Registered No 4261851

Stratford City Developments Limited

Report and Financial Statements

31 December 2013

DIRECTORS	Michael Gutman Peter Miller Philip Slavin
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

STRATEGIC REPORT

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

REVIEW OF THE BUSINESS

The Company's principal activity continued to be the development of residential and infrastructure assets at Stratford, East London

The Company's key financial and other performance indicators during the year were as follows

	2013 £	2012 £	Change £	Change %
Operating profit/(loss)	23,293,644	(21,095,263)	44,388,907	210
Profit/(loss) on ordinary activities after taxation	23,191,612	(21,216,643)	44,408,255	209
Shareholder's deficit	(3,841,215)	(27,032,827)	23,191,612	86

The operating profit increased compared to the previous year, primarily as a result of increased turnover to third parties and writeback of impairment on properties in the course of development

The profit on ordinary activities after taxation increased compared to the previous year, primarily as a result of increased operating profit

Shareholder's deficit decreased during the year in line with the profit for the year

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have identified the following key risks and mitigating factors affecting the Company and its investments

Development property risk

Developments may fail to deliver expected financial returns due to lower realisable values, increased construction costs, or other project management factors

Contingencies are built into all development appraisals to allow for cost overruns The Company oversees construction projects using external project managers and the Company undertakes regular project reviews to monitor progress against plans

Credit risk

The Company's credit risk is primarily attributable to the recoverability of amounts due from intercompany, trade and other debtors

Company policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit assessment procedures

STRATEGIC REPORT (Continued)

PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

Liquidity risk

A material decrease in turnover or increase in expenditure may lead to an inability to meet creditor obligations

The Company maintains sufficient liquidity through monitoring of anticipated turnover and expenditure and uses short-term debt finance

Signed on behalf of the Board of Stratford City Developments Limited

Director

Name Philip Slavin

Date **2 3 SEP 2014**

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

The Notes to the Financial Statements describe events subsequent to 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

A Strategic Report containing the review of the business and principal risks and uncertainties facing the Company has been approved by the Board of Directors and is presented on pages 2 and 3 of the financial statements

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 Stratford City Developments Limited

Director

Name Philip Slavin

Date 23 SEP 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic and 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 STRATFORD CITY DEVELOPMENTS LIMITED

We have audited the financial statements of Stratford City Developments Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18 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 6, 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 Strategic Report and 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 STRATFORD CITY DEVELOPMENTS 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

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

Date 25 SEP 2014

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	2	35,768,181	12,777,573
Cost of sales		(26,856,503)	(12,668,506)
Gross profit		8,911,678	109,067
Administrative expenses		(111,388)	(25,493)
Amounts written back/(off) on properties in the course of development	9	14,493,354	(21,178,837)
Operating profit/(loss)	3	23,293,644	(21,095,263)
Interest receivable and similar income	6	128,274	407,325
Interest payable and similar charges	7	(230,306)	(528,705)
Profit/(loss) on ordinary activities before taxation		23,191,612	(21,216,643)
Tax on profit/(loss) on ordinary activities	8	-	-
Profit/(loss) on ordinary activities after taxation	15	23,191,612	(21,216,643)

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			
Properties in the course of development	9	50,142,825	34,182,499
CURRENT ASSETS			
Debtors	10	1,135,456	13,048,914
Cash at bank and in hand		899,524	441,000
		2,034,980	13,489,914
CURRENT LIABILITIES			
Creditors amounts falling due within one year	11	(50,428,647)	(73,613,031)
NET CURRENT LIABILITIES		(48,393,667)	(60,123,117)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,749,158	(25,940,618)
NON-CURRENT LIABILITIES			
Creditors amounts falling due after more than one year	12	(5,590,373)	(1,092,209)
NET LIABILITIES		(3,841,215)	(27,032,827)
CAPITAL AND RESERVES			
Called up share capital	14	1,000	1,000
Profit and loss account	15	(3,842,215)	(27,033,827)
SHAREHOLDER'S DEFICIT	15	(3,841,215)	(27,032,827)

Approved by the Board on 23 SEP 2014 and signed on its behalf by

Director

Name 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

GOING CONCERN

The Company is dependent for its working capital on funds provided to it by group entities These entities have provided the Company with an undertaking that for at least twelve months from the date of approval of these financial statements, it will not seek repayment of the amount currently owed by the Company This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so Based on this undertaking, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate

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

CONTRACT AND PROPERTIES IN THE COURSE OF DEVELOPMENT

Contract and development work in progress has been valued at cost plus attributable overheads or net realisable value, if lower Cost includes attributable interest costs during the development period

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

TURNOVER

Turnover, which is stated net of Value Added Tax, represents amounts recoverable for property development costs arising in the normal course of business and is recognised on an accrued basis Cost of sales represents development costs which are charged by the developer, Westfield Shoppingtowns Limited

Turnover also includes rental and management fee income which is recognised on an accruals basis

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

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2013

1 ACCOUNTING POLICIES (Continued)

FINANCE COSTS

Finance costs which are directly attributable to the construction of development property are capitalised as part of the cost of the asset Capitalisation commences when both finance costs and expenditure for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress Capitalisation ceases when substantially all activities that are necessary to get the asset ready for use are complete

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 TURNOVER

	2013 £	2012 £
Sales to related parties		
Management fee income	35,000	45,000
Sales to third parties		
Property development	35,733,181	12,630,046
Rental income	-	25,000
Service charge recoveries	-	15,000
Other income	-	62,527
	35,768,181	12,777,573

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2013

3 OPERATING PROFIT/(LOSS)

This is stated after charging auditor's remuneration for the audit of the financial statements of £14,641 (2012 £14,215) No non-audit services were provided during the current or prior year

4 DIRECTORS' EMOLUMENTS

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

5 STAFF COSTS

The Company has no employees (2012 nil)

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £	2012 £
Interest receivable from related parties	121,551	456
Bank interest receivable	6,723	406,869
Unwinding of discount in respect of obligations to third parties	-	-
	128,274	407,325

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Interest payable to related parties	184,847	677,095
Unwinding of discount in respect of obligations to third parties	102,032	121,380
	286,879	798,475
Interest capitalised	(56,573)	(269,770)
	230,306	528,705

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2013

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	-	-
Current tax charge for the year (note 8(ii))	-	-

	2013 £	2012 £
(ii) Factors affecting tax charge for the year		
Profit/(loss) on ordinary activities before tax	23,191,612	(21,216,643)
Tax on profit/(loss) on ordinary activities at the standard UK rate of corporation tax of 23 25% (2012 24 5%)	5,392,050	(5,198,078)
Effect of		
Expected transfer of losses to other group companies unless otherwise restricted or carried forward	-	45,619
Income not taxable for tax purposes	(4,648,455)	-
Expenses not deductible for tax purposes	1,302,472	5,218,553
Group relief not paid for	(2,032,914)	-
Capitalised interest	(13,153)	(66,094)
Current tax charge for the year (note 8(i))	-	-

(iii) Deferred tax

Analysis of balances

	Recognised		Not recognised	
	2013 £	2012 £	2013 £	2012 £
Capitalised interest	273,457	301,464	-	-
Tax losses carried forward	(273,457)	(301,464)	(1,246,149)	(1,460,819)
	-	-	(1,246,149)	(1,460,819)

The deferred tax balance not recognised at 31 December 2013 has been calculated based on the standard rate of UK corporation tax of 20% (2012 23%), as this is the rate expected to apply when the timing differences reverse

(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

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2013

9. PROPERTIES IN THE COURSE OF DEVELOPMENT

	£
At 1 January 2013	34,182,499
Additions	1,466,972
Amounts written back during the year	14,493,354
At 31 December 2013	50,142,825

Properties in the course of development at 31 December 2013 includes capitalised interest of £1,367,288 (2012 £1,310,714)

10. DEBTORS

	2013 £	2012 £
Trade debtors	135,456	195,181
Amounts due from related parties	1,000,000	12,853,733
	1,135,456	13,048,914

11. CREDITORS: amounts falling due within one year

	2013 £	2012 £
Bank overdraft	-	47,959
Trade creditors	90,756	182,850
Amounts due to related parties	39,818,474	66,143,974
Other creditors	5,175,643	6,260,528
Accruals and deferred income	5,343,774	977,720
	50,428,647	73,613,031

Other creditors include obligations to third parties in relation to the development of the Stratford property

12 CREDITORS amounts falling due after more than one year

	2013 £	2012 £
Other creditors (see note 11)	5,590,373	1,092,209

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2013

13. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	2013 £	2012 £
Capital commitments are as follows		
Contracted for but not provided	-	2,500,000

Capital commitments related to retail construction commitments for the Westfield Stratford City property development

14 SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each (2012 1,000)	1,000	1,000

15. RECONCILIATION OF SHAREHOLDER'S DEFICIT AND MOVEMENT IN RESERVES

	Share capital £	Profit and loss account £	Shareholder's deficit £
Balance at 1 January 2012	1,000	(5,817,184)	(5,816,184)
Loss for the year	-	(21,216,643)	(21,216,643)
Balance at 1 January 2013	1,000	(27,033,827)	(27,032,827)
Profit for the year	-	23,191,612	23,191,612
Balance at 31 December 2013	1,000	(3,842,215)	(3,841,215)

16. 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

17. PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking of the Company is Westfield UK Acquisitions (Jersey) Limited, a company incorporated in Jersey

The ultimate parent undertaking and controlling entity of the Company is Westfield Corporation Limited

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

18 SUBSEQUENT EVENTS

On 4 December 2013, Westfield Group (in a joint announcement to the Australian Securities Exchange (ASX) with Westfield Retail Trust (WRT)) announced a proposed restructuring of the Group, under which Westfield Group's Australian and New Zealand business including its vertically integrated retail operating platform, held through Westfield Holdings Limited and Westfield Trust, is separated from the Westfield Group's international business and merged with Westfield Retail Trust to create two new listed groups

(a) Scentre Group – comprising the merged Australian and New Zealand business of Westfield Group and Westfield Retail Trust, and
(b) Westfield Corporation – comprising Westfield Group's international business

On 20 June 2014 the proposal was approved by Westfield Retail Trust securityholders On 23 June 2014 the Supreme Court of New South Wales approved the proposed scheme of arrangement between Westfield Holdings Limited and its members The proposal to restructure Westfield Group and merge its Australian and New Zealand operations with Westfield Retail Trust has received all necessary approvals and will proceed

All announcements can be accessed on the Westfield Group's website at www westfield com/corporate