - Controlled Property Funds (secured)

Each controlled property fund has debt facilities secured by first mortgage over each of the fund's investment property and a first ranking fixed and floating charge over all assets of each of the funds. Details of the amounts drawn and the maturity of each facility are as follows:

Fund	Classification	Maturity date	Facility limit $'000	Funds available $'000	Draw down $'000	Borrowing costs $'000	Total $'000
30 June 2022							
Centuria 111 St Georges Terrace Fund	Non-current	30 June 2025*	90,000	5,956	**84,044**	**-**	**84,044**
264 Copelands Road (Warragul)	Non-current	13 January 2025	106,200	-	**106,200**	**(5)**	**106,195**
							190,239
30 June 2021							
Centuria 111 St Georges Terrace Fund	Current	30 June 2022	90,000	5,957	84,043	(148)	83,895
Primewest Property Income Fund**	Non-current	19 February 2024	22,600	-	22,600	(77)	22,533
							106,428

*The maturity date was extended to 30 June 2025 on 25 July 2022.
**Primewest Property Income Fund (PPIF) was deconsolidated from the Group on 31 October 2021.

(f) Development facility

In 2021, the Group had drawn down amounts to fund its social affordable housing developments which were subsequently repaid in 2022.

Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

C9 Call/Put option liability

	2022 $'000	2021 $'000
Healthcare call/put option	**48,695**	22,690
Flavorite call/put option	**35,400**	-
	84,095	22,690

	2022 $'000	2021 $'000
Opening balance	**22,690**	17,167
Movement in fair value	**26,005**	5,523
New call/put option entered	**35,400**	-
	84,095	22,690

The Warragul call/put option liability is considered current and the Healthcare call/put option is considered non-current as at 30 June 2022.

The Healthcare Call/Put option liability relates to a simultaneous call option and put option over the remaining shares in Centuria Healthcare which are held by existing management shareholders of Centuria Healthcare. The call option is in favour of the Group, whilst the put option is in favour of the management shareholders. The options are exercisable five years from the date of completion of the initial acquisition of the 63% economic interest in Centuria Healthcare, with an exercise price equal to 10x EBIT for the last financial year prior to exercise of the option plus Net Tangible Assets.

As at year end, the Group is party to a put and call option over the remainder 50% equity interest in Centuria Agriculture Fund (CAF) with the vendor being Flavorite HoldCo Pty Limited for $35,400,000. This option was exercised subsequent to year end.

Recognition and measurement

i *Financial liabilities at fair value through profit or loss*

The option liabilities are measured at fair value at recognition (including transaction costs, for assets and liabilities not measured at fair value through profit or loss). Subsequently at each reporting period, the Group measures the option liabilities at fair value with value changes recognised in profit or loss.

C10 Right of use asset/Lease liability

The Group has seven operating lease commitments outlined below:

Lease	Original term	Extension option	Fixed annual rent increase
Level 41 Chifley Square, Sydney NSW	10 years	5 years	4.0%
Level 32, 120 Collins Street, Melbourne VIC	5 years	-	3.75%
Level 2, 348 Edward Street, Brisbane QLD	5 years	-	3.5%
307 Murray Street, Perth WA	5 years	5 years	4.0%
38-35 Gaunt Street, Auckland NZ	8 years	-	2.5%
331-335 Devon Street East, New Plymouth NZ	3 years	3 years	CPI

The current right of use asset is $2,686,000 (2021: $2,941,000) and the current lease liability is $2,298,000 (2021: $2,314,000). The remaining right of use asset and lease liability is classified as non-current.

Right of use asset	**2022 $'000**	2021 $'000
Opening balance	**19,947**	21,393
Depreciation on right of use asset	**(2,941)**	(2,404)
Acquisition of subsidiary balance	**-**	958
	17,006	19,947

Lease liability	**2022 $'000**	2021 $'000
Opening balance	**21,757**	22,564
Cash lease payments	**(3,350)**	(2,962)
Finance lease interest	**1,036**	1,123
Acquisition of subsidiary balance	**-**	1,032
	19,443	21,757

C11 Contributed equity

Centuria Capital Limited	2022 No. of securities	2022 $'000	2021 No. of securities	2021 $'000
Balance at beginning of the period	**787,802,693**	**386,634**	509,998,482	177,149
Equity settled share based payments expense	**2,367,418**	**981**	1,921,149	1,482
Change in value of units issued	**-**	**236**	-	-
Stapled securities issued	**2,617,009**	**2,039**	275,883,062	209,208
Cost of equity raising	**-**	**(173)**	-	(1,205)
Balance at end of period	**792,787,120**	**389,717**	787,802,693	386,634

Centuria Capital Fund (non-controlling interests)	2022 No. of securities	2022 $'000	2021 No. of securities	2021 $'000
Balance at beginning of the period	**787,802,693**	**1,018,822**	509,998,482	545,744
Equity settled share based payments expense	**2,367,418**	**-**	1,921,149	-
Stapled securities issued	**2,617,009**	**6,636**	275,883,062	475,185
Cost of equity raising	**-**	**(344)**	-	(2,107)
Change in value of units issued	**-**	**470**	-	-
Balance at end of the period	**792,787,120**	**1,025,584**	787,802,693	1,018,822

Fully paid ordinary securities carry one vote per security and carry the right to distributions.

The Fund issued 2,617,009 stapled securities on 9 February 2022 in relation to the distribution reinvestment plan undertaken for the 2022 interim distribution.

Recognition and measurement

Incremental costs directly attributed to the issue of ordinary shares are accounted for as a deduction from equity, net of any tax effects.

C12 Commitments and contingencies

Australian Guarantees

The Group has provided bank guarantees of $3,334,153 for commercial leases with respect to its Sydney and Melbourne office premises. These bank guarantees are cash collateralised.

The above guarantees are issued in respect of the Group and do not constitute an additional liability to those already existing in interest bearing liabilities on the statement of financial position.

New Zealand Guarantees

Under the Development Agreement with Queenstown Lakes District Council (QLDC) as part of the Lakeview joint venture, the Group have provided a guarantee of the Partnership’s obligations under the Development Agreement, with a maximum capital commitment of NZ$14,000,000. The Group's total aggregate liability under this guarantee is capped at NZ$4,250,000. Refer to Note E1 Interests in associates and joint ventures for more information.

Capital Commitments

At 30 June 2022, the Company has committed up to a further NZ$11,250,000 of capital over approximately the next 9 years in its joint venture partnership with Ninety Four Feet.

As part of the Man St, Queenstown property held for development in New Zealand, commitments of approximately NZD$720,000 have been made to the project managers of the development.

As part of the Cook St, Auckland, property held for development in New Zealand, commitments of approximately NZD$2,600,000 have been made to the project managers of the development.

Contingent Liabilities

The directors of the Group are not aware of any contingent liabilities in relation to the Group, other than those disclosed in the financial statements, which should be brought to the attention of securityholders as at the date of completion of this report.

D Cash flows

D1 Operating segment cash flows [(i)]

For the year ended 30 June 2022

	2022 $'000	2021 $'000
Cash flows from operating activities		
Management fees received	**204,593**	100,765
Performance fees received	**20,829**	1,772
Distributions received	**48,791**	35,021
Interest received	**4,862**	1,483
Cash received on development projects	**48,511**	43,866
Rent received	**1,951**	240
Payments to suppliers and employees	**(109,016)**	(129,500)
Income tax paid	**(18,727)**	(7,438)
Interest paid	**(19,727)**	(11,626)
Net cash provided by operating activities	**182,067**	34,583
Cash flows from investing activities		
Proceeds from sale of related party investments	**77,299**	13,908
Purchase of investments in related parties	**(198,790)**	(128,662)
Repayment of loans by related parties	**20,216**	6,702
Loans to related parties	**(94,255)**	3,750
Purchase of equity accounted investments	**(20,537)**	(26,089)
Payments for plant and equipment	**(2,697)**	(343)
Cash balance on acquisition of subsidiaries	**-**	97,841
Purchase of subsidiaries	**(89,070)**	(26,977)
Receipts/Purchase of property held for development	**12,086**	(22,621)
Collections from reverse mortgage holders	**2,551**	888
Proceeds from sale of investments	**4,737**	1,047
Proceeds from sale of equity accounted investments	**8,324**	5,000
Cash paid on acquisition of Primewest Group	**-**	(78,019)
Net cash used in investing activities	**(280,136)**	(153,575)
Cash flows from financing activities		
Proceeds from issue of securities	**8,300**	133,073
Equity raising costs paid	**(328)**	(2,611)
Proceeds from borrowings	**142,353**	241,900
Repayment of borrowings	**(23,395)**	(98,620)
Costs paid to issue debt	**(1,900)**	(2,187)
Distributions paid	**(90,524)**	(52,124)
Net cash provided by financing activities	**34,506**	219,431
Net (decrease)/increase in operating cash and cash equivalents	**(63,563)**	100,439
Cash and cash equivalents at the beginning of the period	**249,637**	149,461
Effects of exchange rate changes on cash and cash equivalents	**(1,075)**	(263)
Cash and cash equivalents at the end of the period	**184,999**	249,637

(i) The operating segment cash flows support the segment note disclosures of the Group and provide details in relation to the operating segment cash flows performance of the Group. The operating segment cash flows exclude the impact of cash flows attributable to Benefit Funds and Controlled Property Funds. Refer to page 54 for the full statutory cash flow statement of the Group.

D2 Cash and cash equivalents

Included in total cash and cash equivalents of $200,565,000 (2021: $273,351,000) is $10,513,039 (2021: $1,828,994) relating to amounts held by Senex Warehouse Trust No.1 and the Benefit Funds which is not readily available for use by the Group.

D3 Reconciliation of profit for the period to net cash flows from operating activities

	2022 $'000	2021 $'000
Profit for the year	**(37,361)**	149,639
Adjustments for:		
Depreciation and amortisation	**4,179**	3,731
Non-cash development income	**(1,498)**	(11,417)
Share-based payment expense	**5,010**	3,058
Amortisation of borrowing costs	**2,195**	2,628
Non-cash performance and sales fees	**(14,015)**	(16,297)
Fair value movement of financial assets	**186,643**	(96,443)
Interest revenue from reverse mortgages	**(2,746)**	(2,744)
Interest expense reverse mortgage facility	**1,966**	1,522
Equity accounted profit in excess of distribution paid	**612**	(1,601)
Unrealised foreign exchange loss	**3,558**	112
Unrealised (gain)/loss on investment properties	**3,741**	(7,554)
Amortisation of lease incentives	**1,789**	1,881
Costs paid for debt issuance	**1,901**	4,877
Provision for doubtful debts	**28**	-
Finance lease interest	**1,036**	1,210
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Receivables	**25,095**	1,912
Deferred tax assets	**(2,205)**	(1,212)
Increase/(decrease) in liabilities:		
Other payables	**38,653**	(5,939)
Tax provision	**3,240**	(5,399)
Deferred tax liability	**(18,179)**	12,484
Provisions	**1,051**	(3,701)
Policyholder liability	**(33,092)**	(7,885)
Net cash flows provided by operating activities	**171,601**	22,862

Recognition and measurement

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition. Bank overdrafts are shown within borrowings in the statement of financial position.

E Group Structure

E1 Interests in associates and joint ventures

Name of entity	% of ownership interest 30 June 2022 %	30 June 2021 %	Principal activity	Carrying amount 30 June 2022 $'000	30 June 2021 $'000
Centuria Diversified Property Fund	**22.38**	20.40	Property investment	**39,021**	28,144
Centuria Bass Credit	**50.00**	50.00	Non-bank finance	**25,765**	25,704
QT Lakeview Developments Limited	**25.00**	25.00	Property investment	**2,240**	1,789
Centuria Government Income Property Fund No.2	**22.03**	0.00	Property investment	**7,743**	-
Total equity accounted investments				**74,769**	55,637

Equity accounted investments are classified as non-current.

The Group's subsidiary, Augusta Lakeview Holdings Limited (Lakeview Holdings) has signed a partnership agreement with NFF QT Development Unit Trust (NFF) to establish QT Lakeview Partnership (the Joint Venture) to develop the Lakeview site in Queenstown, New Zealand. Lakeview Holdings has a 25% interest in the Joint Venture which represents a maximum capital commitment to Lakeview Holdings of NZ$14,000,000. The Joint Venture has entered into a development agreement with the Queenstown Lakes District Council to develop a range of residential, hotels, co-working, co-living, hospitality and retail options on the 3 hectare site on a staged basis, with construction estimated to take more than 10 years and phased over 7 stages.

On 22 April 2021, the Group acquired 50% of Bass Capital Partners Pty Ltd (Centuria Bass) for $25,417,876 with the option to fully acquire the remaining 50% interest in five years. From that date, the Group has equity accounted its interest in Centuria Bass which offers non-banking finance for real estate secured transactions including land sub-division, development projects, bridging finance and residual stock.

In November 2021, the Group acquired 32.17% ownership stake in the Centuria Government Income Property Fund No. 2. From that date, the Group has equity accounted its interest in that fund. The ownership stake decreased to 22.03% at 30 June 2022.

On 27 May 2022, Centuria Diversified Property Fund (CDPF) and Primewest Property Income Fund (PPIF) were stapled together. After the stapling, the Group's residual combined ownership stake is 22.38% as at 30 June 2022. PPIF was previously consolidated by the Group and was subsequently deconsolidated from the Group on 31 October 2021.

E1 Interests in associates and joint ventures (continued)

The below table shows the movement in carrying amounts of equity accounted investments from 1 July 2021 to 30 June 2022.

	Centuria Diversified Property Fund - Stapled $'000	Centuria Diversified Property Fund - Pre Stapled $'000	Primewest Property Income Fund $'000	Centuria Bass Credit $'000	Centuria Government Income Property Fund No. 2 $'000	QT Lakeview Developments Limited $'000	Primewest Agricultural Trust No. 2 $'000	Centuria New Zealand Property Fund $'000	Centuria New Zealand Healthcare Property Fund $'000	Total $'000
Carrying amounts of equity accounted investments										
Opening balance as at 1 July 2021	-	28,144	-	25,704	-	1,789	-	-	-	55,637
Acquisition of investments	-	-	-	-	12,424	405	10,325	-	5,227	28,381
Carrying value transferred from controlled property funds	-	-	12,827	-	-	-	-	15,080	-	27,907
Share of net profit/(loss) after tax	(565)	1,539	1,007	2,911	429	-	1,780	-	-	7,101
Distributions received/receivable	(175)	(3,421)	(403)	(2,850)	(336)	-	(528)	-	-	(7,713)
Carrying value transferred from/(to) financial assets	-	-	-	-	-	-	(8,027)	(15,080)	(5,227)	(28,334)
Disposals	-	-	-	-	(4,774)	-	(3,550)	-	-	(8,324)
Fair value gain/(loss)	-	(94)	162	-	-	46	-	-	-	114
Stapling of CDPF and PPIF	39,761	(26,168)	(13,593)	-	-	-	-	-	-	-
Closing balance as at 30 June 2022	39,021	-	-	25,765	7,743	2,240	-	-	-	74,769

E1 Interests in associates and joint ventures (continued)

The below table shows the movement in carrying amounts of equity accounted investments from 1 July 2020 to 30 June 2021.

	Centuria Diversified Property Fund - Pre Stapled $'000	Centuria Bass Credit $'000	QT Lakeview Developments Limited $'000	Total $'000
Opening balance as at 1 July 2020	31,830	-	1,125	32,955
Acquisition of investments	-	25,418	671	26,089
Share of net profit/(loss) after tax	2,784	286	-	3,070
Distributions received/receivable	(1,470)	-	-	(1,470)
Disposals	(5,000)	-	-	(5,000)
Foreign exchange translation	-	-	(7)	(7)
Closing balance as at 30 June 2021	28,144	25,704	1,789	55,637

E1 Interests in associates and joint ventures (continued)

(a) Summarised financial information for associates and joint ventures

The tables below provide summarised financial information for those associates. The information disclosed reflects the amounts presented in the consolidated financial statements of the relevant associates and not the Group's share of those amounts.

Summarised balance sheet	Centuria Diversified Property Fund (i)		Centuria Bass Credit		Centuria Government Income Property Fund No. 2		QT Lakeview Developments Limited		Total	
	30 June 2022	30 June 2021	**30 June 2022**	30 June 2021	**30 June 2022**	30 June 2021	**30 June 2022**	30 June 2021	**30 June 2022**	30 June 2021
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Cash and other cash equivalents	**10,121**	11,868	**17,046**	19,079	**1,557**	-	**-**	-	**28,724**	30,947
Other current assets	**12,086**	2,099	**9,012**	598	**1,958**	-	**-**	-	**23,056**	2,697
Total current assets	**22,207**	13,967	**26,058**	19,677	**3,515**	-	**-**	-	**51,780**	33,644
Other non-current assets	**244,914**	180,742	**256,889**	96,081	**62,814**	-	**8,190**	7,156	**572,807**	283,979
Total non-current assets	**244,914**	180,742	**256,889**	96,081	**62,814**	-	**8,190**	7,156	**572,807**	283,979
Other current liabilities	**8,196**	5,767	**10,439**	1,788	**973**	-	**-**	-	**19,608**	7,555
Total current liabilities	**8,196**	5,767	**10,439**	1,788	**973**	-	**-**	-	**19,608**	7,555
Borrowings	**99,237**	65,150	**-**	6	**30,585**	-	**-**	-	**129,822**	65,156
Other non-current liabilities	**-**	-	**266,923**	110,532	**-**	-	**-**	-	**266,923**	110,532
Total non-current liabilities	**99,237**	65,150	**266,923**	110,538	**30,585**	-	**-**	-	**396,745**	175,688
Net tangible assets	**159,688**	123,792	**5,585**	3,432	**34,771**	-	**8,190**	7,156	**208,234**	134,380
Fund's share in %	**22.38%**	20.44%	**50.00%**	50.00%	**22.03%**	-	**25.00%**	25.00%		
Fund's share	**35,738**	25,303	**2,797**	1,716	**7,658**	-	**2,047**	1,789		
Goodwill	**3,283**	2,841	**22,968**	23,988	**85**	-	**193**	-		
Carrying Amount	**39,021**	28,144	**25,765**	25,704	**7,743**	-	**2,240**	1,789		

(i) The 30 June 2022 balance sheet represents the stapled CDPF fund and the 30 June 2021 balance sheet represents the pre-stapled CDPF fund.

E1 Interests in associates and joint ventures (continued)

(a) Summarised financial information for associates and joint ventures (continued)

Summarised statement of comprehensive income	Centuria Diversified Property Fund (i)		Centuria Bass Credit		Centuria Government Income Property Fund No. 2		QT Lakeview Developments Limited		Total	
	30 June 2022	30 June 2021	**30 June 2022**	30 June 2021	**30 June 2022**	30 June 2021	**30 June 2022**	30 June 2021	**30 June 2022**	30 June 2021
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue	**6,977**	13,912	**15,569**	16,126	**2,394**	-	**-**	-	**24,940**	30,038
Net loss on fair value of investment properties	**(390)**	(1,125)	**-**	-	**(1,871)**	-	**-**	-	**(2,261)**	(1,125)
Gain/(loss) on fair value of investments	**1,311**	9,920	**-**	-	**2,106**				**3,417**	9,920
Finance costs	**(1,209)**	(1,388)	**(272)**	(13)	**(385)**				**(1,866)**	(1,401)
Other expenses	**(4,603)**	(5,409)	**(9,475)**	(11,222)	**(821)**				**(14,899)**	(16,631)
Profit/(loss) for the period	**2,086**	15,910	**5,822**	4,891	**1,423**	-	**-**	-	**9,331**	20,801
Other comprehensive income	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Total comprehensive income	**2,086**	15,910	**5,822**	4,891	**1,423**	-	**-**	-	**9,331**	20,801

(i) The 30 June 2022 profit and loss represents the stapled CDPF fund and the prior year profit and loss represents the pre-stapled CDPF fund.

E2 Interests in subsidiaries

The Group's principal subsidiaries at 30 June 2022 are set out below. Unless otherwise stated, they have issued capital consisting solely of ordinary shares or units that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The subsidiaries of the Group were incorporated in the following jurisdictions, Australia, New Zealand and Singapore with principal places of business corresponding with the respective geographic jurisdictions. The parent entity of the Group is Centuria Capital Limited.

	Ownership interest %	
Australian subsidiaries	**30 June 2022**	**30 June 2021**
Centuria Capital Fund	0% (100% NCI)	0% (100% NCI)
Centuria Capital Health Fund	100%	100%
Centuria Capital No. 2 Fund	100%	100%
Centuria Capital No. 2 Industrial Fund	100%	100%
Centuria Capital No. 2 Office Fund	100%	100%
Centuria Capital No. 3 Fund	100%	100%
Centuria Capital No. 4 Fund	100%	100%
Centuria Capital No. 5 Fund	100%	100%
Centuria Capital No. 6 Fund	100%	100%
Centuria Capital No. 7 Fund	100%	100%
Centuria Capital No. 8 Fund	100%	-
Centuria Lane Cove Debt Fund	100%	100%
Centuria 111 St Georges Terrace Fund	42%	42%
Centuria Agriculture Fund I	50%	-
Centuria Agriculture Fund II	100%	-
Centuria Agri Logistics I REIT	100%	-
Centuria ALRI (A) Trust	100%	-
Centuria ALRI (B) Trust	100%	-
Centuria ALRI (C) Trust	100%	-
Centuria ALRIII (A) Trust	50%	-
Cudgen Health Precinct SPV Trust	50.1%	-
Primewest Property Fund	100%	100%
Primewest USA Trust	100%	100%
Primewest 140 St Georges Terrace Fund	100%	100%
Primewest Property Income Fund	-	48%
Senex Warehouse Trust No. 1	100%	100%
80 Grenfell Street Pty Ltd	100%	100%
A.C.N. 062 671 872 Pty Limited	100%	100%
Ahnco Pty Ltd*	64%	63%
Amberlee Nominees Pty Ltd	100%	100%
Belmont Road Development Pty Limited	100%	100%
Belmont Road Management Pty Limited	100%	100%
Centuria 57 Wyatt Street Pty Ltd	100%	100%
Centuria 61-67 Wyatt St Pty Limited	100%	100%
Centuria 80 Flinders Street Pty Limited	100%	100%
Centuria Agri Logistics Pty Limited	100%	-
Centuria Business Services Pty Limited	100%	100%
Centuria Canberra No. 3 Pty Limited	100%	100%
Centuria Developments (Cardiff) Pty Limited	100%	100%
Centuria Developments (Mann Street) Pty Limited	100%	100%
Centuria Developments (Mayfield) Pty Limited	100%	100%
Centuria Developments (Young Street) Pty Limited	100%	100%
Centuria Developments Pty Limited	100%	100%
Centuria Tweed Valley Developments Pty Limited	100%	-
Centuria Employee Share Fund Pty Ltd	100%	100%
Centuria Finance Pty Ltd	100%	100%
Centuria Funds Management Limited	100%	100%
Cudgen Health Precinct Pty Limited	50.1%	-
Centuria Healthcare Asset Management Limited*	64%	63%
Centuria Healthcare Asset Management Nominee 1 Pty Ltd*	64%	63%
Centuria Healthcare Energy Company Pty Ltd*	64%	63%
Centuria Healthcare Funds Distributions Limited*	64%	63%
Centuria Healthcare Investments Pty Ltd*	64%	63%
Centuria Healthcare Property Services Pty Limited*	64%	63%

E2 Interests in subsidiaries (continued)

Australian subsidiaries	Ownership interest % 30 June 2022	30 June 2021
Centuria Healthcare Pty Ltd	64%	63%
Centuria Healthcare Developments Pty Ltd*	64%	63%
Centuria IM Agri No. 1 Pty Limited	100%	-
Centuria IM Agri No. 2 Pty Limited	100%	-
Centuria Industrial Property Services Pty Ltd	100%	100%
Centuria Institutional Investments No. 3 Pty Limited	100%	100%
Centuria Investment Holdings No. 4 Pty Limited	100%	100%
Centuria Investment Holdings Pty Limited	100%	100%
Centuria Investment Management (CDPF) Pty Ltd	100%	100%
Centuria Investment Management (CIP) Pty Ltd	100%	100%
Centuria Investment Management (CMA) No. 2 Pty Limited	100%	100%
Centuria Investment Management (CMA) Pty Limited	100%	100%
Centuria Investment Management (Property) No. 1 Pty Ltd	100%	100%
Centuria Investment Management (Property) No. 2 Pty Ltd	100%	100%
Centuria Investment Management (Property) No. 3 Pty Ltd	100%	100%
Centuria Investment Services Pty Limited	100%	100%
Centuria Life Limited	100%	100%
Centuria Nominees No. 3 Pty Limited	100%	100%
Centuria Platform Investments Pty Limited	100%	100%
Centuria Properties No. 3 Limited	100%	100%
Centuria Property Funds Limited	100%	100%
Centuria Property Funds No. 2 Limited	100%	100%
Centuria Property Services Pty Limited	100%	100%
Centuria Richlands Pty Ltd	100%	100%
Centuria SubCo Pty Limited	100%	100%
CHPF 1 Pty Ltd	100%	100%
CHPF 2 Pty Ltd	100%	100%
CHPF 3 Pty Ltd	100%	100%
CHPF Cairns Pty Ltd	100%	100%
CHPF Kallangur Pty Ltd	100%	100%
CHPF South Bunbury Pty Ltd	100%	100%
Crestway Nominees Pty Ltd	100%	100%
Forrestdale Home Pty Ltd	100%	100%
Fromnex Pty Limited	31.5%	31.5%
Heathley Finance Company Pty Ltd*	64%	63%
Heathley Funds Management Pty Ltd*	64%	63%
Heathley Investor Services Pty Limited*	64%	63%
Heathley Nominees Pty Ltd*	64%	63%
Just across the river Pty Ltd	100%	100%
Mainriver Holdings Pty Ltd	100%	100%
More than meets the eye Pty Ltd	100%	100%
Over Fifty Capital Pty Ltd	100%	100%
Over Fifty Funds Management Pty Ltd	100%	100%
Over Fifty Investments Pty Ltd	100%	100%
Over Fifty Seniors Equity Release Pty Ltd	100%	100%
Primewest (1 Forrest Place) Pty Ltd	100%	100%
Primewest (1060 Hay Street) Pty Ltd	100%	100%
Primewest (15 Ogilvie Road) Pty Ltd	100%	100%
Primewest (307 Murray Street) Pty Ltd	100%	100%
Primewest (359 Scarb Beach Road) Pty Ltd	100%	100%
Primewest (380 Scarborough Beach Road) Pty Ltd	100%	100%
Primewest (380A Scarborough Beach Road) Pty Ltd	100%	100%
Primewest (382 Scarborough Beach Road) Pty Ltd	100%	100%
Primewest (384 Scarborough Beach Road) Pty Ltd	100%	100%
Primewest (511 Abernethy Road) Pty Ltd	100%	100%
Primewest (607 Bourke Street) Pty Ltd	100%	100%
Primewest (616 St Kilda Road) Pty Ltd	100%	100%
Primewest (Australia Place) Pty Ltd	100%	100%
Primewest (Busselton) Pty Ltd	100%	100%

E2 Interests in subsidiaries (continued)

Australian subsidiaries	Ownership interest % 30 June 2022	30 June 2021
Primewest (Cannington) Pty Ltd	100%	100%
Primewest (Cottesloe Central) Pty Ltd	100%	100%
Primewest (Erskine) Pty Ltd	100%	100%
Primewest (Gauge Circuit) Pty Ltd	100%	100%
Primewest (Hillbert Rd) Pty Ltd	100%	100%
Primewest (Joondalup House) Pty Ltd	100%	100%
Primewest (Lot 4 Davidson Street Kalgoorlie) Pty Ltd	100%	100%
Primewest (Melville) Pty Ltd	100%	100%
Primewest (Neerabup) Pty Ltd	100%	100%
Primewest (Northlands) Pty Ltd	100%	100%
Primewest (Osborne Park) Pty Ltd	100%	100%
Primewest (Wattleup) Pty Ltd	100%	100%
Primewest Agrichain Management Pty Ltd	100%	100%
Primewest Corporate Holdings Pty Limited	100%	100%
Primewest Enterprises Pty Ltd	100%	100%
Primewest Funds Ltd	100%	100%
Primewest Group Limited	100%	100%
Primewest Management Ltd	100%	100%
Primewest P/Q Pty Ltd	100%	100%
Primewest Real Estate Pty Ltd	100%	100%
Primewest USA Holdings Pty Ltd	100%	100%
Primwest (135 Clayton Street) Pty Limited	100%	100%
PWG Property Pty Ltd	100%	100%
Riodell Holdings Pty Ltd	100%	100%
Stead Road Pty Ltd	100%	100%
Teewana Farm Pty Ltd	100%	100%
New Zealand Subsidiaries		
Centuria Capital (NZ) Limited (formerly Centuria New Zealand Holdings Limited)	100%	100%
Centuria Capital (NZ) No. 1 Limited (formerly Augusta Capital Limited)	100%	100%
Centuria Capital (NZ) No. 2 Limited (formerly Augusta Capital No. 1 Limited)	100%	100%
Centuria Funds Management (NZ) Limited (formerly Augusta Funds Management Limited)	100%	100%
Centuria Lakeview Holdings Limited (formlerly Augusta Lakeview Holdings Limited)	100%	100%
Centuria Property Holdco Limited (formerly Augusta Property Holdco Limited)	100%	100%
Singapore subsidiaries		
Centuria Capital Private Limited (Singapore)	100%	100%

* The ownership percentage outlined above for these subsidiaries reflects the Group's economic ownership. The Group holds a 50% voting right in each of these subsidiaries.

Recognition and measurement

i *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

E2 Interests in subsidiaries (continued)

Recognition and measurement (continued)

i *Basis of consolidation (continued)*

The Company is required by AASB 10 Consolidated Financial Statements to recognise the assets, liabilities, income, expenses and equity of the benefit funds of its subsidiary, Centuria Life Limited (the "Benefit Funds"). The assets and liabilities of the Benefit Funds do not impact the net profit after tax or the equity attributable to the securityholders of the Company and the securityholders of the Company have no rights over the assets and liabilities held in the Benefit Funds.

In order to reflect the assets and liabilities pertaining to the Benefit Funds being attributable to policyholders (as approved by securityholders) an equal and offsetting policyholder liability is recognised on consolidation. In addition, on consolidation of the various income and expenses attributable to the Benefit Funds an equal and opposite net change in policyholder liabilities is recorded in the statement of comprehensive income.

The Company has majority representation on the Board of the Over Fifty Guardian Friendly Society Limited (Guardian). However, as Guardian is a mutual organisation, the Company has no legal rights to Guardian's net assets, nor does it derive any benefit from exercising its power and therefore does not control Guardian.

E3 Parent entity disclosure

As at, and throughout the current and previous financial year, the parent entity of the Group was Centuria Capital Limited.

Result of parent entity	2022 $'000	2021 $'000
Profit for the year	**23,561**	28,258
Total comprehensive income for the year	**23,561**	28,258
Financial position of parent entity at year end		
Total assets	**1,147,511**	847,907
Total liabilities	**(465,339)**	(179,578)
Net assets	**682,172**	668,329

The parent entity classifies its assets and liabilities as current, except for the parent entity's investments in subsidiaries. The assets of the parent entity mainly consist of cash, short term receivables, investments in subsidiaries and deferred tax assets. The parent entity's investment in subsidiaries are measured at cost. The liabilities of the parent entity mainly consist of short term payables.

Total equity of the parent entity comprising of:	2022 $'000	2021 $'000
Share capital	**389,716**	386,633
Share-based incentive reserve	**8,931**	4,898
Retained earnings	**283,526**	276,798
Total equity	**682,173**	668,329

(a) Guarantees entered into by the parent entity

The parent entity has, in the normal course of business, entered into guarantees in relation to the debts of its subsidiaries during the financial year.

(b) Commitments and contingent liabilities of the parent entity

The parent entity has bank guarantees of $3,349,911 for commercial leases with respect to its Sydney and Melbourne office premises. These bank guarantees are cash collateralised.

The above guarantees are issued in respect of the parent entity and do not constitute an additional liability to those already existing in liabilities on the statement of financial position.

The directors of the Company are not aware of any other contingent liabilities in relation to the parent entity, other than those disclosed in the financial statements.

F Other

F1 Share-based payment arrangements

(a) LTI Plan details

The Company has an Executive Incentive Plan ("LTI Plan") which forms a key element of the Company's incentive and retention strategy for senior executives under which Performance Rights ("Rights") are issued.

Each employee receives ordinary securities of the Group on vesting of the performance rights. No amounts are paid or payable by the recipient on receipt of the performance rights or on vesting. The performance rights carry neither rights to dividends nor voting rights prior to vesting.

It is expected that future annual grants of performance rights will be made, subject to the Board's determination of the overall performance of the Group and market conditions. The vesting of any performance rights awarded will be subject to attainment of appropriate performance hurdles and on the basis of continuing employment with the Group.

Further details of the LTI Plan are included in the Audited Remuneration Report from page 15 to page 47.

	2022	2021
Performance rights outstanding at the beginning of the year	**8,960,099**	7,090,373
Performance rights granted during the year	**3,196,360**	3,861,014
Performance rights vested during the year	**(2,297,578)**	(1,991,288)
Performance rights outstanding at the end of the year	**9,858,881**	8,960,099

The performance objectives for 2,801,507 of the performance rights issued under Tranche 7 were partially met as at 30 June 2022. As a result, 700,377 of these rights will vest on 31 August 2022.

(b) Measurement of fair values

The fair value of the rights was calculated using a binomial tree valuation methodology for the Rights with non-market vesting conditions and a Monte-Carlo simulation for the Rights with market vesting conditions.

The inputs used in the measurement of the fair values at grant date of the rights were as follows:

	Tranche 7	**Tranche 8**	**Tranche 9**
Expected vesting date	31 August 2022	31 August 2023	31 August 2024 and 21 August 2025
Share price at the grant date	$2.13	$2.51 and $2.37	$3.13 - $3.25
Expected life	2.9 years	2.8 years	2.8 - 4.1 years
Volatility	18%	26%	26%
Risk free interest rate	0.76%	0.11% and 0.12%	0.11% and 0.86%
Dividend yield	4.5%	4.2%	3.8%

The following table sets out the fair value of the rights at the respective grant date:

Performance Condition	**Tranche 7**	**Tranche 8**	**Tranche 9**
Growth in FUM	$1.87	-	-
Absolute TSR	$0.79	$1.29 and $1.10 (i)	$1.85 to $2.15 (iii)
Relative TSR	-	$1.75 and $1.58 (ii)	$1.16 to $1.32 (iv)

(i) $1.29 for Chief Executive Officers and $1.10 for other employees.
(ii) $1.75 for Chief Executive Officers and $1.58 for other employees.
(iii) $1.85 and $1.92 for Chief Executive Officers, $1.98 and $2.05 for senior executive committee members and $2.15 for other employees.
(iv) $1.16 and $1.18 for Chief Executive Officers, $1.19 and $1.23 for senior executive committee members and $1.32 for other employees.

During the year, share based payment expenses were recognised of $5,010,000 (2021: $3,058,000).

F1 Share-based payment arrangements (continued)

Recognition and measurement

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

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

F2 Financial instruments

(a) Management of financial instruments

The Board is ultimately responsible for the Risk Management Framework of the Group.

The Group employs a cascading approach to managing risk, facilitated through delegation to specialist committees and individuals within the Group.

The Group is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management and investment policies, approved by the Board, seek to minimise the potential adverse effects of these risks on the Group's financial performance. These policies may include the use of certain financial derivative instruments.

Centuria Group has various investment committees to oversee the relevant entity's investment and portfolio management practices to ensure they are in line with the risk and return requirements of its investors, as well as ensuring that investment decisions are made in accordance with the appropriate regulatory requirements. The Centuria Life investment committee in particular monitor fund rules and target achieving the long-term strategic objectives of investors.

From time to time, the Group outsources certain parts of the investment management of the Benefit Funds to specialist investment managers including co-ordinating access to domestic and international financial markets, and managing the financial risks relating to the operations of the Group in accordance with an investment mandate set out in the Group's constitution and the Benefit Funds' product disclosure statements. The Benefit Funds' investment mandates are to invest in equities and fixed interest securities via unit trusts, discount securities and may also invest in derivative instruments such as futures and options.

The Group uses interest rate swaps to manage interest rate risk and not for speculative purposes in any situation. Hedging is put in place where the Group is either seeking to minimise or eliminate cash-flow variability, i.e. converting variable rates to fixed rates, or changes in the fair values of underlying assets or liabilities, i.e. to convert fixed rates to variable rates.

Derivative financial instruments of the Benefit Funds, consolidated into the financial statements of the Group under AASB 10 Consolidated Financial Statements, are used only for hedging factual or anticipated exposures relating to investments. The use of financial derivatives in respect of Benefit Funds is governed by the Benefit Funds' investment policies, which provide written principles on the use of financial derivatives.

(b) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of debt and equity capital. This overall strategy remains unchanged from the prior year.

The Group's capital structure consists of net debt (borrowings, offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves and retained earnings).

The Group carries on business throughout Australia and New Zealand, primarily through subsidiary companies that are established in the markets in which the Group operates. The operations of CLL are regulated by APRA and the management fund of CLL has a minimum Prescribed Capital Amount (PCA) that must be maintained at all times. It is calculated monthly and these results are reported to the Board each month. The current level of share capital of CLL meets the PCA requirements.

In addition, Centuria Property Funds Limited, Centuria Funds Management Limited, Centuria Property Fund No.2 Limited, Centuria Healthcare Asset Management Limited and Heathley Funds Distribution Limited have AFS licences so as to operate registered property trusts. Regulations require these entities to hold a minimum net asset amount which is maintained by way of cash term deposits and listed liquid investments.

F2 Financial instruments (continued)

(b) Capital risk management (continued)

Operating cash flows are used to maintain and, where appropriate, expand the Group's funds under management as well as to make the routine outflows of tax, dividends and repayment of maturing debt. The Group regularly reviews its anticipated funding requirements and the most appropriate form of funding (capital raising or borrowings) depending on what the funding will be used for.

The capital structure of the Benefit Funds (and management fund) consists of cash and cash equivalents, bill facilities and mortgage assets. The Benefit Funds also hold a range of financial assets for investment purposes including investments in unit trusts, equity and floating rate notes. The Investment Committee aims to ensure that there is sufficient capital for possible redemptions by policyholders of the Benefit Funds by regularly monitoring the level of liquidity in each fund.

The Benefit Funds have no restrictions or specific capital requirements on the application and redemption of units. The Benefit Funds' overall investment strategy remains unchanged from the prior year.

(c) Fair value of financial instruments

i *Valuation techniques and assumptions applied in determining fair value*

The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).

The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. Discount rates are determined based on market rates applicable to the financial asset or liability.

The valuation technique used to determine the fair value of the Group's reverse mortgage loan book is as follows:

- the weighted average reverse mortgage holders’ age is 83 years;
- the future cash flows calculation is related to borrowers' mortality rates and mortality improvements. The data is sourced from mortality tables sourced from externally published data.
- fixed or variable interest rates charged to borrowers are used to project future cash flows;
- a redemption rate, which is based on historical loan redemption experience, applies to future cash flow forecast; and
- year-end yield curve plus a credit margin is used to discount future cash flows back to 30 June 2022 to determine the fair value.

ii *Valuation techniques and assumptions applied in determining fair value of derivatives*

The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The valuation technique used to determine the fair value of the Fixed for Life interest rate swaps is as follows:

- the weighted average reverse mortgage holders’ age is 83 years;
- the expected future cash flows in relation to the swaps are based on reverse mortgage borrowers' expected life expectancy sourced from mortality tables provided by the actuary; and the difference between the fixed swap pay rates and forward rates as of 30 June 2022 is used to calculate the future cash flows in relation to the swaps; and year-end yield curve plus a credit margin is used to discount future cash flows back to 30 June 2022 to determine the fair value.

iii *Fair value measurements recognised in the statement of financial position*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value.

The table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1, 2 and 3 in the period.

F2 Financial instruments (continued)

(c) Fair value of financial instruments (continued)

***iii** Fair value measurements recognised in the statement of financial position (continued)*

30 June 2022	**Measurement basis**	**Fair value hierarchy**	**Carrying amount $'000**	**Fair value $'000**
Financial assets				
Cash and cash equivalents	**Amortised cost**	**Not applicable**	**200,565**	**200,565**
Receivables	**Amortised cost**	**Not applicable**	**113,487**	**113,487**
Financial assets	**Fair value**	**Level 1**	**685,211**	**685,211**
Financial assets	**Fair value**	**Level 2**	**235,216**	**235,216**
Financial assets - mortgage backed assets	**Fair value**	**Level 3**	**1,181**	**1,181**
Reverse mortgages receivables	**Fair value**	**Level 3**	**40,084**	**40,084**
			1,275,744	**1,275,744**
Financial liabilities				
Payables	**Amortised cost**	**Not applicable**	**134,619**	**134,619**
Benefit Funds policy holders' liability	**Amortised cost**	**Not applicable**	**270,558**	**270,558**
Borrowings (net of borrowing costs)	**Amortised cost**	**Not applicable**	**629,385**	**624,941**
Interest rate swaps - reverse mortgage fixed-for-life	**Fair value**	**Level 3**	**18,750**	**18,750**
Call/Put option liability	**Fair value**	**Level 3**	**84,095**	**84,095**
			1,137,407	**1,132,963**

30 June 2021	Measurement basis	Fair value hierarchy	Carrying amount $'000	Fair value $'000
Financial assets				
Cash and cash equivalents	Amortised cost	Not applicable	273,351	273,351
Receivables	Amortised cost	Not applicable	127,197	127,197
Financial assets	Fair value	Level 1	811,661	811,661
Financial assets	Fair value	Level 2	123,373	123,373
Financial assets - mortgage backed assets	Fair value	Level 3	1,181	1,181
Reverse mortgages receivables	Fair value	Level 3	54,309	54,309
			1,391,072	1,391,072
Financial liabilities				
Payables	Amortised cost	Not applicable	88,675	88,675
Benefit Funds policy holders' liability	Amortised cost	Not applicable	303,650	303,650
Borrowings (net of borrowing costs)	Amortised cost	Not applicable	426,642	430,576
Interest rate swaps - reverse mortgage fixed-for-life	Fair value	Level 3	31,205	31,205
Call/Put option liability	Fair value	Level 3	22,690	22,690
			872,862	876,796

F2 Financial instruments (continued)

(c) Fair value of financial instruments (continued)

iii *Fair value measurements recognised in the statement of financial position (continued)*

The Group determines Level 2 fair values for financial assets and liabilities without an active market based on broker quotes. Level 2 fair values for simple over-the-counter derivatives are also based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the entity and counterparty where appropriate.

The Level 3 financial asset held by the Group is the fair value of the residential mortgage receivables attributable to interest rate risk. The Level 3 financial liability held by the Group is the fixed-for-life interest rate swaps. These items are designated in a fair value hedging relationship, with the fair value movements on the swaps offset by the fair value movements in the mortgage receivables. However, as the Group has only designated the fair value movements attributable to interest rate risk in the hedging relationship, any other fair value movements impact the profit and loss directly, such as credit risk movements.

iv *Reconciliation of Level 3 fair value measurements of financial assets and liabilities*

Year ended 30 June 2022	**Other mortgage backed assets at fair value $'000**	**Reverse mortgages fair value $'000**	**Fixed-for-life interest rate swaps $'000**	**Call/Put option liability $'000**	**Total $'000**
Balance at 1 July 2021	**1,181**	**54,309**	**(31,205)**	**(22,690)**	**1,595**
Loan repaid	**-**	**(3,824)**	**1,206**	**-**	**(2,618)**
New call/put option entered	**-**	**-**	**-**	**(35,400)**	**(35,400)**
Fair value adjustment	**-**	**-**	**-**	**(26,005)**	**(26,005)**
Accrued interest	**-**	**3,413**	**(1,907)**	**-**	**1,506**
Attributable to interest rate and other risk	**-**	**(17,749)**	**14,503**	**-**	**(3,246)**
Attributable to credit risk	**-**	**3,935**	**(1,347)**	**-**	**2,588**
Balance at 30 June 2022	**1,181**	**40,084**	**(18,750)**	**(84,095)**	**(61,580)**

Year ended 30 June 2021	Other mortgage backed assets at fair value $'000	Reverse mortgages fair value $'000	Fixed-for-life interest rate swaps $'000	Call/Put option liability $'000	Total $'000
Balance at 1 July 2020	1,195	58,904	(32,752)	(17,167)	10,180
Loan repaid	(14)	(2,126)	720	-	(1,420)
Fair value adjustment	-	-	-	(5,523)	(5,523)
Accrued interest	-	2,965	(1,925)	-	1,040
Attributable to interest rate and other risk	-	(5,152)	8,080	-	2,928
Attributable to credit risk	-	(282)	(5,328)	-	(5,610)
Balance at 30 June 2021	1,181	54,309	(31,205)	(22,690)	1,595

F2 Financial instruments (continued)

(c) Fair value of financial instruments (continued)

Key estimates and judgements

The fair value of the 50-year residential mortgage loans and 50-year swaps are calculated using a valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument and not based on available observable market data due to the illiquid nature of the instruments. A discounted cash flow model is used for analysis using the applicable yield curve out to 20 years, with the yield curve at 20 years employed as the best proxy for subsequent rates due to non-observable market data and to reflect the average remaining life expectancy of the borrowers.

Assumptions and inputs used for valuation of reverse mortgage loan receivables:

- The loan interest compounding period is the expected remaining life of the borrower;
- Mortality rates for males and females are based on portfolio-adjusted 2013-2015 Life Tables;
- The compounding interest rate is the fixed rate of loan for the period from day 1 up to the point of time when loan carrying amount equals the property value. After that point of time, the loan compounding rate will be reduced to the same as long term residential property growth rate determined by Management, on the grounds that any fixed rate exceeding the property growth rate will not be recovered after that point of time;
- For 30 June 2022 valuation, the property growth rates are nil% for FY23, then reverted to a 3.5% flat rate from FY24 onwards;
- Discount factors are calculated based on the market quoted long term rates on 30 June 2022;
- The 1% flat credit risk premium, reflecting the portfolio default profile on 30 June 2022, is added to the monthly cash flow discount factors to discount future cash flows generated by the reverse mortgage loans.

Assumptions and inputs used for valuation of the 50-year interest rate swaps:

- Mortality rates for males and females based on portfolio-adjusted 2013-2015 Life Tables. The improvement factor tapers down to 1% p.a. at age 90 and then zero at age 100;
- Joint life mortality is calculated based on last death for loans with joint borrowers;
- 46% of the residential mortgage loan portfolio consists of joint lives;
- Discount factors are calculated based on the market quoted long term rates on 30 June 2022;
- The 1.716% flat credit risk premium, reflecting the business default profile on 30 June 2022, is added to the monthly cash flow discount factors to discount future cash flows generated by the reverse mortgage loans.

Recognition and measurement

The Group enters into derivative financial instruments such as interest rate swaps to manage its exposure to interest rate risk.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting period. 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.

F2 Financial instruments (continued)

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security, where appropriate, as a means of mitigating risk of financial loss from default. The credit risk on financial assets of the Group and the parent recognised in the statement of financial position is generally the carrying amount, net of allowance for impairment loss.

Concentration of risk may exist when the volume of transactions limits the number of counterparties.

i Credit risk of reverse mortgages

Concentration of credit risk in relation to reverse mortgage loans is minimal, as each individual reverse mortgage loan is secured by an individual residential property. The loan is required to be settled off from the proceeds of disposal of the secured property after the borrower's death.

Individual property valuations are conducted at least every 3 years in accordance with financier's requirements. At 30 June 2022, the highest loan to value ratio (LVR) of a loan in the reverse mortgage loan book is 129% (2021: 117%), and there are 72 out of 166 (2021: 77 out of 182) reverse mortgage loans where the LVR is higher than 50%.

ii Credit risk on other financial assets

Credit risk on other financial assets such as investments in floating rate notes, standard discount securities and unit trusts is managed through strategic asset allocations with creditworthy counterparties and the on-going monitoring of the credit quality of investments, including the use of credit ratings issued by well-known rating agencies. The exposure of credit risk in respect of financial assets is minimal.

The Group does not have any significant credit risk exposure to any single entity in other financial assets or any group of counterparties having similar characteristics.

(e) Liquidity risk

The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities.

The liquidity risk is managed for the Group at a corporate level. Bank account balances across all entities, current and future commitments, and expected cash inflows are reviewed in detail when the monthly cash flow projection is prepared for management purposes and presented to the Board at its regular monthly meetings. By comparing the projected cash flows with the assets and liabilities shown in the individual and consolidated statements of financial position, which are also prepared on a monthly basis for management purposes and presented to the Board, liquidity requirements for the Group can be determined. Based on this review, if it is considered that the expected cash inflows plus liquidity on hand, may not be sufficient in the near term to meet cash outflow requirements, including repayment of borrowings, a decision can be made to carry out one or more of the following:

- renegotiate the repayment terms of the borrowings;
- sell assets that are held on the statement of financial position; and/or
- undertake an equity raising.

This, combined with a profitable business going forward, should ensure that the Group continues to meet its commitments, including repayments of borrowings, as and when required.

The Group's overall strategy to liquidity risk management remains unchanged from the prior year.

The policyholders in the Benefit Funds are able to redeem their policies at any time and the Benefit Funds are therefore exposed to the liquidity risk of meeting policyholders' withdrawals at any time. The Investment Committee aims to ensure that there is sufficient capital for possible redemptions by policyholders of the Benefit Funds by regularly monitoring the level of liquidity in each fund.

The following table summarises the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been prepared based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the parent can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

F2 Financial instruments (continued)

(e) Liquidity risk (continued)

Non-derivative financial liabilities	On demand $'000	Less than 3 months $'000	3 months to 1 year $'000	1-5 years $'000	5+ years $'000	Total $'000
2022						
Borrowings	**-**	**8,242**	**28,531**	**697,617**	**-**	**734,390**
Payables	**-**	**134,619**	**-**	**-**	**-**	**134,619**
Call/Put option liability	**-**	**35,400**	**-**	**58,929**	**-**	**94,329**
Benefit Funds policyholder's liability	**270,557**	**-**	**-**	**-**	**-**	**270,557**
Finance lease liabilities	**-**	**805**	**2,447**	**13,175**	**6,820**	**23,247**
Total	**270,557**	**179,066**	**30,978**	**769,721**	**6,820**	**1,257,142**
2021						
Borrowings	-	782	12,658	477,917	-	491,357
Payables	-	88,675	-	-	-	88,675
Call/Put option liability	-	-	-	28,141	-	28,141
Benefit Funds policyholder's liability	303,650	-	-	-	-	303,650
Finance lease liabilities	-	822	2,403	13,285	10,050	26,560
Total	303,650	90,279	15,061	519,343	10,050	938,383

The following table summarises the maturing profile of derivative financial liabilities. The table has been drawn up based on the undiscounted net cash flows on the derivative instruments that settle on a net basis.

Derivative financial liabilities	On demand $'000	Less than 3 months $'000	3 months to 1 year $'000	1-5 years $'000	5+ years $'000	Total $'000
2022						
Interest rate swaps	**-**	**92**	**287**	**2,924**	**33,775**	**37,078**
Total	**-**	**92**	**287**	**2,924**	**33,775**	**37,078**
2021						
Interest rate swaps	-	66	212	2,342	45,171	47,791
Total	-	66	212	2,342	45,171	47,791

(f) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and price risk. Due to the nature of assets held by the Group (excluding the Benefit Funds), there is an asset and liability management process which determines the interest rate sensitivity of the statement of financial position and the implementation of risk management practices to hedge the potential effects of interest rate changes. The Group manages the market risk associated with its Benefit Funds by outsourcing its investment management. The Investment Manager manages the financial risks relating to the operations of the Benefit Funds in accordance with an investment mandate set out in the Benefit Funds' constitution and PDS. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

i *Interest rate risk management*

The Group is exposed to interest rate risk because entities in the Group borrow funds at floating interest rates. Management of this risk is evaluated regularly and interest rate swaps are used accordingly.

The tables below detail the Group's interest bearing financial assets and liabilities.

F2 Financial instruments (continued)

(f) Market risk (continued)

i Interest rate risk management (continued)

	Weighted average effective interest rate %	Variable rate $'000	Fixed rate $'000	Total $'000
2022				
Financial assets				
Cash and cash equivalents	0.87%	169,706	30,859	200,565
Other financial assets held by Benefit Funds	2.56%	3,269	7,432	10,701
Other interest bearing loans	4.82%	-	71,039	71,039
Reverse mortgage receivables	8.71%	743	39,341	40,084
Total financial assets		173,718	148,671	322,389
Financial liabilities				
Borrowings	4.56%	(529,997)	(99,388)	(629,385)
Total financial liabilities		(529,997)	(99,388)	(629,385)
Net interest bearing financial assets/(liabilities)		(356,279)	49,283	(306,996)

	Weighted average effective interest rate %	Variable rate $'000	Fixed rate $'000	Total $'000
2021				
Financial assets				
Cash and cash equivalents	0.13%	247,100	26,251	273,351
Other financial assets held by Benefit Funds	0.88%	122,219	3,825	126,044
Reverse mortgage receivables	8.71%	710	53,509	54,219
Total financial assets		370,029	83,585	453,614
Financial liabilities				
Borrowings	3.54%	(397,276)	(29,366)	(426,642)
Total financial liabilities		(397,276)	(29,366)	(426,642)
Net interest bearing financial assets/(liabilities)		(27,247)	54,219	26,972

ii Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of fixed rate financial assets held and the cash flow exposures on the issued variable rate debt.

The following table details the notional principal amounts and remaining expiry of the Group's outstanding interest rate swap contracts as at reporting date. These swaps are at fair value through profit and loss.

	Average contracted rate		Notional principal amount		Fair value	
Pay fixed for floating contracts designated as effective in fair value hedge	**2022 %**	2021 %	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000
50 year swaps contracts	**7.48%**	7.48%	**8,447**	9,301	**(18,750)**	(31,205)
			8,447	9,301	**(18,750)**	(31,205)

F2 Financial instruments (continued)

(f) Market risk (continued)

iii *Interest rate sensitivity*

The sensitivity analysis below has been determined based on the parent and the Group's exposure to interest rates at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period, in the case of financial assets and financial liabilities that have variable interest rates. A 100 basis points (1.00%) increase or decrease represents management's assessment of the reasonably possible change in interest rate.

At reporting date, if variable interest rates had been 100 (2021: 25) basis points higher or lower and all other variables were held constant, the impact to the Group would have been as follows:

	Change in variable 2022	Change in variable 2021	Effect on profit after tax 2022 $'000	Effect on profit after tax 2021 $'000
Consolidated				
Interest rate risk	**+1.00%**	**+0.25%**	**(4,004)**	(496)
Consolidated				
Interest rate risk	**-1.00%**	**-0.25%**	**4,132**	500

The methods and assumptions used to prepare the sensitivity analysis have changed in the year. The sensitivity analysis takes into account interest-earning assets and interest-bearing liabilities attributable to the securityholders only, and does not take into account the bank bill facility margin changes.

iv *Fair value hedges*

The Group held the following instruments to hedge exposures to changes in interest rates.

	Maturity 1-6 months	6-12 months	More than one year
Interest rate swaps - as at 30 June 2022			
Net exposure ($'000)	-	-	**8,447**
Average fixed interest rate	-	-	7.48%
Interest rate swaps - as at 30 June 2021			
Net exposure ($'000)	-	-	**9,301**
Average fixed interest rate	-	-	7.48%

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

Interest rate swaps ($'000)	**Nominal Amount**	**Assets**	**Liabilities**	**Hedge ineffectiveness recognised in profit or loss**
30 June 2022	8,447	-	(18,750)	115
30 June 2021	9,301	-	(31,205)	84

Interest rate swaps are recognised as interest rate swaps at fair value line item in the statement of financial position. The line item in the profit or loss statement that includes hedge effectiveness is within finance costs.

F3 Remuneration of auditors

Amounts received or due and receivable by KPMG:

	2022 $	2021 $
Audit and review of the financial report	**858,353**	711,048
Other services including AFSL and compliance plan audits	**115,401**	141,611
Non-audit services	**426,800**	162,500
	1,400,554	1,015,159

F4 Events subsequent to the reporting date

From 30 June 2022 to 9 August 2022, the fair value gain on investments in listed funds is $16,470,000, with the share price in CIP moving from $2.81 to $2.99 and the share price in COF moving from $1.70 to $1.68.

In July 2022, $9,468,967 of units were redeemed in Centuria 111 St Georges Terrace Fund bringing the Group's ownership to 30%. As a result, the Group has deconsolidated this fund post year end.

In July 2022, a new Centuria Agriculture Fund (CAF) was established and the put/call option in relation to the remaining 50% interest in the Warragul asset was exercised with external investor equity from new investors entering into CAF. Subsequently, the Group's existing 50% ownership reduced to 38%. As a result, the Group has deconsolidated this fund post year end.

Other than the above, there has not arisen in the interval between 30 June 2022 and the date hereof any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial periods.

Directors' declaration

In the opinion of the Directors' of Centuria Capital Limited:

(a) the consolidated financial statements and notes set out on pages 49 to 110 and the Remuneration Report set out on pages 15 to 47 in the Directors' Report, are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date, and

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

Note A1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Joint Chief Executive Officers and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of Directors.

Mr Garry S. Charny
Director

Mr Peter J. Done
Director

10 August 2022

KPMG

Independent Auditor's Report

To the stapled security holders of Centuria Capital Group

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Centuria Capital Limited (the Company) as the deemed parent presenting the stapled security arrangement of the Centuria Capital Group (the Stapled Group Financial Report).

In our opinion, the accompanying Financial Report is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Stapled Group's*** financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** of the Stapled Group comprises:

- Consolidated statement of financial position as at 30 June 2022;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies;

  (collectively referred to as ***Financial Statements***); and
- Directors' Declaration.

Centuria Capital Group (the ***Stapled Group)*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year and Centuria Capital Fund and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Stapled Group and the Company in accordance with 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 fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Recognition of performance fee income;
- Recoverable amount of goodwill and indefinite life intangible assets; and
- Valuation of investments in related party unit trusts and investment properties.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current year.

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.

Recognition of performance fee income ($32.9m)

Refer to Note B2 to the Financial Report

The key audit matter

The Stapled Group, in its capacity as a property fund manager, earns performance fees based on agreements with some of its managed property funds. Performance fees are triggered when underlying funds internal rate of return exceeds the agreed hurdle rate.

Recognition of performance fee income is considered a key audit matter due to the:

- Quantum of performance fee income, representing 11% of the Stapled Group's total revenue; and
- Significant judgement exercised by us in assessing the amount of performance fees recognised by the Stapled Group. The key assumptions impacting the amount of performance fees, are subject to estimation uncertainty, bias and inconsistent application. This increases the risk of inaccurate forecasts or a wider range of possible outcomes for us to consider. Increased time and effort is spent by the audit team in assessing these key assumptions.

The amount of performance fees recognised are impacted by key assumptions including:

- Fair value of underlying investment properties held by the funds - The valuation of investment properties contains assumptions with estimation uncertainty such as expected capitalisation rates and market rental yields. This leads to additional audit effort due to the differing assumptions based on asset classes, geographies and characteristics of individual investment properties.

How the matter was addressed in our audit

In performing our procedures, we:

- Reviewed the Stapled Group's agreements with managed property funds to understand the key terms related to performance fees, including hurdle rates;
- Evaluated the Stapled Group's accounting policies regarding the recognition of performance fee income against accounting standard requirements. This included assessing the Stapled Group's policies for constraining performance fee income and valuing investment properties against accounting standard requirements;
- Assessed the scope, competence and objectivity of the fund's external experts and their internal valuers to fair value the underlying investment properties held by the funds;
- Challenged specific property fair value assumptions such as capitalisation rates and market rental yields by comparing to market analysis published by industry experts, recent market transactions, inquiries with the Stapled Group, historical performance of the underlying investment properties and using our industry experience;
- Assessed the Stapled Group's determination of the forecast fund end date based on the underlying managed property fund agreements, the fair value of underlying investment properties, the Stapled Group's fund strategy and history of extending fund term end dates;

• Forecast fund end date - The fund end date impacts the level of returns that can be achieved over the course of the funds life and may change depending on management's view of when maximum value can be obtained for unitholders of the fund. • Constraint - This is impacted by the Stapled Group's expectations of how much of the performance fee is highly probable of being received in accordance with the requirements of the accounting standards.	• Recalculated the Stapled Group's performance fee recognised against hurdles in the underlying performance fee agreements with managed property funds; and • Challenged the constraints applied in determining the amount of performance fees that are highly probable of bring received by the Stapled Group, based on the Stapled Group's estimate of current and forecast property fund performance. We used our knowledge of the Stapled Group, their past performance, business, and our industry experience.

Recoverable amount of goodwill and indefinite life intangible assets ($788.2m)

Refer to Note C6 to the Financial Report

The key audit matter	**How the matter was addressed in our audit**
A key audit matter is the Group's annual testing of goodwill and indefinite life intangible assets for impairment, given the size of the balance (being 29.3% of total assets) and sensitivity of the forward-looking assumptions to changes. We focused on the significant forward-looking assumptions the Stapled Group applied in their value in use model, including: • Forecast operating cash flows, growth rates and terminal growth rates (taking into consideration future growth in funds under management and transactional fees). The Group's model is sensitive to changes in these assumptions, which may reduce available headroom. This drives additional audit effort specific to their feasibility and consistency of application to the Group's strategy. • Discount rate - this is complicated in nature and varies according to the conditions and environment the specific Cash Generating Unit (CGU) is subject to from time to time. The Group's modelling is highly sensitive to changes in the discount rate. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	In performing our procedures, we: • Considered the appropriateness of the value in use method applied by the Stapled Group, to perform the annual impairment test of goodwill and indefinite life intangible assets, against the requirements of the accounting standards; • Compared the cash flows contained in the value in use model to the Board approved forecast; • Challenged the Stapled Group's significant forecast cash flows and growth assumptions by: - Comparing baseline cash flows to actual historic cash flows and comparing key events to the Board approved plan and strategy; - Comparing terminal growth rates to published studies of industry trends and expectations, and considering differences to the Stapled Group's assumptions. We used our knowledge of the Stapled Group, their past performance, business and customers, and our industry experience; and - Checking the consistency of the forecast growth rates to the Stapled Group's stated plan and strategy and our experience regarding the feasibility of these in the economic environment in which they operate.

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	• Worked with our valuation specialists to independently develop a discount rate range considered comparable using publicly available market data for comparable entities, adjusted by risk factors specific to the Stapled Group and the industry it operates in; • Considered the sensitivity of the model by varying key assumptions, such as forecast growth rates, terminal growth rates and discount rates, within a reasonably possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus on our further procedures; and • Assessed the disclosures in the financial report against the requirements of the accounting standards.

Valuation of investments in related party unit trusts ($608.7m) and investment properties ($337.5m)

Refer to Note C3 and C4 to the Financial Report

The key audit matter	How the matter was addressed in our audit
The Stapled Group's investments consist primarily of investments in related party unit trusts and investment property. We considered these investments to be a key audit matter as they are significant in value (being 35.2% of total assets), the importance of the performance of these investments in driving the Stapled Group's investment income and investment property valuations contain assumptions with estimation uncertainty for us to consider. We focused on the important features of the Stapled Group's investment property valuation process. In order of application, these included key assumptions and methodologies adopted in the external valuation, being capitalisation rates, discount rates, and future rental income inputs to the capitalisation rate and discounted cash flow methodologies.	For investments in related party unit trusts, our procedures included: • Assessing the appropriateness of the accounting policies applied by the Stapled Group, including those relevant to the fair value hierarchy of investments against the requirements of the accounting standards; and • Checking the valuation of investments as at 30 June 2022, as recorded in the general ledger, to external data (listed and quoted unit prices, and underlying net asset values). For investment property, our procedures included: • Assessing the Stapled Group's methodologies used in the valuation of investment property for consistency with accounting standards and Stapled Group policies; • Assessing the scope, competence and objectivity of external valuation experts engaged by the Stapled Group; and • Challenging the Stapled Group's investment property key valuation assumptions, being capitalisation rates, discount rates, and future rental income inputs, by comparing against market analysis published by industry experts,

	recent market transactions, and the property specific attributes including location, asset condition, land area and actual passing income. Assessing the disclosures in the financial report, against accounting standard requirements.

Other Information

Other Information is financial and non-financial information in the Stapled Group's (Centuria Capital Group) annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report, Remuneration Report, the Stock Exchange Appendix 4E and Additional stock exchange information. The Centuria Capital Group Annual Report is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Stapled Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Stapled Group and Company or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Centuria Capital Limited for the year ended 30 June 2022, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in pages 15 to 47 of the Directors' report for the year ended 30 June 2022.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Paul Thomas

Partner

Sydney

10 August 2022

Additional stock exchange information

The securityholder information set out below was applicable as at 24 July 2022.

Distribution of securities

Analysis of numbers of securityholders by size of holding:

Holding	Number of holders	Number of securities
1 - 1000	1,965	951,692
1,001 - 5,000	4,805	12,212,862
5,001 - 10,000	1,451	10,430,487
10,001 - 100,000	1,685	45,396,924
100,001 and over	210	723,913,125
	10,116	792,905,090

There were 256 holders of less than a marketable parcel of securities holding 8,149 securities.

Top 20 Securityholders

The names of the twenty largest holders of securities are listed below:

	Number held	Percentage of issued securities
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	169,786,689	21.41
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	165,855,748	20.92
CITICORP NOMINEES PTY LIMITED	71,329,099	9.00
NATIONAL NOMINEES LIMITED	32,904,921	4.20
PENTEK HOLDINGS PTY LTD <J LITIS INV NO 2 A/C>	32,862,905	4.15
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	28,669,789	3.62
CIRCLESTAR PTY LTD <DAVID SCHWARTZ FAM HOLD A/C>	28,377,402	3.58
MR PETER KARL CHRISTOPHER HULJICH & MR JOHN HAMISH BONSHAW IRVING <THE PKCH A/C>	16,566,486	2.09
TOPSFIELD PTY LTD <JB INVESTMENT A/C>	15,826,336	2.00
MR C P HULJICH & MRS C M F HULJICH & P K C HULJICH <THE CPH A/C>	14,890,525	1.88
GH 2016 PTY LTD <HARVEY 2006 OPTION A/C>	9,701,022	1.22
BNP PARIBAS NOMS (NZ) LTD <DRP>	8,144,132	1.03
HWM (NZ) HOLDINGS LIMITED	6,948,589	0.88
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	6,122,204	0.77
PARITAI PTY LIMITED <PARITAI A/C>	6,005,311	0.76
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	5,753,112	0.73
MR JASON TIMOTHY KILGOUR & MR VAUGHAN CHARLES ATKIN <E A HULJICH FAMILY A/C>	4,563,792	0.58
MARK EDWARD FRANCIS & ROCKRIDGE TRUSTEE COMPANY LIMITED <ROCKRIDGE A/C>	4,557,969	0.58
RESOLUTE FUNDS MANAGEMENT <HANOVER GRP STAFF SUPER A/C>	4,344,364	0.55
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>>	3,672,008	0.46
	636,882,403	80.41

Substantial holders

Substantial holders in the Group are set out below as at 24 July 2022.

	Number held	Percentage
The Vanguard Group, Inc.	64,340,821	8.17%
BlackRock Group	43,584,931	5.51%
	107,925,752	13.68%

Voting rights

All ordinary securities carry one vote per security without restriction.

Centuria

Centuria Capital Fund

ACN 607 153 588

Financial Report
for the year ended 30 June 2022

Centuria Capital Fund comprises of Centuria Capital Fund ARSN 613 856 358 (the 'Fund') and its subsidiaries. The Responsible entity of the Fund is Centuria Funds Management Limited (the 'Company') ACN 607 153 588, AFSL 479 873.

Centuria Capital Fund
Financial Report - 30 June 2022

Contents

These consolidated financial statements are the financial statements of the consolidated entity consisting of Centuria Capital Fund and its subsidiaries. A list of subsidiaries is included in note E2. The consolidated financial statements are presented in the Australian currency.

Centuria Capital Fund is a trust, registered and domiciled in Australia.

Its registered office is:
Centuria Capital Fund
Level 41, Chifley Tower
2 Chifley Square
Sydney NSW 2000

The consolidated financial statements were authorised for issue by the Directors of the Responsible Entity on 10 August 2022.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available at our Shareholder's Centre on our website: www.centuria.com.au

Directors' Report

The directors of Centuria Funds Management Limited (the 'Company') as the Responsible Entity for Centuria Capital Fund ('CCF') present their report together with the consolidated financial statements of the Fund and its controlled entities (the 'Fund') for the financial year ended 30 June 2022 and the auditor's report thereon.

ASX listed Centuria Capital Group consists of Centuria Capital Limited ('CCL') and its controlled entities including the Fund. The shares in CCL and the units in CCF are stapled, quoted and traded on the Australian Securities Exchange ('ASX') as if they were a single security under the ticker code 'CNI'.

Directors and directors' interests

Directors of Centuria Funds Management Limited during or since the end of the financial year are:

Name	Appointed	Resigned	Directorship of other listed entities
Mr Garry Charny	8 August 2016		Centuria Capital Limited
Mr Peter J. Done	8 August 2016		Centuria Capital Limited Centuria Industrial REIT (CIP) (i) Centuria Office REIT (COF) (ii)
Mr John R. Slater	8 August 2016		Centuria Capital Limited
Ms Susan Wheeldon	31 August 2016		Centuria Capital Limited
Ms Kristie Brown	15 February 2021		Centuria Capital Limited
Mr John. E McBain	8 August 2016		Centuria Capital Limited Asset Plus Limited
Mr Jason C. Huljich	8 August 2016		Centuria Capital Limited
Mr Nicholas Collishaw	8 August 2016	30 August 2021	Centuria Capital Limited Centuria Industrial REIT (CIP) (i) Centuria Office REIT (COF) (ii)

Resigned

(i) Director of Centuria Property Funds No. 2 Limited as responsible entity for Centuria Industrial REIT
(ii) Director of Centuria Property Funds Limited as responsible entity for Centuria Office REIT
(iii) Nicholas Collishaw resigned as Director from the Centuria Industrial REIT and Centuria Office REIT on 30 August 2021.

Directors and directors' interests (continued)

Additional directors' information and their interests are detailed below:

Mr Garry S. Charny, BA. LL.B. *Independent Non-Executive Director and Chairman*		
Experience and expertise	Garry was appointed to the Board on 23 February 2016 and appointed Chairman of Centuria Capital Group on 30 March 2016. Garry is also Chairman of Centuria Life Limited, Over Fifty Guardian Friendly Society Limited and Centuria Healthcare Pty Ltd. He is Managing Director and founding principal of Wolseley Corporate, an Australian based corporate advisory and investment house which transacts both domestically and internationally. He has significant, board-level experience in listed and unlisted companies across a diverse range of sectors including property, retail, technology and media. He formerly practised as a barrister in the fields of commercial and equity.	
Other directorships	Garry is Chairman of Wolseley Corporate. He is also Chairman of Spotted Turquoise Films, an international Film and Television company based in Sydney and Los Angeles. He is Chairman of Shero Investments, a Sydney based investment company. He is also Chairman of Centuria Capital Limited.	
Responsibilities	Chairman of the Centuria Capital Limited and Centuria Funds Management Limited Boards Member of the Conflicts Committee Member of the Nomination and Remuneration Committee (stepped down as Chairman on 22 February 2022) Member of the Centuria Capital Limited and Centuria Funds Management Limited Audit, Risk and Compliance Committee (resigned 22 February 2022) Chairman of the Centuria Life Limited Board Member of the Centuria Life Limited Audit Committee Member of the Centuria Life Limited Risk and Compliance Committee Chairman of the Centuria Healthcare Pty Limited Board Chairman of the Over Fifty Guardian Friendly Society Limited Board Member of the Over Fifty Guardian Friendly Society Limited Audit Committee Member of the Over Fifty Guardian Friendly Society Limited Risk and Compliance Committee Member of the Culture and ESG Committee	
Interests in CNI	Ordinary stapled securities	422,753

Directors and directors' interests (continued)

Mr Peter J. Done, B.Comm, FCA. *Independent Non-Executive Director*		
Experience and expertise	Peter was appointed to the Board on 8 August 2016. Peter was a partner of KPMG for 27 years until his retirement in June 2006. He has extensive knowledge in accounting, audit and financial management in the property development and financial services industries, corporate governance, regulatory issues and Board processes through his many senior roles.	
Other directorships	Centuria Capital Limited Centuria Industrial REIT Centuria Office REIT	
Responsibilities	Member of the Centuria Capital Limited and Centuria Funds Management Limited Boards Member of the Nomination and Remuneration Committee Chairman of the Centuria Capital Limited and Centuria Funds Management Limited Audit, Risk and Compliance Committee Member of the Centuria Life Limited Board Chairman of the Centuria Life Limited Audit Committee Chairman of the Centuria Life Limited Risk and Compliance Committee Member of the Centuria Life Limited Investment Committee Member of the Centuria Property Funds Limited Board Member of the Centuria Property Funds Limited Audit, Risk and Compliance Committee Member of the Centuria Property Funds No. 2 Limited Board Chairman of the Centuria Property Funds No. 2 Limited Audit, Risk and Compliance Committee Member of the Over Fifty Guardian Friendly Society Limited Board Chairman of the Over Fifty Guardian Friendly Society Limited Audit Committee Chairman of the Over Fifty Guardian Friendly Society Limited Risk and Compliance Committee	
Interests in CNI	Ordinary stapled securities	1,506,182

Mr John R. Slater, Dip.FS (FP), F Fin. AICD. *Independent Non-Executive Director*		
Experience and expertise	John was appointed to the Board on 22 May 2013 having previously been an adviser to the Centuria Life Friendly Society Investment Committee from 2011. He brings a wealth of financial service experience to the Board. Between 1989 and 1999, John was a senior executive in KPMG’s Financial Services and acted as State director of the Brisbane practice. He has also served on the Investment Committees of KPMG Financial Services, Berkley Group and Byron Capital. In 2008, John founded boutique Financial Advisory firm Riviera Capital, which was sold in 2016.	
Other directorships	Centuria Capital Limited	
Responsibilities	Member of the Centuria Capital Limited and Centuria Funds Management Limited Boards Member of the Centuria Capital Limited and Centuria Funds Management Limited Nomination and Remuneration Committee Member of the Centuria Capital Limited and Centuria Funds Management Limited Audit, Risk and Compliance Committee Member of the Centuria Life Limited Board Chairman of the Centuria Life Limited Investment Committee Member of the Over Fifty Guardian Friendly Society Limited Investment Committee	
Interests in CNI	Ordinary stapled securities	3,110,677

Directors and directors' interests (continued)

Ms Susan Wheeldon, MBA. *Independent Non-Executive Director*		
Experience and expertise	Susan was appointed to the Board on 31 August 2016. Susan is Country Manager for Australia and New Zealand at Airbnb. Previously, she served in a number of roles, including Head of Government & Performance and Head of Agency at Google, working with major national and global companies to develop and deliver growth strategies that future-proof and build clients' businesses and brands in a constantly changing environment. She has previous experience in retail property asset management at AMP Capital Shopping Centres, as Head of Brand & Retail, responsible for delivering alternative revenue from 38 retail assets across Australia and New Zealand with combined annual sales in excess of $5 billion.	
Other directorships	Centuria Capital Limited	
Responsibilities	Member of the Centuria Capital Limited and Centuria Funds Management Limited Boards Member of the Centuria Capital Limited and Centuria Funds Management Limited Conflicts Committee (resigned 22 February 2022) Chairman of the Centuria Capital Limited and Centuria Funds Management Limited Culture and ESG Committee Chairman of the Centuria Capital Limited and Centuria Funds Management Limited Nomination and Remuneration Committee (appointed 22 February 2022)	
Interests in CNI	Ordinary stapled securities	nil

Ms Kristie Brown, B. Comm, B. Law (Hon) *Independent Non-Executive Director*		
Experience and expertise	Kristie was appointed to the Board on 15 February 2021. Kristie is an experienced real estate investment and legal professional who joins the Centuria Board as an Independent Non-Executive Director as well as a member of the Group's Audit, Risk & Compliance Committee. Kristie is a founding partner of investment firm, Couloir Capital, and established Danube View Investments following 16 years at blue-chip law firms.	
Other directorships	Centuria Capital Limited Couloir Capital	
Responsibilities	Member of the Centuria Capital Limited and Centuria Funds Management Limited Boards Member of the Centuria Capital Limited and Centuria Funds Management Limited Audit, Risk and Compliance Committee Member of the Centuria Capital Limited and Centuria Funds Management Limited Conflicts Committee	
Interests in CNI	Ordinary stapled securities	nil

Directors and directors' interests (continued)

Mr John E. McBain, Dip. Urban Valuation. *Executive Director and Joint Chief Executive Officer*		
Experience and expertise	Joint CEO John McBain's 42-year real estate career in both Australasia and the UK spans the commercial and industrial markets and more latterly the healthcare and agriculture real estate sectors. He is an Executive Director of Centuria Capital Limited, Centuria Life Limited, Centuria Healthcare Pty Limited and Primewest Management Limited and a Non-Executive Director of Centuria Bass Credit Limited. John is a Director of NZX-listed Asset Plus Limited (NZ) and an alternate Director of Centuria Funds Management NZ Limited and Centuria NZ Industrial Fund Limited (NZ). He also serves on the Centuria NZ and Centuria Healthcare Management committees and the Centuria Life Investment Committee. John and Jason Huljich founded Centuria Capital together over 25 years ago and the group now oversees more than $20 billion of assets under management including four separate publicly listed vehicles and over 370 staff throughout Australia, New Zealand and The Philippines. John is chiefly responsible for Centuria's corporate team including corporate acquisitions and mergers. His responsibilities include corporate strategy as well as leadership of the Finance, Governance, Compliance, Corporate Investor Relations, Marketing, Communications and Centuria Life teams who report directly to him. He jointly steers the Senior Executive Committee and serves on the Non-Financial Risk Committee and the ESG Management Committee. Since 2007, John has been instrumental in the integration of several businesses into the Centuria group, including the 360 Capital Group (2016), a majority interest in Heathley Asset Management (now Centuria Healthcare) (2019), New Zealand-based Augusta Capital Limited (now Centuria NZ) (2020) and Primewest Group (2021). This corporate acquisition strategy, together with a highly successful asset acquisition and funds management programme overseen by fellow CEO Jason Huljich, has seen the pair oversee significant corporate growth culminating in Centuria Capital Limited entering the S&P ASX 200 Index in July 2021. John has a property valuation qualification from the University of Auckland.	
Other directorships	Centuria Capital Limited Asset Plus Limited	
Responsibilities	Joint Chief Executive Officer	
Interests in CNI	Ordinary stapled securities	7,700,782
	Performance rights granted	2,367,445

Directors and directors' interests (continued)

Mr Jason C. Huljich, B. Comm. *Executive Director and Joint Chief Executive Officer*		
Experience and expertise	Joint CEO Jason Huljich's 26-year real estate career spans the commercial and industrial real estate sectors. He co-founded Centuria Capital, with Joint CEO, John McBain. He is an Executive Director of Centuria Capital Group, Centuria Life Limited, Centuria Healthcare Pty Limited, Centuria Healthcare Asset Management Limited, Primewest Management Limited, as well as Director of Centuria Funds Management (NZ) Ltd, Centuria NZ Industrial Fund Limited and Non-Executive Director of Centuria Bass Credit Limited. Jason shares the helm of Centuria with John, collectively overseeing more than $20 billion of assets under management and over 370 staff throughout Australia, New Zealand and the Philippines. Jason is chiefly responsible for the company's real estate portfolio and funds management operations including the listed Centuria Industrial REIT (ASX: CIP) and Centurial Office REIT (ASX: COF), as well as a Director of Centuria's extensive range of unlisted funds across Australia and New Zealand. Several unlisted funds regularly feature in the Top 10 Performing Core Funds in the Property Council of Australia / MSCI Australia Unlisted Retail Quarterly Property Funds Index. Since Centuria was established, Jason has been pivotal in raising over $5 billion for the listed and unlisted vehicles. He has been central to positioning Centuria as Australia's fourth largest external manager. Centuria Capital Group (CNI) and CIP are included in the S&P/ASX 200 Index and CIP is also part of the FTSE EPRA Nareit Global Index. COF is included in the S&P/ ASX 300 Index. Jason has a hands-on approach to the real estate operations throughout the company's platform. The Transactions, Development, Funds Management, Distribution and Asset Management teams all report directly to him. Jason's career began after graduating with a Bachelor of Commerce (Commercial Law major) from the University of Auckland. He is a Property Funds Association (PFA) of Australia Past President. The PFA is the peak industry body representing the $125 billion direct property investment industry. Jason currently sits on the Property Council of Australia's Global Investment Committee.	
Other directorships	Centuria Capital Limited	
Responsibilities	Joint Chief Executive Officer	
Interests in CNI	Ordinary stapled securities	6,258,581
	Performance rights granted	2,367,445

Company secretary

Anna Kovarik was appointed to the position of Company Secretary on 5 July 2018.

Anna holds a Masters of Information Technology, a BA (Hons) in Systems Management and was awarded a distinction in the Global Executive MBA program at the University of Sydney. She is qualified as a solicitor in both the United Kingdom and New South Wales and was a senior associate at Allens law practice in Sydney.

Prior to joining Centuria, Anna held the position of Group Risk Manager at Mirvac Group and was previously Head of Group Insurance for AMP and General Counsel and Company Secretary at AMP Capital Brookfield.

Principal activities

The principal activity of the Fund during the financial year was holding direct interest in property funds and other liquid investments.

Significant changes and state of affairs

Significant changes in the state of affairs of the Fund during the financial year, in addition to the operating and financial review below were as follows:

- Contributed equity attributable to Centuria Capital Fund increased by $6,762,000 from $1,018,822,000 to $1,025,584,000 reflecting stapled securities issued as completion of the takeover of Primewest Group Limited (Primewest) during the year, vesting of rights under the Executive Incentive Plan and participation in the Dividend Reinvestment Plan (DRP). Details of changes in contributed equity is are disclosed in Note C6 to the consolidated financial statements.
- On 16 December 2021, the Fund entered into a loan note subscription agreement for a $100,000,000 floating rate secured loan notes facility with a variable interest rate of 2.25% plus the bank bill rate which is due to mature on 16 December 2024.
- In March 2022, the Fund issued a $70,000,000 three-year Senior Secured Medium Term Note (MTN) with a fixed coupon of 5.46% which is due to mature on 25 March 2025.
- In April 2022, the Fund issued a $30,000,000 three-year Senior Secured Medium Term Note (MTN) with a floating rate margin of 3.70% which is due to mature on 25 March 2025.
- On 30 June 2022, the Fund entered into a 5 year $50,000,000 secured loan note facility. The facility is a floating rate revolving facility with a margin of 2.45% which is due to mature on 30 June 2027.

Operating and financial review

The Fund's loss from continuing operations for the year ended 30 June 2022 was $56,727,000 (2021: profit of $126,739,000). The Fund's profit from continuing operations for the year ended 30 June 2022 excluding fair value movements of financial instruments and property was $78,914,000 (2021: $44,173,000).

Earnings per unit

	2022 Statutory[(i)]	2021 Statutory
Basic (loss)/earnings per unit (cents/unit)	**(7.9)**	20.6
Diluted (loss)/earnings per unit (cents/unit)	**(7.9)**	20.4

[(i)]As the Group is in a statutory loss, the Diluted EPS is equal to Basic EPS.

Distributions

Distributions paid or declared by the Fund to the Fund's unitholders during the current financial year were:

Distributions paid during the year	Cents per unit	Total amount $'000	Date paid/payable
Final 2021 Trust distribution	3.40	20,408	30 July 2021
Interim 2022 Trust distribution	4.30	33,977	9 February 2022
Distributions declared during the year			
Final 2022 Trust distribution	4.60	36,363	10 August 2022

Responsible Entity interests

The following fees were paid and/or payable to the Responsible Entity and its related parties during the financial year:

	2022 **$**	2021 $
Management and custodian fees paid to Centuria Property Funds No. 2 Limited, Centuria Property Funds Limited and Centuria Healthcare Asset Management Limited	**874,531**	906,471
Management fees paid to Centuria Funds Management Limited	**200,000**	200,000
Management fees paid to Primewest P/Q Pty Ltd	**99,987**	39,030
	1,174,518	1,145,501

Events subsequent to the reporting date

From 30 June 2022 to 9 August 2022, the fair value gain on investments in listed funds is $16,028,000, with the share price in CIP moving from $2.81 to $2.99 and the share price in COF moving from $1.70 to $1.68.

In July 2022, $9,468,967 of units were redeemed in Centuria 111 St Georges Terrace Fund bringing the Fund's ownership to 30%. As a result, the Fund has deconsolidated this fund post year end.

Other than the above, there has not arisen in the interval between 30 June 2022 and the date hereof any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund, in future financial periods.

Likely developments

The Fund continues to pursue its strategy of focusing on its core operations, utilising a strengthened balance sheet to provide support to grow and develop these operations.

Further information about likely developments in the operations of the Fund and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Fund.

Environmental regulation

The Fund has policies and procedures to identify and appropriately address environmental obligations that might arise in respect of the Fund's operations that are subject to environmental laws and regulation. The Directors have determined that the Fund has complied with those obligations during the financial year and that there has not been any material breaches.

Indemnification of officers and auditors

Under the Fund's constitution the Responsible Entity, including its officers and employees, is indemnified out of the Fund's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund. The Responsible Entity has not indemnified or agreed to indemnify any auditor or other officer of the Fund, or any related body corporate.

Rounding of amounts

The Fund is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, unless otherwise indicated.

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

Mr Garry S. Charny
Director

Mr Peter J. Done
Director

Sydney
10 August 2022

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Centuria Funds Management Limited, the Responsible Entity of Centuria Capital Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of Centuria Capital Fund for the financial year ended 30 June 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Paul Thomas

Partner

Sydney

10 August 2022

Centuria Capital Fund
ACN 607 153 588

Financial report
30 June 2022

Contents

Consolidated statement of comprehensive income

For the year ended 30 June 2022

	Notes	2022 $'000	2021 $'000
Revenue	B1	**105,058**	64,525
Share of net profit of equity accounted investments	E1	**4,190**	2,784
Fair value movements of financial instruments and property	B2	**(135,641)**	82,566
Expenses	B3	**(7,914)**	(7,595)
Finance costs	B4	**(22,420)**	(15,541)
Net (loss)/profit		**(56,727)**	126,739
(Loss)/profit is attributable to:			
Centuria Capital Fund		**(62,232)**	120,556
Non-controlling interests		**5,505**	6,183
(Loss)/profit after tax		**(56,727)**	126,739
Other comprehensive income		**-**	-
Total comprehensive (loss)/income for the year		**(56,727)**	126,739
Total comprehensive (loss)/income for the year is attributable to:			
Centuria Capital Fund		**(62,232)**	120,556
Non-controlling interests		**5,505**	6,183
Total comprehensive (loss)/income		**(56,727)**	126,739
(Loss)/profit attributable to Centuria Capital Fund unitholders		**(62,232)**	120,556

		Cents	Cents
(Loss)/earnings per Centuria Capital Fund unit			
Basic (cents per unit)	B5	**(7.9)**	20.6
Diluted (cents per unit)	B5	**(7.9)**	20.4

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

Consolidated balance sheet
As at 30 June 2022

	Notes	2022 $'000	2021 $'000
Assets			
Cash and cash equivalents		**23,768**	168,252
Receivables	C1	**12,730**	30,001
Financial assets	C2	**1,278,736**	879,205
Investment properties	C3	**160,500**	208,140
Equity accounted investments	E1	**46,764**	28,144
Other assets		**1,409**	1,295
Total assets		**1,523,907**	1,315,037
Liabilities			
Payables	C4	**54,691**	32,978
Borrowings	C5	**727,480**	397,428
Total liabilities		**782,171**	430,406
Net assets		**741,736**	884,631
Equity			
Equity attributable to Centuria Capital Fund			
Contributed equity	C6	**1,025,584**	1,018,822
Retained losses		**(329,338)**	(196,107)
Total equity attributable to unitholders of Centuria Capital Fund		**696,246**	822,715
Equity attributable to non-controlling interests			
Contributed equity		**12,789**	31,790
Retained earnings		**32,701**	30,126
Total equity attributable to non-controlling interests		**45,490**	61,916
Total equity		**741,736**	884,631

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

Consolidated statement of changes in equity
For the year ended 30 June 2022

	Centuria Capital Fund			Non-controlling interests			
	Contributed equity $'000	Retained earnings $'000	Equity attributable to Centuria Capital Fund unitholders $'000	Contributed equity $'000	Retained earnings $'000	Total $'000	Total equity $'000
Balance at 1 July 2021	1,018,822	(196,107)	822,715	31,790	30,126	61,916	884,631
(Loss)/profit for the year	-	(62,232)	(62,232)	-	5,505	5,505	(56,727)
Total comprehensive (loss)/income for the year	**-**	**(62,232)**	**(62,232)**	**-**	**5,505**	**5,505**	**(56,727)**
Value differential on acquisition of Primewest Property Fund	-	(470)	(470)	-	-	-	(470)
Distributions paid/accrued	-	(70,529)	(70,529)	-	(3,891)	(3,891)	(74,420)
Units issued during the year	7,106	-	7,106	3,085	-	3,085	10,191
Cost of equity raising	(344)	-	(344)	-	-	-	(344)
Deconsolidation of controlled property funds	-	-	-	(22,086)	961	(21,125)	(21,125)
Balance at 30 June 2022	**1,025,584**	**(329,338)**	**696,246**	**12,789**	**32,701**	**45,490**	**741,736**

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

Consolidated statement of changes in equity

	Centuria Capital Fund			Non-controlling interests			
	Contributed equity $'000	Retained earnings $'000	Equity attributable to Centuria Capital Fund unitholders $'000	Contributed equity $'000	Retained earnings $'000	Total $'000	Total equity $'000
Balance at 1 July 2020	545,744	(22,439)	523,305	14,248	27,362	41,610	564,915
Profit for the year	-	120,556	120,556	-	6,183	6,183	126,739
Total comprehensive income for the year	**-**	**120,556**	**120,556**	**-**	**6,183**	**6,183**	**126,739**
Value differential on acquisition of Primewest Property Fund	-	(259,690)	(259,690)	-	-	-	(259,690)
Transactions with owners in their capacity as owners	-	5,685	5,685	-	-	-	5,685
Distributions paid/accrued	-	(40,219)	(40,219)	-	(3,295)	(3,295)	(43,514)
Units issued during the year	475,185	-	475,185	-	-	-	475,185
Cost of equity raising	(2,107)	-	(2,107)	-	-	-	(2,107)
Deconsolidation of controlled property funds	-	-	-	(1,450)	793	(657)	(657)
Consolidation of controlled property funds	-	-	-	18,992	(917)	18,075	18,075
Balance at 30 June 2021	**1,018,822**	**(196,107)**	**822,715**	**31,790**	**30,126**	**61,916**	**884,631**

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

Consolidated statement of cash flows

For the year ended 30 June 2022

	Notes	2022 $'000	2021 $'000
Cash flows from operating activities			
Interest received		**702**	1,463
Rent received		**16,023**	13,962
Distributions received		**38,476**	29,313
Payments to suppliers		**(9,051)**	(11,249)
Interest paid		**(15,209)**	(13,338)
Other income		**140**	139
Net cash provided by operating activities	D1	**31,081**	20,290
Cash flows from investing activities			
Proceeds from sale of related party investments		**57,987**	13,908
Purchase of investments in related parties		**(145,413)**	(88,870)
Repayment of loans by related parties		**56,726**	3,750
Purchase of equity accounted investments		**(22,749)**	-
Cash balance on acquisition of subsidiary		**-**	92,177
Proceeds from the sale of equity accounted investments		**8,234**	5,000
Loans provided to other parties		**(190,886)**	(67,703)
Loans repaid by other parties		**-**	5,925
Payments in relation to investment properties		**(1,152)**	(27)
Purchase of subsidiaries		**-**	(51,883)
Deconsolidation of controlled property funds cash balance		**(4,962)**	-
Return of investment to external non-controlling interests		**-**	(356)
Proceeds from sale of investments		**13,583**	-
Redemption funds received in advance		**11,023**	-
Net cash used in investing activities		**(217,609)**	(88,079)
Cash flows from financing activities			
Proceeds from issues of units to unitholders of Centuria Capital Fund		**6,762**	100,483
Equity raising costs paid		**-**	(2,107)
Proceeds from borrowings		**100,149**	199,525
Repayment of borrowings		**-**	(72,797)
Distributions paid to unitholders of Centuria Capital Fund		**(59,239)**	(36,231)
Distributions paid to non-controlling interests		**(3,820)**	(3,226)
Proceeds from issues of units to non-controlling interests		**-**	2,227
Costs paid to issue debt		**(1,808)**	(4,892)
Net cash provided by financing activities		**42,044**	182,982
Net (decrease) increase in cash and cash equivalents		**(144,484)**	115,193
Cash and cash equivalents at the beginning of the financial period		**168,252**	53,059
Cash and cash equivalents at end of year		**23,768**	168,252

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

A About the report

A1 General information

The units in the Fund and the shares in CCL are stapled to trade together as a single stapled security ('Stapled Security') on the ASX as 'Centuria Capital Group' under the ASX ticker code of CNI.

The Fund is a for-profit entity and its principal activities are holding direct interest in property funds and other liquid investments.

Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements of the Fund comprising the Centuria Capital Fund (as 'Parent') and its controlled entities for the year ended 30 June 2022 were authorised for issue by the Board of Directors of Centuria Funds Management Limited as the Responsible Entity on 10 August 2022.

The Fund was established on 20 July 2016.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for financial assets at fair value through profit and loss, investment properties and derivative financial instruments, and other financial assets, which have been measured at fair value at the end of each reporting period. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, which is the Fund's functional currency, unless otherwise noted.

Assets and liabilities have been presented on the face of the Statement of financial position in decreasing order of liquidity and do not distinguish between current and non-current items.

Rounding of amounts

The Fund is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars unless otherwise indicated.

A2 Significant accounting policies

The accounting policies and methods of computation in the preparation of the consolidated financial statements are consistent with those adopted in the previous financial year ended 30 June 2021 with the exception of the adoption of new accounting standards outlined below or in the relevant notes to the consolidated financial statements.

When the presentation or classification of items in the consolidated financial statements has been amended, comparative amounts are also reclassified, unless it is impractical. Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

These financial statements contain all significant accounting policies that summarise the recognition and measurement basis used and which are relevant to provide an understanding of the financial statements. Accounting policies that are specific to a note to the financial statements are described in the note to which they relate.

A2 Significant accounting policies (continued)

Foreign currency transactions
Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in Other Comprehensive Income (OCI):
• an investment in equity securities designated as at Fair value through OCI (FVOCI) (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
• a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
• qualifying cash flow hedges to the extent that the hedges are effective.

Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the Australian dollar (AUD) at the exchange rate at the reporting date. The income and expenses of foreign operations are translated into AUD at the exchange rates at the date of the transactions.

Foreign currency differences arising from the translation of foreign operations are recognised in OCI and accumulated into the translation reserve, except to the extent that the translation difference is allocated to NCI.

A3 Other new accounting standards and interpretations

The AASB has issued new or amendments to standards that are first effective from 1 July 2021.

The following amended standards and interpretations are not expected to have a significant impact on the Fund's consolidated financial statements.

Standards now effective:

AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2
AASB 2020-8 amends AASB 9 Financial Instruments, AASB 7 Financial Instruments: Disclosures, AASB 4 Insurance Contracts, AASB 16 Leases and AASB 139 Financial Instruments: Recognition and Measurement to introduce practical expedients in relation to accounting for modification of financial contracts and/or leases if a change results directly from IBOR reform. Amendments also allow a series of exemptions from the regular hedge accounting rules and introduce additional disclosures requirements.

AASB 2021-3 Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions beyond 30 June 2021
AASB 2021-3 extends the practical expedient introduced by AASB 2020-4 Amendments to Australian Accounting Standards - COVID-19 - Related Rent Concessions by a further 12 months - permitting lessees to apply the relief to rent concessions for which reductions in lease payments were originally due on or before 30 June 2022.

A3 Other new accounting standards and interpretations (continued)

Standards not yet effective:

A number of new standards are effective for annual periods beginning after 1 July 2021 and earlier application is permitted; however, the Fund has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following new and amended standards are not expected to have a significant impact on the Fund's consolidated financial statements.

• AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
• AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
• AASB 17 Insurance Contracts
• AASB 2020-5 Amendments to Australian Accounting Standards - Insurance Contracts
• AASB 2022-1 Amendments to Australian Accounting Standards - Initial application of AASB 17 and AASB 9 - Comparative Information
• AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates
• AASB 2021-5 Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
• AASB 2021-7(a-c) Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

A4 Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense that are not readily apparent from other sources. The judgements, estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in the following notes:

• Note C2 Financial assets
• Note C3 Investment properties
• Note E1 Interests in associates
• Note F1 Financial instruments

A5 Going Concern

The Fund is in a net current liability position as at 30 June 2022. However, the Fund remains a going concern on the basis that majority of the payables balance pertains to the year end distribution payable to its unitholders. In addition, the Fund has access to undrawn debt of $150,000,000.

The Fund is stapled to Centuria Capital Limited (CCL), together the Centuria Capital Group, under the terms of the stapling deed, each party guarantees the obligations and payables of each other and will provide financial accommodation to the other party.

The financial report has been prepared on a going-concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

B Business performance

B1 Revenue

	2022 $'000	2021 $'000
Rent	**11,586**	10,212
Recoverable outgoings	**4,485**	3,464
Distribution revenue	**34,728**	28,815
Interest revenue	**54,169**	21,344
Other income	**90**	690
	105,058	64,525

(a) Transactions with related parties

	2022 $	2021 $
Distributions from Property Funds managed by Centuria	**34,631,938**	28,361,885
Interest income on loan to Centuria Finance Pty Limited	**53,298,786**	18,795,973
Interest income on loans to Property Funds managed by Centuria	**796,301**	282,628
Interest income on loan to Centuria Capital (NZ) Limited	**-**	2,265,380
	88,727,025	49,705,866

Recognition and measurement

Revenue is recognised over time if:

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

(i) *Interest revenue*

Interest revenue is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method.

(ii) *Rent*

Rental income from investment property is recognised in profit or loss on a straight line basis over the term of the lease.

(iii) *Recoverable outgoings*

The Fund recovers the costs associated with general building and tenancy operation from lessees in accordance with specific clauses within lease agreements. These are invoiced monthly based on an annual estimate. The consideration is due 30 days from invoice date. Should any adjustment be required based on actual costs incurred, this is recognised in the statement of financial performance within the same reporting period and billed annually.

Recoverable outgoings are recognised on an overtime basis under AASB 15.

(iv) *Distribution revenue*

Distribution revenue from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Fund and the amount of revenue can be measured reliably).

B2 Fair value movements of financial instruments and property

The following table provides a summary of fair value movements of investments during the year.

	2022 $'000	2021 $'000
Movement in Centuria Industrial REITs listed market price	**(98,064)**	62,055
Movement in Centuria Office REITs listed market price	**(50,987)**	25,549
Other fair value movements	**13,410**	(5,038)
Total fair value movement	**(135,641)**	82,566

B3 Expenses

	2022 $'000	2021 $'000
Property outgoings and fund expenses	**7,389**	7,365
Consulting and professional fees	**298**	197
Corporate restructure and transaction costs	**166**	-
Other expenses	**61**	33
	7,914	7,595

(a) Transactions with related parties

	2022 $	2021 $
Management and custodian fees paid to Centuria Property Funds No. 2 Limited, Centuria Property Funds Limited and Centuria Healthcare Asset Management Limited	**874,531**	906,471
Management fees paid to Centuria Funds Management Limited	**200,000**	200,000
Management fees paid to Primewest P/Q Pty Ltd	**99,987**	39,030
	1,174,518	1,145,501

B4 Finance costs

	2022 $'000	2021 $'000
Operating interest charges	**17,316**	13,345
Redemption premium - Class A Notes	**3,405**	-
Bank loans in Property Funds interest charges	**1,699**	2,196
	22,420	15,541

Recognition and measurement

The Fund's finance costs include interest expense recognised using the effective interest method.

B5 (Loss)/earnings per unit

	2022 Cents	2021 Cents
Basic (loss)/earnings per unit	**(7.9)**	20.6
Diluted (loss)/earnings per unit(i)	**(7.9)**	20.4

The earnings used in the calculation of basic and diluted earnings per unit is the (loss)/profit for the year attributable to unitholders of the Fund as reported in the consolidated statement of comprehensive income.

(i)As the Group is in a statutory loss, the Diluted EPS is equal to Basic EPS.

The weighted average number of ordinary units used in the calculation of basic and diluted earnings per units is as follows:

	2022	2021
Weighted average number of ordinary units (basic)	**791,188,235**	584,215,946
Weighted average number of ordinary units (diluted)(i)	**800,319,140**	591,683,198

(i)The weighted average number of ordinary units used in the calculation of diluted earnings per unit is determined as if 30 June 2022 was the end of the performance period of the grants of Rights under the LTI plan issued by Centuria Capital Group. All Rights that would have vested if 30 June 2022 was the end of the performance period are deemed to have been issued at the start of the financial year.

B6 Taxation

Under current tax legislation, Trusts are not liable for income tax, provided their unitholders are presently entitled to the taxable income of the Trust including realised capital gains each financial year.

B7 Distributions

	2022 Cents per unit	2022 Total $'000	2021 Cents per unit	2021 Total $'000
Distributions paid during the year				
Final year-end distribution	**3.40**	**20,408**	3.40	16,420
Interim distribution	**4.30**	**33,977**	3.30	19,811
Distributions declared during the year				
Final distribution - Centuria Capital Fund (i)	**4.60**	**36,363**	3.40	20,408

(i) The Fund declared a final distribution in respect of the year ended 30 June 2022 of 4.60 cents per unit. The final distribution had a record date of 30 June 2022 to be subsequently paid on 11 August 2022. The total amount payable of $36,363,000 (2021: $20,408,000) has been provided as a liability in these financial statements.

In addition to the distributions paid to Centuria Capital Fund unitholders, the Fund paid distributions of $3,820,000 (2021: $3,295,000) to non-controlling interests.

C Assets and liabilities

C1 Receivables

	2022 $'000	2021 $'000
Receivables from related parties (refer to note C1(a))	**12,118**	19,454
Other receivables[(i)]	**612**	10,547
	12,730	30,001

[(i)] Prior year other receivables includes $8.4m of receivables from the sale of Vital harvest shares.
All receivables are classified as current.

The Fund does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Fund to the counterparty.

(a) Receivables from related parties

The following amounts owed by related parties of the Fund at the end of the financial year:

	2022 $	2021 $
Distribution receivable from Centuria Industrial REIT	**4,279,345**	3,849,150
Distribution receivable from Centuria Office REIT	**3,686,445**	3,243,487
Receivable from property funds managed by Centuria	**2,977,862**	3,166
Distribution receivable from unlisted property funds managed by Centuria	**892,082**	441,073
Redemption receivable of property funds managed by Centuria	**241,642**	-
Intercompany receivables from Corporate entities within Centuria Capital Group	**40,435**	668,235
Loan receivable from Centuria Government Income Property Fund	**-**	11,248,798
	12,117,811	19,453,909

Recognition and measurement

Receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method, less an allowance for impairment. Due to the short-term nature of these financial rights, their carrying amounts are estimated to represent their fair values.

C2 Financial assets

	Notes	2022 $'000	2021 $'000
Investment in related party unit trusts	C2(a)	**514,941**	554,499
Loans receivable from related parties	C2(b)	**761,092**	317,791
Investments in trusts and other financial assets		**2,703**	6,915
		1,278,736	879,205

Financial assets are classified as non-current assets.

C2 Financial assets (continued)

(a) Investments in related party unit trusts carried at fair value through profit or loss

The following table details related party investments carried at fair value through profit and loss.

	2022			2021		
	Fair value $	**Units held**	**Ownership %**	Fair value $	Units held	Ownership %
Financial assets held by the Fund						
Centuria Industrial REIT	**277,947,455**	**98,913,685**	**15.59%**	336,885,268	90,560,556	16.41%
Centuria Office REIT	**151,010,986**	**88,829,992**	**14.87%**	183,994,181	78,629,992	15.28%
Centuria Healthcare Direct Medical Fund No. 2	**25,483,689**	**18,673,473**	**12.04%**	16,386,598	16,991,495	11.08%
Prime Healthcare Holding Trust	**21,500,000**	**21,500,000**	**10.00%**	-	-	0%
Matrix Trust	**11,092,900**	**9,313,938**	**5.00%**	5,892,821	5,106,431	5.00%
Dragon Hold Trust	**9,696,223**	**969,622,257**	**10.00%**	1,500,000	1,500,000	10.00%
Primewest Agricultural Trust No. 2	**6,775,000**	**6,775,000**	**19.81%**	-	-	0%
Pialba Place Trust	**4,375,331**	**5,129,345**	**23.32%**	3,908,561	5,129,345	23.32%
Primewest Large Format Retail Trust No. 2	**3,407,300**	**3,097,546**	**7.29%**	2,439,720	2,430,000	6.64%
Centuria Healthcare Aged Care Property Fund No. 1	**2,954,165**	**5,513,559**	**9.21%**	2,948,651	5,513,559	9.21%
Centuria Government Income Property Fund	**643,539**	**643,539**	**0.64%**	-	-	0%
25 Grenfell St Fund	**40,010**	**40,010**	**0.08%**	-	-	0%
Northgate Geraldton Trust	**10**	**10**	**0%**	-	-	0%
Albany Brooks Gardens Trust	**-**	**-**	**0%**	422,950	275,000	1.60%
Centuria Scarborough House Fund	**-**	**-**	**0%**	105,921	102,836	0.22%
Centuria Life Goals - Various Funds	**14,096**	**13,499**	**0%**	14,096	13,499	0%
	514,940,704			554,498,767		

C2 Financial assets (continued)

(a) Investments in related party unit trusts carried at fair value through profit or loss (continued)

Related party unit trusts carried at fair value through profit and loss	2022 $'000	2021 $'000
Opening balance	**554,499**	378,639
Investments purchased	**149,401**	91,052
Acquisition of subsidiaries	**-**	14,262
Disposal	**(53,472)**	(13,911)
Fair value (loss)/gain	**(143,514)**	74,597
Carrying value transferred from/(to) controlled property funds	**-**	9,860
Carrying value transferred from/(to) equity accounted investments	**8,027**	-
Fair value gain on discontinuation of equity accounting	**-**	-
	514,941	554,499

(b) Loans receivable from related parties

The following loans were receivable from related parties of the Fund at the end of the financial year:

	2022 $	2021 $
Centuria Finance Pty Limited	**761,091,898**	310,290,943
Primewest Group Limited	**-**	7,500,000
	761,091,898	317,790,943

	2022 $000	2021 $000
Opening balance	**317,791**	152,537
Drawdowns	**407,502**	147,151
Capitalised interest	**53,299**	18,796
Repayments	**(17,500)**	(693)
Closing balance	**761,092**	317,791

$491,103,520 of the loan to Centuria Finance Pty Limited has a maturity date that is the earliest of 23 December 2025 or such other date as the Fund and borrower may agree in writing.

$269,988,378 of the loan to Centuria Finance Pty Limited has a maturity date that is the earliest of 20 July 2026 or such other date as the Fund and borrower may agree in writing.

Recognition and measurement

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss ("FVTPL"), which are initially measured at fair value only.

Financial assets are classified as financial assets at FVTPL when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the statement of comprehensive income.

AASB 9 contains three principal classification categories for financial assets:

- measured at amortised cost;
- measured at fair value through other comprehensive income (FVOCI); and
- measured at fair value through profit and loss (FVTPL).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

C2 Financial assets (continued)

Recognition and measurement (continued)

(i) Financial assets at amortised cost

Loans and receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less any allowance under the Expected Credit Loss ("ECL") model.

(ii) Recoverability of loans and receivables

At each reporting period, the Fund assesses whether financial assets carried at amortised cost are ‘credit-impaired’. A financial asset is ‘credit-impaired’ when one or more events that has a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Fund 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 assets.

Lifetime ECLs result from all possible default events over the expected life of the trade receivables and are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between cash flows due to the Fund in accordance with the contract and the cash flows that the Fund expects to receive.

The Fund analyses the age of outstanding receivable balances and applies historical default percentages adjusted for other current observable data as a means to estimate lifetime ECL, including forecasts of interest rates and inflation, as well as the financial stress of counterparties and their ability to operate as a going concern. Debts that are known to be uncollectable are written off when identified.

(iii) Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. Financial assets recognised at FVTPL include investments in trusts.

C3 Investment properties

	30 June 2022 $'000	30 June 2021 $'000	Asset type	30 June 2022 Capitalisation rate %	30 June 2022 Discount rate %	30 June 2022 valuer
111 St Georges Terrace, Perth WA	**160,500**	159,000	**Office**	**6.5**	**6.8**	**Cushman & Wakefield**
Foundation Place, QLD	**-**	31,500		**-**	**-**	
60 Investigator Drive, QLD	**-**	7,250		**-**	**-**	
26 Westbrook Parade, WA	**-**	5,220		**-**	**-**	
40 John Rice Avenue, SA	**-**	5,170		**-**	**-**	
	160,500	208,140				

Investment properties are classified as non-current.

	2022 $'000	2021 $'000
Opening Balance	**208,140**	167,110
Capital improvements and associated costs	**384**	356
Deconsolidation of controlled property funds	**(49,140)**	(12,110)
Gain/(Loss) on fair value	**2,251**	5,712
Consolidation of controlled property funds	**-**	49,140
Change in deferred rent and lease incentives	**(1,135)**	(2,068)
Closing balance	**160,500**	208,140

Key estimate and judgements

(a) Recognition and measurement

The investment properties recognised by the Fund are properties owned by related party funds that are deemed to be controlled by the Fund under accounting standards.

Investment properties are held by the funds to earn rental income or for capital appreciation or for both. Investment properties are initially recorded at cost which includes stamp duty and other transaction costs. Subsequently, the investment properties are measured at fair value with any change in value recognised in profit or loss. The carrying amount of investment properties includes components relating to deferred rent, lease incentives and leasing fees.

An investment property is derecognised upon disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(b) Valuation techniques and significant unobservable inputs

The fair values of the investment properties were determined by the Directors of the Responsible Entity of the relevant funds or by an external, independent valuer having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Fair value is based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The valuations were prepared by considering the following valuation methodologies:

- **Capitalisation approach**: the annual net rental income is capitalised at an appropriate market yield to arrive at the property's market value. Appropriate capital adjustments are then made where necessary to reflect the specific cash flow profile and the general characteristics of the property.
- **Discounted cash flow approach:** this approach incorporates the estimation of future annual cash flows over a 10-year period by reference to expected rental growth rates, ongoing capital expenditure, terminal sale value and acquisition and disposal costs. The present value of future cash flows is then determined by the application of an appropriate discount rate to derive a net present value for the property.

C3 Investment properties (continued)

(b) Valuation techniques and significant unobservable inputs (continued)

- **Direct comparison approach:** this approach identifies comparable sales on a dollar per square metre of lettable area basis and compares the equivalent rates to the property being valued to determine the property's market value.

The valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit-worthiness; the allocation of maintenance and insurance responsibilities between the lessor and lessee; and the remaining economic life of the property. It has been assumed that whenever rent reviews or lease renewals are pending with anticipated reversionary increases, all notices and, where appropriate, counter notices have been served validly and within the appropriate time.

The most significant unobservable input used in the above valuation techniques and its relationship with fair value measurement is the capitalisation rate. The higher/lower the rate, the lower/higher the fair value.

(c) Fair value measurement

The fair value measurement of investment properties has been categorised as a Level 3 fair value as it is derived from valuation techniques that include inputs that are not based on observable market data (unobservable inputs).

Significant unobservable inputs	Fair value measurement sensitivity to significant increase in input	Fair value measurement sensitivity to significant decrease in input	Inputs FY22	Inputs FY21
Market rent	Increase	Decrease	$598 psm	$593 psm
Capitalisation rate	Decrease	Increase	6.50%	6.50%
Discount rate	Decrease	Increase	6.75%	6.75%

A further sensitivity analysis was taken to assess the fair value of investment property values. The table below illustrates the valuation impact of movements in capitalisation rates and discount rates:

	Fair value 30 June 2022 $000	Capitalisation rate impact -0.25% $000	+0.25% $000	Fair value 30 June 2021 $000	Capitalisation rate impact -0.25% $000	+0.25% $000
Investment property	160,500	6,420	(5,944)	159,000	6,115	(5,679)

C4 Payables

	2022 $'000	2021 $'000
Sundry creditors [(i)]	**17,638**	7,820
Distribution Payable	**36,363**	24,479
Accrued expenses	**690**	679
	54,691	32,978

Payables are classified as current.
(i) Sundry creditors are non-interest bearing liabilities and are payable on commercial terms of 7 to 60 days.

Recognition and measurement

Payables are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services. Due to the short-term nature of these financial obligations, their carrying amounts are estimated to represent their fair values.

C5 Borrowings

	Notes	2022 $'000	2021 $'000
Class A Redeemable preference units	C5(a)	**252,049**	-
Secured listed redeemable notes	C5(b)	**198,693**	198,693
Fixed rate secured notes	C5(c)	**100,553**	30,553
Floating rate secured notes	C5(c)	**96,650**	66,650
Bank loans in Property Funds	C5(d)	**84,044**	106,428
Borrowing costs capitalised		**(4,509)**	(4,896)
		727,480	397,428

The terms and conditions relating to the above facilities are set out below.

(a) Class A Redeemable preference units

On 20 July 2021, a subsidiary of the Fund (Primewest Property Fund) issued $248,643,420 of Class A redeemable preference units to Centuria Capital Limited with a fixed interest rate of 1.44%, which are due to mature on 20 July 2031. The Class A redeemable preference units are considered to be equity in legal form but debt under the accounting standards as the units attract a redemption premium, representing a contractual obligation to deliver cash. These units do not have rights to participate in any distributions of income and attract no voting rights.

(b) Secured listed redeemable notes

On 21 April 2021, the Fund issued $198,693,000 of listed redeemable notes with a variable interest rate of 4.25% plus the bank bill rate which are due to mature on 21 April 2026. These notes are secured against assets within certain subsidiaries of the Fund.

(c) Secured notes

Fixed	Classification	Coupon Rate	Due Date	Total facility $'000	Facility available $'000	2022 $'000	2021 $'000
Tranche 5	Non-current	5.00%	21 Apr 2024	30,553	-	**30,553**	30,553
Tranche 7	Non-current	5.46%	25 Mar 2025	70,000	-	**70,000**	-
				100,553	-	**100,553**	30,553

Floating	Classification	Coupon Rate	Due Date	Total facility $'000	Facility available $'000	2022 $'000	2021 $'000
Tranche 4	Current	BBSW +4.25%	21 Apr 2023	35,000	-	**35,000**	35,000
Tranche 6	Non-current	BBSW +4.50%	21 Apr 2024	31,650	-	**31,650**	31,650
Tranche 8	Non-current	BBSW +3.35%	25 Mar 2025	30,000	-	**30,000**	-
Revolver A	Non-current	BBSY +2.25%	16 Dec 2024	100,000	100,000	**-**	-
Revolver B	Non-current	BBSY +2.45%	30 Jun 2027	50,000	50,000	**-**	-
				246,650	150,000	**96,650**	66,650

The following facilities were entered into during the year:

On 16 December 2021, the Fund entered into a 3 year $100,000,000 secured loan note facility. The facility is a floating rate revolving facility with a margin of 2.25% which is due to mature on 16 December 2024.

In March 2022, the Fund issued a $70,000,000 three-year Senior Secured Medium Term Note (MTN) with a fixed coupon of 5.46% which is due to mature on 25 March 2025.

In April 2022, the Fund issued a $30,000,000 three-year MTN with a floating coupon of 3.35% which is due to mature on 25 March 2025.

On 30 June 2022, the Fund entered into a 5 year $50,000,000 secured loan note facility. The facility is a floating rate revolving facility with a margin of 2.45% which is due to mature on 30 June 2027. The loan is a multi-currency facility allowing both AUD and NZD currencies.

C5 Borrowings (continued)

(d) Bank Loans - Property Funds (secured)

Each controlled property fund has debt facilities secured by first mortgage over each of the fund's investment property and a first ranking fixed and floating charge over all assets of each of the funds. Details of the amounts drawn and the maturity of each facility are as follows:

Fund	Current/non-current classification	Maturity date	Facility limit $'000	Funds available $'000	Draw down $'000	Borrowing costs $'000	Draw down $'000
30 June 2022							
Centuria 111 St Georges Terrace Fund	Non-current	30 June 2025*	90,000	5,956	**84,044**	-	**84,044**
							84,044
30 June 2021							
Centuria 111 St Georges Terrace Fund	Current	30 June 2022	90,000	5,957	**84,043**	(148)	**83,895**
Primewest Property Income Fund	Non-current	19 February 2024	22,600	-	**22,600**	(77)	**22,533**
							106,428

*The maturity date was extended to 30 June 2025 on 25 July 2022.

Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

C6 Contributed equity

	2022 No. of units	**2022** $'000	2021 No. of units	2021 $'000
Balance at beginning of the period	**787,802,693**	**1,018,822**	509,998,482	545,744
Equity settled share based payment expense	**2,367,418**	**-**	1,921,149	-
Units issued	**2,617,009**	**6,636**	275,883,062	475,185
Cost of equity raising	**-**	**(344)**	-	(2,107)
Change in value of units issued	**-**	**470**	-	-
Balance at end of the period	**792,787,120**	**1,025,584**	787,802,693	1,018,822

The Fund issued 2,617,009 stapled securities on 9 February 2022 in relation to the distribution reinvestment plan undertaken for the 2022 interim distribution.

Recognition and measurement

Incremental costs directly attributed to the issue of ordinary units are accounted for as a deduction from equity.

D Cash flows

D1 Reconciliation of profit for the period to net cash flows from operating activities

	2022 $'000	2021 $'000
Profit for the year	**(56,727)**	126,739
Add (deduct) non-cash items:		
Loss/(gain) on investment property	**(2,251)**	(5,854)
Equity accounted profit in excess of distributions paid	**672**	(1,263)
Fair value movement of financial instruments	**137,893**	(76,645)
Non-cash interest capitalised on related party loan	**(49,842)**	(21,612)
Amortisation of borrowing costs	**2,195**	2,628
Amortisation of lease incentives	**1,789**	1,881
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Decrease/(Increase) in Receivables	**(2,425)**	(1,743)
Increase/(decrease) in liabilities:		
Increase/(Decrease) in Other Payables	**(223)**	(3,841)
Net cash flows provided by operating activities	**31,081**	20,290

Recognition and measurement

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition. Bank overdrafts are shown within borrowings in the statement of financial position.

E Group Structure

E1 Interests in associates

Set out below are the associates of the Fund as at 30 June 2022 which, in the opinion of the directors, were material to the Fund and were accounted for using the equity method. The entities listed below have share capital consisting solely of ordinary units, which are held directly by the Fund. The country of incorporation or registration is Australia which is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	**% of ownership interest 30 June 2022 %**	% of ownership interest 30 June 2021 %	**Principal activity**	**Carrying amount 30 June 2022 $'000**	Carrying amount 30 June 2021 $'000
Centuria Diversified Property Fund*	**22.38**	20.44	Property Investments	**39,021**	28,144
Centuria Government Income Property Fund No. 2	**22.03**	-	Property investments	**7,743**	-
Total equity accounted investments				**46,764**	28,144

Equity accounted investments are classified as non-current

*On 27 May 2022, Centuria Diversified Property Fund (CDPF) and Primewest Property Income Fund (PPIF) were stapled together. After the stapling, the Fund's residual combined ownership stake is 22.38% as at 30 June 2022.

The below table shows the movement in carrying amounts of equity accounted investments from 1 July 2021 to 30 June 2022.

	Centuria Diversified Property Fund $'000	**Centuria Government Income Property Fund No. 2 $'000**	**Primewest Property Income Fund $'000**	**Primewest Agricultural Trust No. 2 $'000**	**Total $'000**
Movements in carrying amounts of equity accounted investments					
Opening Balance as at 1 July 2021	**28,144**	**-**	**-**	**-**	**28,144**
Carrying value transferred from controlled property funds	**-**	**-**	**12,827**	**-**	**12,827**
Acquisition of Investments	**-**	**12,424**	**-**	**10,325**	**22,749**
Share of net (Loss)/profit after tax	**880**	**428**	**1,169**	**1,713**	**4,190**
Distributions received/receivable	**(3,596)**	**(335)**	**(403)**	**(461)**	**(4,795)**
Carrying value transferred from/ (to) financial assets	**-**	**-**	**-**	**(8,027)**	**(8,027)**
Disposal of investments	**-**	**(4,774)**	**-**	**(3,550)**	**(8,324)**
Stapling of CDPF and PPIF	**13,593**	**-**	**(13,593)**	**-**	**-**
Closing balance as at 30 June 2022	**39,021**	**7,743**	**-**	**-**	**46,764**

E1 Interests in associates (continued)

The below table shows the movement in carrying amounts of equity accounted investments from 1 July 2020 to 30 June 2021.

	Centuria Diversified Property Fund - Pre Stapled $'000
Movement in carrying amount of equity account investments	
Opening balance as at 1 July 2020	31,830
Disposal	(5,000)
Share of net profit after tax	2,784
Distribution received/ receivable	(1,470)
Closing balance as at 30 June 2021	**28,144**

(a) Summarised financial information for associates and joint ventures

The tables below provide summarised financial information for those associates that are material to the Fund. The information disclosed reflects the amounts presented in the consolidated financial statements of the relevant associates and not the Fund's share of those amounts.

	Centuria Diversified Property Fund[i]		Centuria Government Income Property Fund No. 2		Total	
Summarised balance sheet	**30 June 2022 $'000**	30 June 2021 $'000	**30 June 2022 $'000**	30 June 2021 $'000	**30 June 2022 $'000**	**30 June 2021 $'000**
Cash and other cash equivalents	10,121	11,868	1,557	-	11,678	11,868
Other current assets	12,086	2,099	1,958	-	14,044	2,099
Total current assets	**22,207**	13,967	**3,515**	-	**25,722**	**13,967**
Non-current assets	244,914	180,742	62,814	-	307,728	180,742
Total tangible non-current assets	**244,914**	180,742	**62,814**	-	**307,728**	**180,742**
Other current liabilities	8,196	5,767	973	-	9,169	5,767
Total current liabilities	**8,196**	5,767	**973**	-	**9,169**	**5,767**
Borrowings	99,237	65,150	30,585	-	129,822	65,150
Total non-current liabilities	**99,237**	65,150	**30,585**	-	**129,822**	**65,150**
Net tangible assets	**159,688**	123,792	**34,771**	-	**194,459**	**123,792**
Fund share in %	22.68%	20.44%	22.03%	-		
Fund's share	$35,738.00	25,303	7,658	-		
Goodwill	$3,283.00	2,841	85	-		
Carrying amount	**39,021**	28,144	**7,743**	-		

[i] The 30 June 2022 balance sheet represents the stapled CDPF fund and the 30 June 2021 balance sheet represents the pre-stapled CDPF fund.

E1 Interests in associates (continued)

(a) Summarised financial information for associates and joint ventures (continued)

Summarised statement of comprehensive income	Centuria Diversified Property Fund 30 June 2022 $'000	Centuria Diversified Property Fund 30 June 2021 $'000	Centuria Government Income Property Fund No. 2 30 June 2022 $'000	Centuria Government Income Property Fund No. 2 30 June 2021 $'000	Total 30 June 2022 $'000	Total 30 June 2021 $'000
Revenue	6,977	13,912	2,394	-	9,371	13,912
Net loss on fair value of investment properties	(390)	(1,125)	(1,871)	-	(2,261)	(1,125)
Finance costs	(1,209)	(1,388)	(385)	-	(1,594)	(1,388)
Gain/(loss) on fair value of investments	1,311	9,920	2,106	-	3,417	9,920
Other expenses	(4,603)	(5,409)	(821)	-	(5,424)	(5,409)
Profit/(loss) for the period	**2,086**	15,910	**1,423**	-	**3,509**	15,910
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss)	**2,086**	15,910	**1,423**	**-**	**3,509**	15,910

[(i)] The 30 June 2022 profit and loss represents the stapled CDPF fund and the prior year profit and loss represents the pre-stapled CDPF fund.

E2 Interests in subsidiaries

The Fund's principal subsidiaries at 30 June 2022 are set out below. Unless otherwise stated, they have issued capital consisting solely of ordinary units that are held directly by the Fund, and the proportion of ownership interests held equals the voting rights held by the Fund. The subsidiaries are incorporated in Australia which is also their principal place of business.

	Ownership interest %	
Name of subsidiary	**30 June 2022**	30 June 2021
Centuria Capital No. 2 Fund	100%	100%
Centuria Capital No. 2 Office Fund	100%	100%
Centuria Capital No. 2 Industrial Fund	100%	100%
Centuria Capital No. 3 Fund	100%	100%
Centuria Capital No. 4 Fund	100%	100%
Centuria Capital No. 5 Fund	100%	100%
Centuria Capital No. 6 Fund	100%	100%
Centuria Capital No. 7 Fund	100%	100%
Centuria Capital Health Fund	100%	100%
Centuria Lane Cove Debt Fund	100%	100%
Primewest Property Fund	100%	100%
Primewest USA Trust	100%	100%
Primewest 140 St Georges Terrace Fund	100%	100%
Centuria Capital No. 8 Fund	100%	-
111 St Georges Terrace Fund	42%	42%
Primewest Property Income Fund	-	48%

Recognition and measurement

(i) *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of the Fund and entities controlled by the Fund (subsidiaries). The Fund controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

E3 Parent entity disclosure

As at, and throughout the current financial year, the parent entity of the Fund was Centuria Capital Fund.

	2022	2021
Result of parent entity	**$'000**	$'000
Profit or loss for the year	**72,511**	39,747
Total comprehensive income for the year	**72,511**	39,747
Financial position of parent entity at year end		
Total assets	**811,320**	842,829
Total liabilities	**(36,465)**	(76,269)
Net assets	**774,855**	766,560

The assets and liabilities of the parent entity are considered current except for the parent entity's investment in subsidiaries.The assets of the parent entity mainly consist of cash, short term receivables and financial assets. The parent entity's investment in subsidiaries are measured at cost. The liabilities of the parent entity mainly consist of short term payables.

Total equity of the parent entity comprising of:		
Share capital	**1,025,585**	1,018,822
Retained earnings/(loss)	**(250,730)**	(252,262)
Total equity	**774,855**	766,560

(a) Guarantees entered into by the parent entity

The parent entity has, in the normal course of business, entered into guarantees in relation to the debts of its subsidiaries during the financial year

(b) Commitments and contingent liabilities of the parent entity

The directors of the Company are not aware of any other contingent liabilities in relation to the parent entity, other than those disclosed in the financial statements.

F Other

F1 Financial instruments

(a) Management of financial instruments

The Board is ultimately responsible for the Risk Management Framework of the Fund.

The Fund employs a cascading approach to managing risk, facilitated through delegation to specialist committees and individuals within the Fund.

The Fund is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Fund's risk management and investment policies, approved by the Board, seek to minimise the potential adverse effects of these risks on the Fund's financial performance. These policies may include the use of certain financial derivative instruments.

(b) Capital risk management

The Fund manages its capital to ensure that entities in the Fund will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of debt and equity capital.

The Fund's capital structure consists of net debt (borrowings, offset by cash and cash equivalents) and equity of the Fund (comprising issued capital, reserves and retained earnings).

The Fund carries on business throughout Australia, primarily through subsidiary companies that are established in the markets in which the Fund operates.

Operating cash flows are used to maintain and, where appropriate, expand the Fund's funds under management as well as to make the routine outflows of tax, dividends and repayment of maturing debt. The Fund reviews regularly its anticipated funding requirements and the most appropriate form of funding (capital raising or borrowings) depending on what the funding will be used for.

(c) Fair value of financial instruments

(i) Valuation techniques and assumptions applied in determining fair value

The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).

The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. Discount rates are determined based on market rates applicable to the financial asset or liability.

(ii) Valuation techniques and assumptions applied in determining fair value of derivatives

The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

(iii) Fair value measurements recognised in the statement of financial position

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value.

The table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1, 2 and 3 in the period.

F1 Financial instruments (continued)

(c) Fair value of financial instruments (continued)

***(iii)** Fair value measurements recognised in the statement of financial position (continued)*

30 June 2022	Measurement basis	Fair value hierarchy	Carrying amount $'000	Fair value $'000
Financial assets				
Cash and cash equivalents	**Amortised cost**	**Not applicable**	**23,768**	**23,768**
Receivables	**Amortised cost**	**Not applicable**	**12,730**	**12,730**
Financial assets	**Fair value**	**Level 1**	**431,676**	**431,676**
Financial assets	**Fair value**	**Level 2**	**847,060**	**847,060**
			1,315,234	**1,315,234**
Financial liabilities				
Payables	**Amortised cost**	**Not applicable**	**54,691**	**54,691**
Borrowings (net of borrowing costs)	**Amortised cost**	**Not applicable**	**727,480**	**611,123**
			782,171	**665,814**

30 June 2021	Measurement basis	Fair value hierarchy	Carrying amount $'000	Fair value $'000
Financial assets				
Cash and cash equivalents	Amortised cost	Not applicable	168,252	168,252
Receivables	Amortised cost	Not applicable	30,001	30,001
Financial assets	Fair value	Level 1	524,249	524,249
Financial assets	Fair value	Level 2	354,956	354,956
			1,077,458	1,077,458
Financial liabilities				
Payables	Amortised cost	Not applicable	33,578	33,578
Borrowings (net of borrowing costs)	Amortised cost	Not applicable	397,428	401,522
Total			431,006	435,100

The Fund determines Level 2 fair values for financial assets and liabilities without an active market based on broker quotes. Level 2 fair values for simple over-the-counter derivatives are also based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the entity and counterparty where appropriate.

Recognition and measurement

The Fund enters into derivative financial instruments such as interest rate swaps to manage its exposure to interest rate risk.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting period. 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.

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. The Fund has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security, where appropriate, as a means of mitigating risk of financial loss from default. The credit risk on financial assets of the Fund and the parent recognised in the statement of financial position is generally the carrying amount, net of allowance for impairment loss.

Concentration of risk may exist when the volume of transactions limits the number of counterparties.

F1 Financial instruments (continued)

(d) Credit risk (continued)

(i) *Credit risk on other financial assets*

Credit risk on other financial assets such as investments in floating rate notes, standard discount securities and unit trusts is managed through strategic asset allocations with creditworthy counterparties and the on-going monitoring of the credit quality of investments, including the use of credit ratings issued by well-known rating agencies. The exposure of credit risk in respect of financial assets is minimal.

The Fund does not have any significant credit risk exposure to any single entity in other financial assets or any group of counterparties having similar characteristics.

(e) Liquidity risk

The Fund's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities.

The liquidity risk is managed for the Fund at a corporate level. Bank account balances across all entities, current and future commitments, and expected cash inflows are reviewed in detail when the monthly cash flow projection is prepared for management purposes and presented to the Board at its regular monthly meetings. By comparing the projected cash flows with the assets and liabilities shown in the individual and consolidated statements of financial position, which are also prepared on a monthly basis for management purposes and presented to the Board, liquidity requirements for the Fund can be determined. Based on this review, if it is considered that the expected cash inflows plus liquidity on hand, may not be sufficient in the near term to meet cash outflow requirements, including repayment of borrowings, a decision can be made to carry out one or more of the following:

- renegotiate the repayment terms of the borrowings;
- sell assets that are held on the statement of financial position; and/or
- undertake an equity raising.

This, combined with a profitable business going forward, should ensure that the Fund continues to meet its commitments, including repayments of borrowings, as and when required.

F1 Financial instruments (continued)

(e) Liquidity risk (continued)

The following table summarises the Fund's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Fund and the parent can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

Non-derivative financial liabilities	On Demand $'000	Less than 3 months $'000	3 months to 1 year $'000	1-5 years $'000	5+ years $'000	Total $'000
2022						
Borrowings	**-**	**6,225**	**21,544**	**544,748**	**283,011**	**855,528**
Payables	**-**	**54,691**	**-**	**-**	**-**	**54,691**
Total	**-**	**60,916**	**21,544**	**544,748**	**283,011**	**910,219**
2021						
Borrowings	-	469	11,814	449,157	-	461,440
Payables	-	33,578	-	-	-	33,578
Total	-	34,047	11,814	449,157	-	495,018

(f) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and price risk. Due to the nature of assets held by the Fund, there is an asset and liability management process which determines the interest rate sensitivity of the statement of financial position and the implementation of risk management practices to hedge the potential effects of interest rate changes.

(i) Interest rate risk management

The Fund is exposed to interest rate risk because entities in the Fund borrow funds at floating interest rates. Management of this risk is evaluated regularly and interest rate swaps are used accordingly.

The tables below detail the Fund's interest bearing financial assets and liabilities.

	Weighted average effective interest rate	Variable rate $'000	Fixed rate $'000	Total $'000
2022				
Financial assets				
Cash and cash equivalents	**0.10%**	**23,768**	**-**	**23,768**
Other interest bearing loans	**8.75%**	**-**	**761,092**	**761,092**
Total financial assets		**23,768**	**761,092**	**784,860**
Financial liabilities				
Borrowings	**5.23%**	**(374,878)**	**(100,553)**	**(475,431)**
Related party loan	**1.44%**	**-**	**(252,049)**	**(252,049)**
Total financial liabilities		**(374,878)**	**(352,602)**	**(727,480)**
Net interest bearing financial liabilities		**(351,110)**	**408,490**	**57,380**

F1 Financial instruments (continued)

(f) Market risk (continued)

(i) Interest rate risk management (continued)

	Weighted average effective interest rate	Variable rate $'000	Fixed rate $'000	Total $'000
2021				
Financial assets				
Cash and cash equivalents	0.10%	168,252	-	168,252
Other interest bearing loans	8.75%	-	317,791	317,791
Total financial assets		168,252	317,791	486,043
Financial liabilities				
Borrowings	3.71%	(366,875)	(30,553)	(397,428)
Total financial liabilities		(366,875)	(30,553)	(397,428)
Net interest bearing financial liabilities		(198,623)	287,238	88,615

(ii) Interest rate sensitivity

The sensitivity analysis below has been determined based on the parent and the Fund's exposure to interest rates at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period, in the case of financial assets and financial liabilities that have variable interest rates. A 100 basis points (1%) increase or decrease represents management's assessment of the reasonably possible change in interest rate.

At reporting date, if variable interest rates had been 100 basis points (FY21: 25) higher or lower and all other variables were held constant, the impact to the Fund would have been as follows:

	Change in variable		**Effect on profit**	
	2022	2021	**2022 $'000**	2021 $'000
Consolidated				
Interest rate risk	**+1.00%**	+0.25%	**3,556**	298
Consolidated				
Interest rate risk	**-1.00%**	-0.25%	**(3,556)**	(298)

The methods and assumptions used to prepare the sensitivity analysis have changed in the year. The sensitivity analysis takes into account interest-earning assets and interest-bearing liabilities attributable to the shareholders only, and does not take into account the bank bill facility margin changes.

F2 Remuneration of auditors

Amounts received or due and receivable by KPMG:

	2022 $	2021 $
Audit and review of the financial report	**16,833**	15,514

F3 Key management personnel

The Fund does not employ personnel in its own right. However it is required to have an incorporated Responsible Entity to manage the activities of the Fund. The directors of the Responsible Entity are key management personnel of that entity and their names are:

Mr Garry Charny
Mr Peter Done
Mr John Slater
Ms Susan Wheeldon
Ms Kristie Brown
Mr Nicholas Collishaw (resigned 31 August 2021)
Mr John McBain
Mr Jason Huljich

No compensation is paid directly by the Fund to any of the directors or key management personnel of the Responsible Entity.

Key management personnel loan disclosures
The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

F4 Events subsequent to the reporting date

From 30 June 2022 to 9 August 2022, the fair value gain on investments in listed funds is $16,028,000, with the share price in CIP moving from $2.81 to $2.99 and the share price in COF moving from $1.70 to $1.68.

In July 2022, $9,468,967 of units were redeemed in Centuria 111 St Georges Terrace Fund bringing the Fund's ownership to 30%. As a result, the Fund has deconsolidated this fund post year end.

Other than the above, there has not arisen in the interval between 30 June 2022 and the date hereof any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund, in future financial periods.

Directors' declaration

In the opinion of the Directors' of Centuria Funds Management Limited as the Responsible Entity of Centuria Capital Fund:

(a) the consolidated financial statements and notes set out on pages 11 to 42, are in accordance with the *Corporations Act 2001*, including:

 (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

 (ii) giving a true and fair view of the Fund's financial position as at 30 June 2022 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Note A1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of Directors.

Mr Garry S. Charny
Director

Mr Peter J. Done
Director

Sydney
10 August 2022

KPMG

Independent Auditor's Report

To the unitholders of Centuria Capital Fund

Opinion

We have audited the ***Financial Report*** of Centuria Capital Fund (the Fund).

In our opinion, the accompanying Financial Report of the Fund is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated balance sheet as at 30 June 2022;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies;

  (collectively referred to as ***Financial Statements***); and
- Directors' Declaration.

The ***Group*** consists of Centuria Capital Fund (the Fund) and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group and Centuria Funds Management Limited (the Responsible Entity) in accordance with 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 fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in Centuria Capital Fund's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of the Responsible Entity are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of the Responsible Entity are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Fund's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Paul Thomas

Partner

Sydney

10 August 2022

Additional stock exchange information

The unitholder information set out below was applicable as at 6 August 2021.

Distribution of units

Analysis of numbers of unitholders by size of holding:

Holding	Total holders	Units
1 - 1000	1,965	951,692
1,001 - 5,000	4,805	12,212,862
5,001 - 10,000	1,451	10,430,487
10,001 - 100,000	1,685	45,396,924
100,001 and over	210	723,913,125
	10,116	792,905,090

There were 256 holders of less than a marketable parcel of units holding 8,149 units.

Top 20 unitholders

The names of the twenty largest unitholders are listed below:

	Number held	Percentage of issued units
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	169,786,689	21.41
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	165,855,748	20.92
CITICORP NOMINEES PTY LIMITED	71,329,099	9.00
NATIONAL NOMINEES LIMITED	32,904,921	4.20
PENTEK HOLDINGS PTY LTD <J LITIS INV NO 2 A/C>	32,862,905	4.15
BNP PARIBAS NOMS PTY LTD <DRP>	28,669,789	3.62
CIRCLESTAR PTY LTD <DAVID SCHWARTZ FAM HOLD A/C>	28,377,402	3.58
MR PETER KARL CHRISTOPHER HULJICH & MR JOHN HAMISH BONSHAW IRVING <THE PKCH A/C>	16,566,486	2.09
TOPSFIELD PTY LTD <JB INVESTMENT A/C>	15,826,336	2.00
MR C P HULJICH & MRS C M F HULJICH & P K C HULJICH <THE CPH A/C>	14,890,525	1.88
GH 2016 PTY LTD <HARVEY 2006 OPTION A/C>	9,701,022	1.22
BNP PARIBAS NOMS (NZ) LTD <DRP>	8,144,132	1.03
HWM (NZ) HOLDINGS LIMITED	6,948,589	0.88
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	6,122,204	0.77
PARITAI PTY LIMITED <PARITAI A/C>	6,005,311	0.76
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	5,753,112	0.73
MR JASON TIMOTHY KILGOUR & MR VAUGHAN CHARLES ATKIN <E A HULJICH FAMILY A/C>	4,563,792	0.58
MARK EDWARD FRANCIS & ROCKRIDGE TRUSTEE COMPANY LIMITED <ROCKRIDGE A/C>	4,557,969	0.58
RESOLUTE FUNDS MANAGEMENT <HANOVER GRP STAFF SUPER A/C>	4,344,364	0.55
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	3,672,008	0.46
	636,882,403	80.41

Substantial holders

Substantial holders in the Fund are set out below as at 6 August 2021:

	Number held	Percentage of units held
The Vanguard Group, Inc	64,340,821	8.17%
BlackRock Group	43,584,931	5.51%
	107,925,752	13.68%

Voting rights

All ordinary units carry one vote per unit without restriction.