

Westfield MH Group Limited

Report and Financial Statements

31 December 2013

TUESDAY



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COMPANIES HOUSE

DIRECTORS

Michael Gutman
Philip Slavin
Peter Miller

SECRETARY

Leon Shelley

AUDITOR

Ernst & Young LLP
1 More London Place
London
SE1 2AF

REGISTERED OFFICE

6th Floor
MidCity Place
71 High Holborn
London
WC1V 6EA

DIRECTORS' REPORT

The Directors present their Report for the year ended 31 December 2013

DIVIDENDS

The Directors do not recommend the payment of a dividend at the balance sheet date (2012 £nil)

GOING CONCERN

Note 1 sets out the basis upon which the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis

FUTURE DEVELOPMENTS

The Directors anticipate that the activity of the Company will continue for the foreseeable future

EVENTS SINCE THE BALANCE SHEET DATE

There have been no significant events after the balance sheet date

DIRECTORS AND INDEMNITY

The present membership of the Board is set out on page 1

Each Director of the Company shall be indemnified by the Company against all liabilities, costs and expenses incurred in the execution and discharge of their duties. The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report

STRATEGIC REPORT

The Company has taken the exemption under Section 414B of the Companies Act 2006 for the requirement to prepare a Strategic Report for the financial year

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. The Directors have taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant information and to establish that the auditor is aware of that information

DIRECTORS' REPORT (Continued)

AUDITOR

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office

Signed on behalf of the Board of Westfield MH Group Limited

Director

A handwritten signature in black ink, appearing to be 'PS', with a long horizontal stroke extending to the right.

Philip Slavin

Date

31 JAN 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTFIELD MH GROUP LIMITED

We have audited the financial statements of Westfield MH Group Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTFIELD MH GROUP LIMITED
(Continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Directors were not entitled to take advantage of the small companies' exemption in not preparing the Strategic Report



Nick Gomer (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date

31 JAN 2014

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2013

	Note	2013 £	2012 £
Administrative expenses		<u>(2,538)</u>	<u>(2,794)</u>
Operating loss	2	(2,538)	(2,794)
Investment income	5	935,613,072	-
Interest receivable and similar income	6	4,682,245	-
Interest payable and similar charges	7	(636,851)	(793,954)
Amounts written off investments	9	<u>(215,106,188)</u>	<u>-</u>
Profit/(loss) on ordinary activities before taxation		724,549,740	(796,748)
Tax on profit/(loss) on ordinary activities	8	<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities after taxation	13	<u>724,549,740</u>	<u>(796,748)</u>

All amounts relate to continuing activities

There are no recognised gains or losses in the current or prior year, other than those stated above
Accordingly no Statement of Total Recognised Gains and Losses has been presented

BALANCE SHEET
as at 31 December 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Investments	9	<u>4,000,436</u>	<u>219,106,624</u>
CURRENT ASSETS			
Debtors	10	225,682,673	-
CURRENT LIABILITIES			
Creditors amounts falling due within one year	11	<u>(2,970)</u>	<u>(48,082,571)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>225,679,703</u>	<u>(48,082,571)</u>
NET ASSETS		<u>229,680,139</u>	<u>171,024,053</u>
CAPITAL AND RESERVES			
Called up share capital	12	225,000,000	225,000,000
Profit and loss account	13	<u>4,680,139</u>	<u>(53,975,947)</u>
SHAREHOLDER'S FUNDS	13	<u>229,680,139</u>	<u>171,024,053</u>

Approved by the Board on

31 JAN 2014

and signed on its behalf by

Director



Philip Slavin

**NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2013****1. ACCOUNTING POLICIES****BASIS OF ACCOUNTING**

The financial statements are prepared under the historical cost convention. They are prepared in accordance with applicable United Kingdom accounting standards and in accordance with the Companies Act 2006.

The Company has taken exemption from preparing group financial statements as permitted under Section 401 of the Companies Act 2006, as consolidated financial statements are prepared by the ultimate parent undertaking Westfield Holdings Limited. Accordingly these financial statements present information about the Company as an individual undertaking and not its group.

GOING CONCERN

Based on the current and forecast profitability and the fact that the Company has net current assets the Directors believe it is appropriate to prepare the accounts on a going concern basis. The Directors anticipate that the activity of the Company will continue for the foreseeable future. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

CASH FLOW STATEMENT

The Company has taken advantage of the exemption available under FRS 1 'Cash flow statements' from publishing its own Cash Flow Statement, as a consolidated Cash Flow Statement is published in the group financial statements of Westfield Holdings Limited, the ultimate parent company.

INVESTMENTS

Investments in subsidiaries are stated at cost, less any provision for diminution in value, where applicable.

The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

DEBTORS

The amounts presented in the balance sheet are net of provisions for doubtful debts. An allowance for impairment is made where there is an identified loss event, which evidences irrecoverability of the debtor.

FINANCE INCOME

Interest receivable is recognised as interest accrues, using the effective interest method. All interest receivable is recognised in the profit and loss account.

FINANCE COSTS

All costs incurred directly in the arrangement of loans are included within the carrying value of loan balances. Such costs are charged to the profit and loss account over the term of the loan.

Interest payable is recognised as interest accrues, using the effective interest method. All interest payable is recognised in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2013

1. ACCOUNTING POLICIES (Continued)

CURRENT TAX

Current tax is provided at amounts expected to be paid or recovered, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

DEFERRED TAX

Full provision has been made for deferred taxation in respect of timing differences that have originated but not reversed at the balance sheet date where an event has occurred that results in an obligation to pay more or less tax, or to receive more tax, in the future by the balance sheet date except that

- No provision is made for gains on disposal of assets that have been rolled over into replacement assets or revalued assets unless there is a binding sale agreement in place, and
- Deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences are forecast to reverse, based on tax rates enacted at the balance sheet date

2. OPERATING LOSS

This is stated after charging auditor's remuneration for the audit of financial statements of £1,988 (2012 £1,930) No non-audit services were provided during the current or prior year

3. DIRECTORS' EMOLUMENTS

The Directors did not receive any remuneration during the year in respect of their services provided to the Company (2012 £nil)

4. STAFF COSTS

The Company has no employees (2012 nil)

5. INVESTMENT INCOME

	2013 £	2012 £
Dividends receivable from subsidiary undertakings	<u>935,613,072</u>	<u>-</u>

During the year the Company received dividends in specie from its investment in subsidiary undertaking, Westfield MH Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2013

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £	2012 £
Interest receivable from related parties	<u>4,682,245</u>	<u>-</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Interest payable to related parties	<u>636,851</u>	<u>793,954</u>

8. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2013 £	2012 £
(i) Analysis of tax charge for the year		
Current tax		
UK corporation tax on profit/(loss) for the year	<u>-</u>	<u>-</u>
Current tax charge for the year (note 8(ii))	<u>-</u>	<u>-</u>
(ii) Factors affecting tax charge for the year		
Profit/(loss) on ordinary activities before taxation	<u>724,549,740</u>	<u>(796,748)</u>
Tax on profit/(loss) on ordinary activities at the standard UK rate of corporation tax of 23 25% (2012 24 5%)	168,457,815	(195,203)
Effect of		
Expenses not deductible for tax purposes	50,012,188	-
Group relief not paid for	(572,229)	-
Income not taxable for tax purposes	(217,530,039)	-
Expected transfer of losses to other group companies unless otherwise restricted or carried forward	-	195,203
Utilisation of tax losses	<u>(367,735)</u>	<u>-</u>
Current tax charge for the year (note 8(i))	<u>-</u>	<u>-</u>

(iii) Deferred tax

The Company has no tax losses (2012 £1,581,658) arising in the UK that are available for offset against future taxable profits. Consequently, there is no potential or actual deferred tax recognised or not recognised at the current balance sheet date. No deferred tax was recognised at the prior balance sheet date as the Directors did not expect there to be sufficient taxable profits against which these losses could be offset.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2013

8 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (Continued)

(iv) Factors that may affect future tax charges

The main rate of corporation tax was reduced from 24% to 23% from 1 April 2013. The Finance Act 2013 which was substantively enacted on 2 July 2013 provides for a further reduction in the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015. At the balance sheet date, the tax rate applicable for calculating deferred tax is 23% if the asset is realised before 1 April 2014, 21% if realised between 1 April 2014 and 1 April 2015 and 20% if realised after 1 April 2015.

9. INVESTMENTS

Investment in subsidiaries

	Westfield MH Participations Limited £	Westfield MH Acquisitions Limited £	Westfield MH Holdings Limited £	Total £
Cost:				
At 1 January 2013 and at 31 December 2013	<u>2</u>	<u>2,000</u>	<u>219,104,622</u>	<u>219,106,624</u>
Amounts provided.				
At 1 January 2013	-	-	-	-
Amounts provided during the year	<u>-</u>	<u>(2,000)</u>	<u>(215,104,188)</u>	<u>(215,106,188)</u>
At 31 December 2013	<u>-</u>	<u>(2,000)</u>	<u>(215,104,188)</u>	<u>(215,106,188)</u>
Net book value at 31 December 2013	<u>2</u>	<u>-</u>	<u>4,000,434</u>	<u>4,000,436</u>
Net book value at 31 December 2012	<u>2</u>	<u>2,000</u>	<u>219,104,622</u>	<u>219,106,624</u>

Details of investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows

<i>Name of investment</i>	<i>Place of incorporation</i>	<i>Nature of business</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>
Westfield MH Participations Limited	United Kingdom	Dormant	Ordinary shares	100%
Westfield MH Acquisitions Limited	United Kingdom	Property investment	Ordinary shares	100%
Westfield MH Holdings Limited	United Kingdom	Property investment	Ordinary shares	100%

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2013

10. DEBTORS

	2013 £	2012 £
Amounts due from related parties	<u>225,682,673</u>	<u>-</u>

11 CREDITORS. amounts falling due within one year

	2013 £	2012 £
Amounts due to related parties	-	48,079,777
Accruals	<u>2,970</u>	<u>2,794</u>
	<u>2,970</u>	<u>48,082,571</u>

12. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
225,000,000 Ordinary shares of £1 each (2012 225,000,000)	<u>225,000,000</u>	<u>225,000,000</u>

13. RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENT IN RESERVES

	Share capital £	Profit and loss account £	Shareholder's funds £
Balance at 1 January 2012	225,000,000	(53,179,199)	171,820,801
Loss for the year	<u>-</u>	<u>(796,748)</u>	<u>(796,748)</u>
Balance at 1 January 2013	225,000,000	(53,975,947)	171,024,053
Profit for the year	-	724,549,740	724,549,740
Dividend paid	<u>-</u>	<u>(665,893,654)</u>	<u>(665,893,654)</u>
Balance at 31 December 2013	<u>225,000,000</u>	<u>4,680,139</u>	<u>229,680,139</u>

Final dividends in specie of £665,893,654 were paid to the shareholder during the year (2012 £nil)

14 RELATED PARTY TRANSACTIONS

All related party balances and transactions are with other wholly owned group undertakings

The Company has taken advantage of the exemption under FRS 8 'Related party disclosures', and has not disclosed transactions made with other wholly owned group undertakings

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2013

15. PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking of the Company is Westfield Merry Hill Limited, a company incorporated in the United Kingdom and registered in England and Wales

The ultimate parent undertaking and controlling entity of the Company is Westfield Holdings Limited, a company incorporated in Australia. Westfield Holdings Limited is the parent of the smallest and largest group in which the Company is consolidated. Copies of the accounts of Westfield Holdings Limited are available from Level 30, 85 Castlereagh Street, Sydney, NSW 2000, Australia