

SCENTRE GROUP

25 September 2014

The Manager
Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

CARINDALE PROPERTY TRUST (ASX:CDP)
2014 ANNUAL REPORT

Attached is the Annual Report for Carindale Property Trust for the year ended 30 June 2014, which is being dispatched to members.

The Report is also available on the Trust's website at www.carindalepropertytrust.com.au

Yours faithfully
SCENTRE MANAGEMENT LIMITED
as responsible entity of Carindale Property Trust



Maureen McGrath
Company Secretary

Encl.

Owner and Operator of **Westfield** in Australia and New Zealand

SCENTRE GROUP LIMITED ABN 66 001 671 496

SCENTRE MANAGEMENT LIMITED ABN 41 001 670 579 AFS Licence No: 230329 as responsible entity of Scentre Group Trust 1 ABN 55 191 750 378 ARSN 090 849 746

RE1 LIMITED ABN 80 145 743 862 AFS Licence No: 380202 as responsible entity of Scentre Group Trust 2 ABN 66 744 282 872 ARSN 146 934 536

RE2 LIMITED ABN 41 145 744 065 AFS Licence No: 380203 as responsible entity of Scentre Group Trust 3 ABN 11 517 229 138 ARSN 146 934 652

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Carindale

Property Trust

14

Annual Report 2014



**As at 30 June 2014
the Carindale Property
Trust share of Westfield
Carindale was valued at
\$728.2 million.**

**Carindale Property Trust was listed on
the Australian Stock Exchange in 1996.
The Trust's sole investment is a 50%
interest in Westfield Carindale, one of
Brisbane's largest regional shopping
centres at 136,000 square metres.**

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SCENTRE GROUP

Owner and Operator of **Westfield** in Australia and New Zealand

SCENTRE MANAGEMENT LIMITED ABN 41 001 670 579
AFS LICENCE 230329 AS RESPONSIBLE ENTITY OF
CARINDALE PROPERTY TRUST ARSN 093 261 744





The Trust's net property income for the period was \$38.9 million, representing a 6.6% increase on the previous year.

Year in Review

Financial Results

Carindale Property Trust has reported a net profit of \$71.8 million for the year ended 30 June 2014.

The Trust's net property income for the period was \$38.9 million representing a 6.6% increase on the previous year, reflecting the impact of the completion of the redevelopment.

Carindale Property Trust's interest in Westfield Carindale has been independently valued as at 30 June 2014. The value of Carindale Property Trust's 50% interest in Westfield Carindale is \$728.2 million, representing a revaluation gain of \$49.1 million for the financial year. Total revaluation gains since the redevelopment of the centre in 2012 are \$123.9 million.

Total assets of Carindale Property Trust increased 7.5% to \$735.3 million as at 30 June 2014.

At year end, borrowings were \$206.2 million with gearing of 28.3% of the latest property value. Total unit holders' funds attributable to members was \$501.7 million representing an increase of 11.1% on the previous year.

The net tangible asset backing as at 30 June 2014 was \$7.17 per unit, representing an increase of 11.1% on the previous year primarily as a result of property revaluation.

Trust distribution

The total amount distributed to members for the financial year ended 30 June 2014 is \$21.7 million representing a full year distribution of 31.00 cents per unit.

An interim distribution of 15.10 cents per unit was paid on 28 February 2014 and the final distribution of 15.90 cents per unit was paid to members on 29 August 2014.

The full year distribution is approximately 52% tax deferred which is due to depreciation and other capital allowances.

Centre performance

As at 30 June 2014 the centre was in excess of 99.5% leased. Total retail sales for the 12 months to 30 June 2014 were \$914.7 million, up 7.1% on sales for the previous corresponding period.

Directors' Outlook

The Directors are pleased with the performance of the centre which has been enhanced by the redevelopment and consider that the centre is well-positioned to achieve growth in both sales and income over the medium and long-term.



Westfield Carindale generates sales of \$914.7 million, up 7.1% on the previous corresponding period.

5 year Financial Summary

Year	2010	2011	2012	2013	2014	% Change 2013 to 2014
Net Property Income (\$ million)	25.7	26.2	25.1	36.5	38.9	6.6
Distribution to members (\$ million)	19.4	19.5	19.5	20.1	21.7	8.0
Distribution per unit (cents)	27.78	27.80	27.80	28.70	31.0	8.0
Tax deferred component (%)	21	26	58	60	52	
Shopping centre investment (\$ million)	442.5	442.9	668.5	678.2	728.2	7.4
Total members' funds (\$ million)	388.0	388.0	446.6	451.6	501.7	11.1
Number of units on issue (million)	70	70	70	70	70	
Net tangible asset backing per unit	\$5.54	\$5.54	\$6.38	\$6.45	\$7.17	11.1



WESTFIELD CARINDALE

One of Brisbane's major retail destinations, Westfield Carindale has performed solidly in the last 12 months and has generated retail sales of \$914.7 million, up 7.1% on the previous corresponding period.

Located 10km from the CBD, the iconic centre encompasses 2 department stores, 2 discount department stores, 4 supermarkets, an 8-screen cinema complex and more than 400 specialty retailers, and is one of Australia's top 3 shopping centres based on retail sales.

A hallmark of the centre is its sustainable design, which has utilised the Federal Government's green building grants scheme and has achieved 4-star Green Star rating from the Green Building Council of Australia.

Westfield Carindale's fashion precinct is one of its major attractions, helping drive customer traffic. The centre showcases unique brands like the Mecca Maxima concept store and Chanel Beauté, which offer a point of difference for discerning shoppers.

BMW's Motorline store, the first of its kind to open in Australia, with a range of BMW products including cars, motorbikes and accessories, and Dutch label Scotch & Soda, are other retailers that have added something refreshing and exciting to the Brisbane shopping scene and created an innovative retail environment.

The focal point and hub of Westfield Carindale is The Glasshouse alfresco dining precinct. It continues to perform well, integrating indoor and outdoor space and supporting a high-quality food offering. Shoppers are also further encouraged to spend time in the centre thanks to the child-minding and play centre adjacent to the gym, known as We Play and a central feature of the kids' precinct.

Further gains in use have been made by the well-patronised valet service, which has found a loyal customer base, and adds to the complementary services that enhance the shopping experience at Westfield Carindale.



**The expanded centre boasts 2 department stores,
2 discount department stores, 4 supermarkets,
an 8-screen cinema complex and more than
400 specialty retailers.**



Westfield Carindale Community and Environment

Community

Westfield Carindale continued to support community engagement activities throughout the year, extending the centre's position as a community hub for local residents.

As part of Westfield's national community program to support the families and carers of children with disabilities, Carindale partnered with local organisation Spina Bifida Hydrocephalus.

As part of this partnership, two GiveAbility Days were held in the centre, manned by Westfield staff as well as volunteers from Spina Bifida Hydrocephalus, raising more than \$3,500. Our retailer participation in community activities remained strong during the year, with product giveaways and season-specific kids' activities, funded by gold coin donations, adding to fundraising efforts.

After more than a decade, Westfield Carindale continues to provide a base for one of our most popular community activities – the Westfield Carindale Walking Group. The Group, with more than 120 members, meets regularly in the centre.

The Justice of the Peace program, relocated to the new library, also continued to provide the local community with much needed and convenient JP services on a weekly basis.

Other groups supported by Westfield Carindale included the Mater Hospital, Wings for Life, RSL Care and local schools.



Environment

Westfield Carindale's environmental credentials were strengthened during the year, with formal recognition of a number of the sustainable design elements that were incorporated into the completed centre.

The Centre has a 4-star Green Star Retail V1 from the Green Building Council of Australia, representing 'Best Practice' in environmentally sustainable building practices.

After demonstrating compliance with a range of criteria, Westfield Carindale received a grant from the Federal Government's Green Building Fund, which aims to reduce the impact of Australia's built environment on greenhouse gas emissions through a reduction in energy consumption. Key works which saw the centre qualify for the grant included the replacement of the cinema cooling tower and associated pipework, motor and variable speed drive; replacement of a chiller and associated pipework in the central chiller plantroom; the supply and installation of a new common cooling tower; and an upgrade of the building management system's software to real-time reading capability for water and electricity consumption, facilitating better management of the centre's key resources.

An independent audit conducted by Ernst & Young confirmed that works were completed to the required standard for Westfield Carindale's government grant application.

Chillers installed in the central chiller plantroom provide a more updated and efficient 'screw' chiller system, allowing for operation in 'low load' conditions. An efficient cooling tower is installed in the cinemas and central plant.

Westfield Carindale has implemented a range of other sustainable initiatives.

Waste management was a key focus for the centre's management, with continued implementation of the waste policy, with an ongoing focus on retailer education, new waste infrastructure to manage the introduction of green organic waste collection, and greater collaboration with Carindale's waste contractor.

The Centre's lighting program has continued with the replacement of sodium lighting fixtures with more energy efficient fluorescent fittings in certain parts of the carpark.

Board of Directors



Mr Frank P Lowy AC
Chairman



Mr Brian M Schwartz AM
Deputy Chairman



Mr Peter K Allen



Mr Laurence R Brindle



Mr Richard F Egerton-
Warburton AO, LVO

Mr Frank P Lowy AC

Chairman

Frank Lowy is the non-executive Chairman of Scentre Group. He served as the Westfield Group's Chief Executive Officer for over 50 years before assuming a non-executive role in May 2011. Mr Lowy also serves as the Chairman of Westfield Corporation. He is the founder and Chairman of the Lowy Institute for International Policy and Chairman of Football Federation Australia Limited.

Mr. Brian M Schwartz AM

Deputy Chairman

Brian Schwartz is a non-executive Director and Deputy Chairman of Scentre Group. In a career with Ernst & Young Australia spanning more than 25 years, he rose to the positions of Chairman (1996 - 1998) and then CEO of the firm from 1998 to 2004. From 2005 to 2009, Mr Schwartz was the CEO of Investec Bank (Australia) Limited. He is Chairman of Insurance Australia Group Limited and Deputy Chairman of Football Federation Australia Limited. Mr Schwartz is also a non-executive Director and Deputy Chairman of Westfield Corporation. Prior to the establishment of Scentre Group, Mr Schwartz was a non-executive Director and Deputy Chairman of Westfield Group. He is a fellow of the Australian Institute of Company Directors and the Institute of Chartered Accountants. Mr Schwartz is Chairman of Scentre Group's Human Resources Committee and a member of the Nomination Committee.

Mr. Peter K Allen

Chief Executive Officer

Peter Allen is an executive Director and Chief Executive Officer of Scentre Group. He has more than 20 years of global experience in senior financial, property and commercial roles. Prior to the establishment of Scentre Group, Mr Allen was a non-executive Director of Westfield Retail Trust and an executive Director of Westfield Holdings Limited and the Westfield Group's Chief Financial Officer. Mr Allen worked for Citibank in Melbourne, New York and London before joining Westfield in 1996 as Director for Business Development. From 1998 to 2004 he was based in London as Westfield's CEO of United Kingdom/Europe and was responsible for establishing Westfield's presence in the United Kingdom. He is on the Board of the Kolling Foundation and is a member of the President's Council of the Art Gallery of NSW. Mr Allen is an Associate Member of the Australian Property Institute (AAPI).

Mr. Laurence R Brindle

Laurence Brindle is a non-executive Director of Scentre Group. He has extensive experience in property investment. From 1988 to 2009, Mr Brindle served as an executive with Queensland Investment Corporation (QIC) where he held various positions including Head of Global Real Estate as well as serving as a long term member of QIC's Investment Strategy Committee. Mr Brindle holds a Bachelor of Engineering (Honours) and a Bachelor of Commerce from The University of Queensland and an MBA from Cass Business School, London. Prior to the establishment of Scentre Group, Mr Brindle was a non-executive Director of Westfield Retail Trust from December 2010 until June 2014. He is Chairman of the National Storage REIT and the former Chairman of the Shopping Centre Council of Australia and Chief Executive Officer of Trinity Limited. Mr Brindle is a member of Scentre Group's Audit and Risk Committee.

Mr. Richard F Egerton-Warburton AO, LVO

Mr Warburton is a non-executive Director of Scentre Group. Before becoming a professional director, he was the Chairman and Chief Executive Officer of DuPont Australia and New Zealand where he was responsible for DuPont's petro-chemical business operations in Australia and New Zealand. Prior to the establishment of Scentre Group, Mr Warburton was Chairman of Westfield Retail Trust from December 2010 until June 2014. He is currently Chairman of Magellan Flagship Fund Limited and Citigroup Pty Limited and previously Chairman of David Jones Limited, AurionGold Limited, Caltex Australia Limited and the Board of Taxation, and a director of Tabcorp Holdings Limited, Southcorp Limited, Nufarm Limited and the Reserve Bank of Australia. Mr Warburton is a Fellow (and former National President) of the Australian Institute of Company Directors. Mr Warburton is Chairman of Scentre Group's Nomination Committee and a member of the Audit and Risk Committee.



Mr Andrew W Harmos



Mr Michael F Ihlein



Mr Steven M Lowy AM



Ms Sandra V McPhee AM

Mr. Andrew W Harmos

Andrew Harmos is a non-executive Director of Scentre Group. He is one of the founding directors of Harmos Horton Lusk Limited, an Auckland based specialist corporate legal advisory firm, where he specialises in takeover advice and structuring, securities offerings, company acquisitions and disposals, strategic and board corporate legal advice. He was formerly a senior partner of Russell McVeagh. Mr Harmos holds a Bachelor of Commerce and a Bachelor of Laws (Honours) from The University of Auckland. Prior to the establishment of Scentre Group, Mr Harmos was a non-executive Director of Westfield Retail Trust from December 2010 until June 2014. He is Chairman of the New Zealand Stock Exchange, a Director of AMP Life Limited, The National Mutual Life Association and Elevation Capital Management Limited and is a Trustee of the Arts Foundation of New Zealand. Mr Harmos is a member of Scentre Group's Nomination Committee and Human Resources Committee.

Mr. Michael F Ihlein

Michael Ihlein is a non-executive Director of Scentre Group. He is a highly experienced corporate and finance executive with a long career with Coca-Cola Amatil Limited (and related companies), where he was Managing Director, Poland (1995 – 1997) and Chief Financial Officer (1997 – 2004). Mr Ihlein joined Brambles as Chief Financial Officer in March 2004 and held the position of Chief Executive Officer from July 2007 until his retirement in November 2009. Mr Ihlein holds a Bachelor of Business Studies (Accounting) from the University of Technology, Sydney. Prior to the establishment of Scentre Group, Mr Ihlein was a non-executive Director of Westfield Retail Trust from December 2010 until June 2014. He is currently a director of CSR Limited, Snowy Hydro Limited and Murray Goulburn Co-operative Co Limited, Chairman of the Australian Theatre for Young People and is a Fellow of the Australian Institute of Company Directors, CPA Australia and the Financial Services Institute of Australasia (Finsia). Mr Ihlein is the Chairman of Scentre Group's Audit and Risk Committee.

Mr. Steven M Lowy AM

Steven Lowy is a non-executive Director of Scentre Group. He holds a Bachelor of Commerce (Honours) from the University of NSW. Prior to joining Westfield in 1987, Mr Lowy worked in investment banking in the US. He is an executive Director of Westfield Corporation and currently serves as Co-Chief Executive Officer. Mr Lowy is a Director of the Lowy Institute for International Policy and a member of the Prime Minister's Business-Government Advisory Group on National Security. His previous appointments include President of the Board of Trustees of the Art Gallery of New South Wales, Chairman of the Victor Chang Cardiac Research Institute and Presiding Officer of the NSW Police Force Associate Degree in Policing Practice Board of Management.

Ms. Sandra V McPhee AM

Sandra McPhee is a non-executive Director of Scentre Group. She has extensive international experience as a non-executive director and senior executive in consumer facing industries including retail, funds management and transport and logistics, most recently with Qantas Airways Limited. Ms McPhee serves on the boards of AGL Energy Limited, Fairfax Media Limited, Tourism Australia and Kathmandu Limited. She is Chairman of St Vincent's and Mater Health Sydney Advisory Council and was previously the Deputy President of the Art Gallery of NSW. Prior to the establishment of Scentre Group, Ms McPhee was a non-executive Director of Westfield Retail Trust from December 2010 until June 2014. Her other previous directorships include Coles Group Limited, Australia Post, Perpetual Limited, Primelife Corporation, CARE Australia, and Deputy Chairman of South Australia Water. She is a Fellow of the Australian Institute of Company Directors. Ms McPhee is a member of Scentre Group's Human Resources Committee.

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Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2014

	Note	30 Jun 14 \$'000	30 Jun 13 \$'000
Revenue			
Property revenue	3a	53,342	50,280
Expenses			
Property expenses and outgoings		(14,475)	(13,824)
Net property income		38,867	36,456
Other expenses			
Manager's service charge		(4,272)	(3,938)
Other costs		(395)	(387)
		(4,667)	(4,325)
Interest income		122	105
Net fair value gain on interest rate derivatives		2,265	1,219
Financing costs	3b	(13,851)	(13,481)
Property revaluation		49,104	5,104
Net profit attributable to members of the Trust	13(ii)	71,840	25,078
Total comprehensive income attributable to members of the Trust		71,840	25,078
		cents	cents
Basic earnings per unit	6	102.63	35.83
Diluted earnings per unit	6	102.63	35.83

Balance Sheet

AS AT 30 JUNE 2014

	Note	30 Jun 14 \$'000	30 Jun 13 \$'000
Current assets			
Cash and cash equivalents	13(i)	3,437	3,074
Trade and other receivables	4	2,296	2,076
Prepayments and deferred costs	5	302	376
Total current assets		6,035	5,526
Non current assets			
Investment properties	7	728,214	678,228
Prepayments and deferred costs	5	1,011	376
Other assets		–	45
Total non current assets		729,225	678,649
Total assets		735,260	684,175
Current liabilities			
Trade and other payables	8	19,591	20,031
Derivative liabilities	10	1,111	661
Total current liabilities		20,702	20,692
Non current liabilities			
Interest bearing liabilities	9	206,314	202,664
Derivative liabilities	10	6,517	9,232
Total non current liabilities		212,831	211,896
Total liabilities		233,533	232,588
Net assets		501,727	451,587
Equity attributable to members of the Trust			
Contributed equity		187,934	187,934
Reserves		47	–
Retained profits	12	313,746	263,653
Total equity attributable to members of the Trust		501,727	451,587

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2014

	30 Jun 14 \$'000	30 Jun 13 \$'000
Changes in equity attributable to members of the Trust		
Opening balance of contributed equity	187,934	187,934
Closing balance of contributed equity	187,934	187,934
Opening balance of reserves	–	–
– Amount transferred from retained profits	47	–
Closing balance of reserves	47	–
Opening balance of retained profits	263,653	258,665
– Profit attributable to members of the Trust	71,840	25,078
– Distribution payable to members of the Trust	(21,700)	(20,090)
– Amount transferred to other reserves	(47)	–
Closing balance of retained profits	313,746	263,653
Closing balance of equity attributable to members of the Trust	501,727	451,587

Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2014

	Note	30 Jun 14 \$'000	30 Jun 13 \$'000
Cash flows from operating activities			
Receipts in the course of operations (including GST)		59,656	57,298
Payments in the course of operations (including GST)		(20,092)	(18,653)
Goods and services tax paid to government bodies		(3,429)	(3,372)
Net cash flows from operating activities	13(ii)	36,135	35,273
Cash flows used in investing activities			
Payments of capital expenditure for property investments		(4,179)	(23,100)
Financing costs in relation to construction in progress capitalised		–	(427)
Net cash flows used in investing activities		(4,179)	(23,527)
Cash flows used in financing activities			
Net proceeds from interest bearing liabilities		3,663	22,569
Financing costs		(14,448)	(13,135)
Interest received		122	105
Distribution paid to members		(20,930)	(19,460)
Net cash flows used in financing activities		(31,593)	(9,921)
Net increase in cash and cash equivalents held		363	1,825
Opening cash and cash equivalents brought forward		3,074	1,249
Cash and cash equivalents at the end of the year	13(i)	3,437	3,074

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 BASIS OF PREPARATION OF THE YEAR END FINANCIAL REPORT

(a) Corporate information

This financial report of Carindale Property Trust (Trust) for the year ended 30 June 2014 was approved in accordance with a resolution of the Board of Directors of Scentre Management Limited, as responsible entity of the Trust (Responsible Entity) on 26 August 2014.

The nature of the operations and principal activities of Carindale Property Trust are described in the Directors' Report.

(b) Statement of Compliance

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards issued by the International Accounting Standards Board. The accounting policies adopted are consistent with those of the previous financial year except that the Trust has adopted the following new or amended standards which became applicable on 1 July 2013.

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 13 Fair Value Measurement

For the financial period, the adoption of these amended standards has no material impact on the financial statements of the Trust.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the annual reporting period ended 30 June 2014. The Directors have assessed the impact of this new standard (to the extent relevant to the Trust) as follows:

- AASB 9 Financial Instruments (effective from 1 January 2017)

This standard includes requirements to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139 Financial Instruments: Recognition and Measurement. The Responsible Entity is currently assessing the impact of this standard.

- IFRS 15 Revenue from Contracts with Customers (effective from 1 January 2017)

This standard determines the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The Responsible Entity is currently assessing the impact of this standard.

(c) Basis of Accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis, except for investment properties and derivative financial instruments that have been measured at fair value.

Investment property is held jointly as tenants in common. The proportionate share of the income and expenditure and of the assets and liabilities of property interests are held as tenants in common and have been included in their respective classifications in this financial report.

This financial report is presented in Australian dollars.

(d) Significant accounting judgements, estimates and assumptions

The preparation of the financial report requires management to make judgements, estimates and assumptions. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements, in particular, Note 2: Summary of significant accounting policies, Note 7: Investment properties and Note 19: Fair value of financial assets and liabilities. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the Trust's financial results or the financial position in future periods.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Investment properties

The Trust's investment properties include shopping centre investments and development projects.

i) Shopping centre investment

The Trust's shopping centre investment comprises of freehold and leasehold land, buildings and leasehold improvements.

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

Initially, the shopping centre investment is measured at cost including transaction costs. Subsequent to initial recognition, the Trust's shopping centre investment is stated at fair value. Gains and losses arising from changes in the fair value of its shopping centre investment are included in the statement of comprehensive income in the year in which they arise. Any gains or losses on the sale of a shopping centre investment are recognised in the statement of comprehensive income in the year of sale. The shopping centre investment carrying amount includes components relating to lease incentives, leasing costs and receivables on rental income that have been recorded on a straight line basis.

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

Independent valuations of shopping centres are prepared annually with the exception of when the shopping centre is under development. The Directors' assessment of fair value takes into account annual independent valuations, that were prepared which take into account any changes in estimated yield, underlying income and valuations of comparable centres. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value have been used which are based upon assumptions and judgement in relation to future rental income, property capitalisation rate or estimated yield and make reference to market evidence of transaction prices for similar properties.

Where the centre is undergoing a major redevelopment, the fair value of the centre is assessed by the Directors at each reporting date and any increment and decrement recognised. An independent valuation is obtained on completion of the major redevelopment.

ii) Major redevelopment

The Trust's development projects include costs incurred for the current and future redevelopment and expansion of its shopping centre investment. Development projects include capitalised construction and development costs and where applicable borrowing costs on qualifying developments.

Development projects are carried at fair value based on Directors' assessment of fair value at each reporting date taking into account the expected costs to complete, the stage of completion, expected underlying income and yield of the development. Any increment or decrement in the fair value of development projects resulting from Directors' assessment of fair value is included in the statement of comprehensive income in the year in which it arises. On completion, development projects are reclassified to shopping centre investment and an independent valuation is obtained.

The assessment of fair value and possible impairment in the fair value of shopping centre investment and development projects are significant estimates that can change based on the Trust's continuous process of assessing the factors affecting its property.

(b) Revenue recognition

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

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

All other revenues are recognised on an accruals basis.

(c) Expenses

Expenses are brought to account on an accruals basis.

(d) Taxation

Under current Australian income tax legislation, the Trust is not liable for Australian income tax, including capital gains tax, provided that members are presently entitled to the income of the Trust as determined in accordance with the Trust's constitution.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on purchase of goods and services is not recoverable from the tax authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amounts of GST included.

The net amount of GST payable or receivable to government authorities is included as part of receivables or payables in the balance sheet.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(f) Financing costs

Financing costs include interest, amortisation of discounts or premiums relating to borrowings and other costs incurred in connection with the arrangement of borrowings. Financing costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to be readied for its intended use or sale. In these circumstances, the financing costs are capitalised to the cost of the asset. Where funds are borrowed by the Trust for the acquisition or construction of a qualifying asset, the associated financing costs are capitalised.

(g) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Trust. Any transaction costs arising on the issue of ordinary units are recognised directly in equity as a reduction of the proceeds received.

(h) Derivative and other financial assets and liabilities

The Responsible Entity utilises interest rate swaps to manage the risks associated with interest rate fluctuations. Such derivative financial instruments are recognised at fair value.

The Responsible Entity has set defined policies and implemented a comprehensive hedging program to manage interest rate risks. Derivative instruments are transacted to achieve the economic outcomes in line with the Trust's treasury policy and hedging program and are not transacted for speculative purposes. Accounting standards however require compliance with onerous documentation, designation and effectiveness parameters before a derivative instrument is deemed to qualify for hedge accounting treatment. These documentation, designation, and effectiveness requirements cannot be met in all circumstances. As a result, all derivative instruments are deemed not to qualify for hedge accounting and are recorded at fair value. Gains or losses arising from the movement in fair values are recorded in the statement of comprehensive income.

The fair value of derivatives have been determined with reference to market observable inputs for contracts with similar maturity profiles. The valuation is a present value calculation which incorporates interest rate curves and the credit quality of all counterparties.

The accounting policies adopted in relation to material derivatives and other financial assets and liabilities are detailed as follows:

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial assets

Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and at bank, short term money market deposits and bank accepted bills of exchange readily convertible to cash, net of bank overdrafts and short term loans. Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

Receivables

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

ii) Financial liabilities

Payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid and arise when the Trust becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 60 days.

Interest bearing liabilities

Interest bearing liabilities are recognised initially at the fair value of the consideration received less any directly attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are recorded at amortised cost using the effective interest rate method.

Interest bearing liabilities are classified as current liabilities where the liability has been drawn under a financing facility which expires within one year. Amounts drawn under financing facilities which expire after one year are classified as non current.

Financing costs for interest bearing liabilities are recognised as an expense on an accruals basis.

The fair value of the Trust's unquoted instruments, loans from banks and finance leases (as disclosed in Note 19) is estimated by discounting future cashflows using rates that approximate the Trust's borrowing rate as at 30 June 2014 for debt with similar maturity, credit risk and terms.

(i) Recoverable amount of assets

At each reporting date, the Responsible Entity assesses whether there is any indication that an asset may be impaired. Where an indicator of the impairment exists, the Responsible Entity makes an estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

(j) Earnings per unit

Basic earnings per unit is calculated as net profit attributable to members of the Trust divided by the weighted average number of ordinary units. Diluted earnings per unit is calculated as net profit attributable to members of the Trust divided by the weighted average number of ordinary units and dilutive potential ordinary units.

(k) Rounding

In accordance with ASIC Class Order 98/0100, the amounts shown in the financial report have, unless otherwise indicated, been rounded to the nearest thousand dollars. Amounts shown as 0.0 represent amounts less than \$500 that have been rounded down.

	30 Jun 14 \$'000	30 Jun 13 \$'000
NOTE 3a PROPERTY REVENUE		
Shopping centre base rent and other property income	54,618	51,553
Amortisation of tenant allowances	(1,276)	(1,273)
	53,342	50,280
NOTE 3b FINANCING COSTS		
Gross financing costs (excluding net fair value gain or loss on interest rate hedges that do not qualify for hedge accounting)	(13,851)	(13,908)
Financing costs capitalised to construction projects	–	427
	(13,851)	(13,481)
NOTE 4 TRADE AND OTHER RECEIVABLES		
Trade receivables	649	432
Other debtors	1,647	1,644
	2,296	2,076

	30 Jun 14 \$'000	30 Jun 13 \$'000
NOTE 5 PREPAYMENTS AND DEFERRED COSTS		
Current	302	376
Non current	1,011	376

	30 Jun 14 cents	30 Jun 13 cents
NOTE 6 EARNINGS PER UNIT AND NET TANGIBLE ASSET BACKING PER UNIT		
(i) Earnings per share		
Basic earnings per unit	102.63	35.83
Diluted earnings per unit	102.63	35.83

Basic and diluted earnings per unit are calculated by dividing the earnings of \$71,840,000 (2013: \$25,078,000) by the weighted average number of ordinary units on issue during the financial year. The weighted average number of units used in the calculation of basic and diluted earnings per unit is 70,000,000 (2013: 70,000,000).

	cents	cents
(ii) Net asset backing per unit		
Net asset backing per unit	717	645

	30 Jun 14 \$'000	30 Jun 13 \$'000
NOTE 7 INVESTMENT PROPERTIES		
Shopping centre investment	728,214	678,228
	728,214	678,228
Movement in investment properties		
Balance at the beginning of the year	678,228	668,500
Additions including redevelopment costs	882	4,624
Net revaluation increment	49,104	5,104
Balance at the end of the year	728,214	678,228

The Trust's interest in Westfield Carindale has been independently valued as at 30 June 2014. The valuation of the Trust's 50% interest in Westfield Carindale is \$728.2 million (2013: \$678.2 million) with an estimated yield of 5.50% (2013: 5.75%). This valuation was conducted by Colliers International C&V Pty Limited in accordance with the International Valuation Standards Committee.

The redevelopment of the centre was completed and the centre fully opened on 9 August 2012.

During the year, \$nil (2013: \$0.4 million) of financing costs were capitalised to development projects.

NOTE 8 TRADE AND OTHER PAYABLES

Current		
Trade creditors	1,014	1,135
Other creditors and accruals	7,447	8,536
Distribution payable	11,130	10,360
	19,591	20,031

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

	30 Jun 14 \$'000	30 Jun 13 \$'000
NOTE 9 INTEREST BEARING LIABILITIES		
Non current		
Finance lease	114	127
Loans payable – secured ⁽ⁱ⁾	206,200	202,537
	206,314	202,664

(i) The Trust refinanced its \$230 million floating interest rate facility with its existing lenders. Drawings under this facility are secured by a registered mortgage over the Trust's interest in Westfield Carindale and a fixed and floating charge over all assets and undertakings of the Trust. The facility is subject to negative pledge arrangements and matures in the second half of calendar year 2018.

The maturity profile in respect of the above liabilities:

Due within one year	1	1
Due between one and five years	206,204	202,542
Due after five years	109	121
	206,314	202,664

NOTE 10 DERIVATIVE LIABILITIES

Current – Payables on interest rate derivatives	1,111	661
Non current – Payables on interest rate derivatives	6,517	9,232

The Trust presents the fair value of its derivative assets and derivative liabilities on a gross basis. However, certain derivative assets and liabilities are subject to legally enforceable master netting arrangements within the secured financing facilities. As at 30 June 2014, these netting arrangements have no impact on the derivative liabilities disclosed above (30 June 2013: nil).

	30 Jun 14 units	30 Jun 13 units
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NOTE 11 TRUST UNITS

Number of fully paid up units on issue

Balance at the beginning and end of the period	70,000,000	70,000,000
------------------------------------------------	------------	------------

	30 Jun 14 \$'000	30 Jun 13 \$'000
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NOTE 12 RETAINED PROFITS

Balance at the beginning of the year	263,653	258,665
Net profit attributable to members of the Trust	71,840	25,078
Distribution paid/payable to members of the Trust	(21,700)	(20,090)
Other reserves	(47)	–
Balance at the end of the year	313,746	263,653

NOTE 13 CASH AND CASH EQUIVALENTS

(i) Components of cash and cash equivalents

Cash	3,437	3,074
Total cash and cash equivalents	3,437	3,074

(ii) Reconciliation of cash flows from operating activities to net profit attributable to members of the Trust

Net cash flows from operating activities	36,135	35,273
Property revaluation	49,104	5,104
Financing costs	(13,851)	(13,481)
Net fair value gain on interest rate derivatives	2,265	1,219
Interest received	122	105
Decrease in other net assets attributable to operating activities	(1,935)	(3,142)
Net profit attributable to members of the Trust	71,840	25,078

	30 Jun 14 \$'000	30 Jun 13 \$'000
(iii) Financing facilities		
Committed financing facilities available to the Trust:		
Total financing facilities	230,000	230,000
Amounts utilised	(206,200)	(202,537)
Available financing facilities	23,800	27,463
Cash	3,437	3,074
Total available financing facilities and available cash	27,237	30,537
The maturity profile in respect of the above borrowings:		
Due within one year	–	–
Due between one and five years	230,000	230,000
Due after five years	–	–

NOTE 14 DISTRIBUTIONS PAID AND PAYABLE TO MEMBERS

(a) Current/prior period distribution payable/paid to members

Distribution payable to members	11,130	–
– Ordinary units: 15.90 cents per unit, 52% estimated tax deferred		
Distribution paid to members	–	10,360
– Ordinary units: 14.80 cents per unit, 60% tax deferred		
	11,130	10,360

(b) Distribution paid to members

Distribution in respect of the 6 months to 31 December 2013	10,570	–
– Ordinary units: 15.10 cents per unit, 52% estimated tax deferred		
Distribution in respect of the 6 months to 31 December 2012	–	9,730
– Ordinary units: 13.90 cents per unit, 60% tax deferred		
	10,570	9,730

NOTE 15 SEGMENT INFORMATION

The Trust operates in one business segment, being the ownership of a shopping centre in Australia.

NOTE 16 CAPITAL RISK MANAGEMENT

The Responsible Entity seeks to manage the Trust's capital requirements to maximise value to members through the mix of debt and equity funding, while ensuring that the Trust:

- complies with capital and distribution requirements of the Trust's constitution;
- complies with capital requirements in relation to the Trust's borrowing covenants; and
- continues to operate as a going concern.

The Responsible Entity assesses the adequacy of the Trust's capital requirements, cost of capital and gearing (i.e. debt/equity mix) as part of its broader strategic plan. The Responsible Entity continuously reviews the Trust's capital structure to ensure:

- sufficient funds and financing facilities, on a cost effective basis are available to implement operating strategies;
- adequate financing facilities for unforeseen contingencies are maintained; and
- distributions to members are made within the stated distribution policy.

NOTE 17 FINANCIAL RISK MANAGEMENT

The Trust's principal financial instruments comprise cash, receivables, payables, interest bearing liabilities and derivative financial instruments.

On 30 June 2014, on implementation of the Westfield Group restructure, the Trust became a controlled entity of Scentre Group. From 1 July 2014, the Trust's risk management policies are based on those of Scentre Group. For the financial year ended 30 June 2014, the Trust's management of exposures to key financial risks was in accordance with the Westfield Group's treasury risk management policy. The policy was established to manage the key financial risks such as interest rate, counterparty credit and liquidity.

Scentre Group's treasury risk management policies establishes risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities. Scentre Group has adopted the risk framework of Westfield Group. Through its training and procedures, a disciplined and constructive control environment in which relevant treasury and finance personnel understand their roles and obligations in respect of the Trust's treasury management objectives has been established.

Scentre Group has an established Board approved risk management framework including policies, procedures, limits, and permitted types of derivative financial instruments. The Board reviews and oversees the Trust's compliance with these policies, procedures and limits. The Board is assisted in the oversight role by the Treasury Finance Committee, an internal executive committee, and internal audit function.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 17 FINANCIAL RISK MANAGEMENT (continued)

The Responsible Entity uses different methods to measure and manage different types of risks to which the Trust is exposed. These include monitoring levels of exposure to interest rates, liquidity and credit risk. The Responsible Entity enters into interest rate swaps to manage the interest rate risk arising from the Trust's operations. The Responsible Entity seeks to deal only with creditworthy counterparties and these assessments are regularly reviewed. Liquidity risk is monitored through the use of future rolling cash flow forecasts.

NOTE 18 INTEREST RATE RISK MANAGEMENT

The Trust is exposed to interest rate risk on its borrowings and derivative financial instruments. The risk is managed by the Responsible Entity by maintaining an appropriate mix between fixed and floating rate interest bearing liabilities. Fixed rate debt is achieved through the use of derivative financial instruments approved by the Board. These activities are evaluated regularly to ensure that the Trust is not exposed to interest rate movements that could adversely impact its ability to meet its financial obligations and to ensure compliance with borrowing covenants.

(i) Summary of floating interest rate positions at balance date

The Trust has interest rate risk on borrowings which are typically floating rate debt. The exposures at reporting date together with the interest rate risk management transactions are as follows:

Interest payable	Note	30 Jun 14 \$'000	30 Jun 13 \$'000
Principal amounts of all interest bearing liabilities:			
Non current – Loans payable – secured	9	206,200	202,537
		206,200	202,537
Principal amounts of fixed interest rate instruments:			
Fixed rate derivatives			
– A\$	18(ii)	156,000	156,000
		156,000	156,000

At 30 June 2014, the Trust has hedged 76% (2013: 77%) of its interest payable exposure by way of interest rate swaps of varying durations with floating exposure of \$50,200,000 payable (2013: \$46,537,175) at an average rate of 4.21%, including margin (2013: 4.52%). Changes to the fair value of the derivatives due to interest rate movements are set out in Note 18(ii).

Interest rate sensitivity		30 Jun 14 \$'000	30 Jun 13 \$'000
The sensitivity of interest expense to changes in floating interest rates is as follows:	Interest rate movement	(Increase)/decrease in interest expense	
	–2.0%	1,004	931
	–1.0%	502	465
	–0.5%	251	233
	0.5%	(251)	(233)
	1.0%	(502)	(465)
	2.0%	(1,004)	(931)

(ii) Summary of fixed interest rate positions at balance date

Notional principal amounts of the Trust's interest rate swaps:

	30 Jun 14 Notional Principal amount \$'000	30 Jun 14 Average rate	30 Jun 13 Notional Principal amount \$'000	30 Jun 13 Average rate
Swaps contracted as at the reporting date and outstanding at				
A\$ payable				
30 June 2013	–	–	A\$(156,000)	5.53%
30 June 2014	A\$(156,000)	5.46%	A\$(156,000)	5.46%
30 June 2015	A\$(109,000)	5.42%	A\$(109,000)	5.42%
30 June 2016	A\$(89,000)	5.39%	A\$(89,000)	5.39%
30 June 2017	A\$(57,000)	5.25%	A\$(57,000)	5.25%

The Trust's interest rate swaps do not meet the accounting requirements to qualify for hedge accounting treatment. Changes in fair value have been reflected in the statement of comprehensive income. At 30 June 2014, the aggregate fair value is a payable of \$7,628,014 (2013: \$9,892,949). The change in fair value for the year ended 30 June 2014 was \$2,264,935 gain (2013: \$1,218,655).

Fair value sensitivity		30 Jun 14 \$'000	30 Jun 13 \$'000
The sensitivity of fair value of interest rate swaps to changes in interest rates is as follows:	Interest rate movement	(Increase)/decrease in interest expense	
	-2.0%	(6,098)	(9,134)
	-1.0%	(3,003)	(4,483)
	-0.5%	(1,490)	(2,221)
	0.5%	1,467	2,181
	1.0%	2,912	4,320
	2.0%	5,738	8,492

NOTE 19 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Set out below is a comparison by category of carrying amounts and fair values of all the Trust's financial instruments.

	Fair value		Carrying amount	
	30 Jun 14 \$'000	30 Jun 13 \$'000	30 Jun 14 \$'000	30 Jun 13 \$'000
Assets				
Cash	3,437	3,074	3,437	3,074
Trade and other receivables ⁽ⁱ⁾	2,296	2,076	2,296	2,076
Liabilities				
Trade and other payables ⁽ⁱ⁾	19,591	20,031	19,591	20,031
Interest bearing liabilities ⁽ⁱⁱ⁾				
– Finance lease	114	127	114	127
– Floating rate debt	206,200	202,537	206,200	202,537
Derivative liabilities ⁽ⁱⁱ⁾	7,628	9,893	7,628	9,893

(i) These financial assets and liabilities are not subject to interest rate risk and the fair value approximates carrying amount.

(ii) These financial assets and liabilities are subjected to interest rate and market risks, the basis of determining the fair value is set out in the fair value hierarchy below.

Determination of fair value

The Trust uses the following hierarchy for determining and disclosing the fair value of a financial instrument. The valuation techniques comprise:

Level 1: the fair value is calculated using quotes (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: the fair value is estimated using inputs other than quoted prices that are observable, either directly (as prices) or indirectly (derived from prices).

Level 3: the fair value is estimated using inputs that are not based on observable market data.

	30 Jun 14 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Liabilities measured at fair value				
Interest bearing liabilities				
– Finance lease	114	–	114	–
– Floating rate debt	206,200	–	206,200	–
Derivative liabilities				
– Interest rate derivatives	7,628	–	7,628	–
	30 Jun 13 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Liabilities measured at fair value				
Interest bearing liabilities				
– Finance lease	127	–	127	–
– Floating rate debt	202,537	–	202,537	–
Derivative liabilities				
– Interest rate derivatives	9,893	–	9,893	–

During the year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

All other financial assets and liabilities have a fair value which approximates carrying amount.

Investment properties are considered Level 3, refer to Note 7: Investment properties for relevant fair value disclosures.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 20 CREDIT AND LIQUIDITY RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Trust. Credit limits have been established to ensure that the Trust deals only with approved counterparties and that counterparty concentration risk is addressed and the risk of loss is mitigated. Counterparty exposure is measured as the aggregate of all obligations of any single legal entity or economic entity to the Trust, after allowing for appropriate set offs which are legally enforceable. A maximum credit limit is allocated to each counterparty based on its credit rating. The counterparty credit risk associated with investment instruments is assessed based on its outstanding face value.

At 30 June 2014, the aggregate credit risk in respect of cash and cash equivalents is \$3,437,346 (2013: \$3,074,299).

At 30 June 2014, the aggregate credit risk in respect of derivative financial instruments is nil (2013: nil).

The Responsible Entity undertakes active liquidity and funding risk management to enable the Trust to have sufficient funds available to meet its financial obligations as and when they fall due, working capital and expected committed capital expenditure requirements. The Responsible Entity prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow.

Interest bearing liabilities, funding facilities and their maturity profiles are set out in Notes 9 and 13(iii).

NOTE 21 FINANCIAL COVENANTS

The Trust is required to comply with certain financial covenants in respect of its borrowings facilities. The major financial covenants are summarised as follows:

- a) Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) to gross interest expense excluding gains or losses from mark to market;
 - not less than 1.3 times
- b) Loan to Value Ratio (LVR) (debt to latest property value);
 - not exceed 50%

At and during the years ended 30 June 2014 and 30 June 2013, the Trust was in compliance with all the above financial covenants.

	30 Jun 14 \$'000	30 Jun 13 \$'000
NOTE 22 INTEREST BEARING LIABILITIES, INTEREST AND DERIVATIVE CASH FLOW MATURITY PROFILE		
Interest bearing liabilities and interest		
Maturity profile of the principal amounts of current and non current interest bearing liabilities (refer Note 9) together with the aggregate future estimated interest thereon is set out below:		
Due within one year	8,671	9,155
Due between one and five years	235,110	213,397
Due after five years	–	–
	243,781	222,552

Derivatives

Estimated cashflows in respect of interest rate swaps set out below:

Due within one year	3,839	4,595
Due between one and five years	4,072	5,921
Due after five years	–	–
	7,911	10,516

NOTE 23 LEASE RECEIVABLES

Operating lease receivables

The property owned by the Trust is leased to third party retailers under operating leases at 30 June 2014. Lease terms vary between retailers and some leases include percentage rental payments based on sales revenue. Future minimum rental revenues under non-cancellable operating retail property leases:

Due within one year	42,375	40,455
Due between one and five years	115,370	132,128
Due greater than five years	40,816	52,350
	198,561	224,933

These amounts do not include percentage rentals which may become receivable under certain leases on the basis of retailer sales in excess of stipulated minimums and do not include recovery of outgoings.

30 Jun 14	30 Jun 13
\$'000	\$'000

NOTE 24 AUDITOR'S REMUNERATION

Amount paid or due and payable to the auditors of the Trust:

Auditing the financial report of the Trust	84	80
Accounting and other services including compliance plan audit	2	2
	86	82

NOTE 25 RELATED PARTY TRANSACTIONS

Scentre Management Limited, the Responsible Entity of the Trust, is considered to be a related party of the Trust.

The constitution of the Trust allows for an annual manager's service fee payable to the Responsible Entity up to a maximum of 2% of the total tangible assets of the Trust, which amounts to \$14,705,200 for the year to 30 June 2014 (2013: \$13,683,500), or such lesser amount as the Responsible Entity may determine. The manager's service fee paid or payable to the Responsible Entity for the year ended to 30 June 2014 was \$4,274,093 (2013: \$3,938,311) representing 0.6% (2013: 0.6%) of the total tangible assets of the Trust as of 30 June 2014.

During the year, amounts paid or payable (excluding GST) to associates of the Responsible Entity for capital costs amounted to \$1,665,303 (2013: \$20,755,241). As at 30 June 2014, remaining capital costs of \$26,000 (2013: \$269,910) were payable to associates of the Responsible Entity.

Real estate management fees expensed for the year ended 30 June 2014 due to associates of the Responsible Entity are based on normal commercial terms and were \$2,712,500 (2013: \$2,561,500). As at 30 June 2014, real estate management fees of \$223,613 (2013: \$214,286) were payable to associates of the Responsible Entity.

Reimbursement of expenses for the year ended 30 June 2014 paid and payable to associates of the Responsible Entity are based on normal commercial terms and were \$2,186,500 (2013: \$2,364,000).

As at 30 June 2014, Scentre Management Limited, as Responsible Entity of the Scentre Group Trust 1, held 35 million units in the Trust (2013: 35 million units).

Details of Key Management Personnel

(i) Directors

The Directors of Scentre Management Limited, the Responsible Entity of the Trust are considered to be Key Management Personnel.

On 30 June 2014, following the restructure of Westfield Group, the composition of the Board of Scentre Management Limited changed. Currently, the Board comprises the following Directors.

Frank Lowy	Chairman / Non-Executive Director	Andrew Harmos	Non-Executive Director (appointed 30 June 2014)
Brian Schwartz	Deputy Chairman / Non-Executive Director	Michael Ihlein	Non-Executive Director (appointed 30 June 2014)
Peter Allen	Chief Executive Officer / Executive Director	Steven Lowy	Non-Executive Director
Laurence Brindle	Non-Executive Director (appointed 30 June 2014)	Sandra McPhee	Non-Executive Director (appointed 30 June 2014)
Richard Egerton-Warburton	Non-Executive Director (appointed 30 June 2014)		

The following Directors retired from the Board of the Responsible Entity on 30 June 2014.

Ilana Atlas	Non-Executive Director	Mark R. Johnson	Non-Executive Director
Roy Furman	Non-Executive Director	Peter Lowy	Non-Executive Director
Peter Goldsmith	Non-Executive Director	John McFarlane	Non-Executive Director
Mark G. Johnson	Non-Executive Director	Judith Sloan	Non-Executive Director

There has been no other change to the Board of the Responsible Entity between the end of the reporting period and the date the financial report was authorised to be issued.

(ii) Other Key Management Personnel

The Responsible Entity does not have any employees. However in addition to the Directors noted above, the following person was a Key Management Personnel for the financial year with the authority for the strategic direction and management of Carindale Property Trust.

Robert Jordan – Managing Director, Australia, United States and New Zealand

Since the end of the reporting period and the date the financial report was authorised for issue, Mr Jordan has ceased to be Key Management Personnel of the Trust.

On 30 June 2014, Mr Peter Allen was appointed Chief Executive Officer of Scentre Group. Mr Allen is a Director on the Board of the Responsible Entity and has been disclosed as Key Management Personnel in (i) above.

Compensation of Key Management Personnel

The Directors of the Responsible Entity receive remuneration in their capacity as Directors of the Responsible Entity. These amounts are paid directly by Scentre Group Limited (formerly Westfield Holdings Limited). Scentre Group Limited is the parent entity of Scentre Group, of which the Responsible Entity, Scentre Management Limited is part. Executive Directors and other Key Management Personnel are paid by Scentre Limited, a wholly owned subsidiary of Scentre Group Limited. Management fees payable by the Trust to the Responsible Entity are calculated as a percentage of the Trust's total tangible assets and are not determined by reference to specific costs incurred by the Responsible Entity. Consequently, no compensation as defined in AASB 124 Related Parties is paid directly by the Trust, or indirectly by a related party of the Trust, to those Key Management Personnel in respect of their services to the Trust.

Directors' Declaration

The Directors of Scentre Management Limited, the Responsible Entity of Carindale Property Trust (Trust) declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the financial statements and notes thereto are in accordance with the Corporations Act 2001, including sections 296 and 297, the International Financial Reporting Standards issued by the International Accounting Standards Board; and

(c) they have been provided with the declarations required by section 295A of the Corporations Act 2001 (Cwlth).

Made on 26 August 2014 in accordance with a resolution of the Board of Directors.



Frank Lowy AC
Chairman



Michael Ihlein
Director

Independent Audit Report

TO MEMBERS OF CARINDALE PROPERTY TRUST



Report on the financial report

We have audited the accompanying financial report of Carindale Property Trust (the Trust), which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of Scentre Management Limited, the responsible entity of the Trust, are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. We confirm that the Auditor's Independence Declaration would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- a. the financial report of Carindale Property Trust is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the Trust's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in the notes.

Ernst & Young

Graham Ezzy
Partner

Sydney
26 August 2014

Liability Limited by a scheme approved
under Professional Standards Legislation

Directors' Report

The Directors of Scentre Management Limited, the responsible entity of Carindale Property Trust (Trust), submit the following report for the period from 1 July 2013 to 30 June 2014 (Financial Year).

1. Review of Operations and Results of Operations

Principal activity

The principal activity of the Trust during the Financial Year was the long term ownership of a 50% interest in Westfield Carindale shopping centre, which is located in the suburb of Carindale, east of Brisbane.

On 9 August 2012, the \$310 million (the Trust's share \$155 million) redevelopment of Westfield Carindale opened. The centre is one of Australia's top 3 shopping centres based on retail sales featuring 2 department stores, 2 discount department stores, 4 supermarkets, an 8-screen cinema complex and more than 400 specialty retailers. As at 30 June 2014, the centre was in excess of 99.5% leased with retail sales of \$914.7 million.

As at 30 June 2014, the centre has been independently valued at \$1,456.4 million (the Trust's share \$728.2 million), representing a revaluation gain of \$49.1 million since 30 June 2013. Total revaluation gains since the redevelopment of the centre are \$123.9 million.

Financial results

The Trust's net property income for the Financial Year was \$38.9 million representing a 6.6% increase on the previous year.

Funds from operations for the Financial Year was \$21.7 million compared to \$20.0 million in the previous financial year, representing a 8.6% increase.

As at 30 June 2014, total assets of the Trust increased 7.5% to \$735.3 million and total unit holder funds attributable to members were \$501.7 million.

The net tangible asset backing as at 30 June 2014 was \$7.17 per unit, representing a 11.1% increase on last year primarily as a result of property revaluation.

The Trust has a secured loan facility. As at 30 June 2014, borrowings were \$206.2 million with a gearing of 28.3% of the latest property value.

Distributions

The total amount to be distributed to members for the Financial Year is \$21.7 million representing a full year distribution of 31.00 cents per unit. Details of interim distributions are set out in section 3 of this report.

Profit after tax, funds from operations and distribution for the period

	30 Jun 14 \$'000	30 Jun 13 \$'000
Net property income	38,867	36,456
Manager's service charge	(4,272)	(3,938)
Overheads	(395)	(387)
Net fair value gain on interest rate derivatives	2,265	1,219
Net financing costs	(13,729)	(13,376)
Property revaluation	49,104	5,104
Profit attributable to members of the Trust	71,840	25,078
Adjustments:		
– Property revaluation	(49,104)	(5,104)
– Tenant allowances amortised	1,276	1,273
– Net fair value gain on interest rate derivatives	(2,265)	(1,219)
Funds from operations (FFO)	21,747	20,028
Amount transferred to other reserves	(47)	–
Retained earnings utilised	–	62
Distributable Amount	21,700	20,090
FFO per unit	31.07	28.61
Distributable Amount per unit	31.00	28.70

Future prospects

Statements as to future prospects must be assessed in light of the Trust's activities, which is the ownership of its shopping centre asset, Westfield Carindale in Brisbane. As noted above, a major redevelopment of the centre was completed in August 2012. The Directors are pleased with the performance of the centre which has been enhanced by the redevelopment and consider that the centre is positioned to achieve growth in both sales and income over the medium and long term.

Risks

The Trust's sole investment is a 50% interest in Westfield Carindale, and as such it is exposed to the risks inherent in the ownership of a single asset. The performance of the Trust may be affected by the local economic and retail conditions in south-east Queensland specifically and Australia generally.

There were no significant changes in the nature of that activity or the state of affairs for the Trust during the Financial Year. No matter or circumstance has arisen since the end of the Financial Year that has significantly affected, or may significantly affect, the Trust's operations, the results of those operations, or the Trust's state of affairs, in future financial years.

Directors' Report (continued)

2. Sustainability

Environmental laws and regulations in force in the jurisdictions in which the Group operates are applicable to areas of Scentre Group's operations and in particular to its development, construction and shopping centre management activities. Scentre Group has in place procedures to identify and comply with such requirements including, where applicable, obtaining and complying with the conditions of relevant authority consents and approvals and the obtaining of any necessary licences. These compliance procedures are regularly reviewed and audited and their application closely monitored. As the Trust formed part of Westfield Group on 30 June 2014, reference is made to the Westfield Group's 2014 Sustainability Report, which can be found at www.scentregroup.com.

3. Distributions

The total amount to be distributed to members for the Financial Year is \$21.7 million representing a full year distribution of 31.00 cents per unit which includes the distribution paid on 28 February 2014 and the distribution to be paid on 29 August 2014.

The following distributions were paid to members of the Trust during the Financial Year:

	\$'000
14.80 cents per unit for the 6 months ended 30 June 2013, paid 30 August 2013	\$10,360

15.10 cents per unit for the 6 months ended 31 December 2013, paid 28 February 2014	\$10,570
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The following distribution was recommended or declared for payment to members, but not paid, during the financial year:

	\$'000
15.90 cents per unit for the 6 months ended 30 June 2014, payable on 29 August 2014	\$11,130

4. Directors and Secretaries

4.1 Board Membership and Qualifications

The following Directors served on the Board of the Responsible Entity for the entire Financial Period: Mr Frank Lowy, Mr Brian Schwartz, Mr Peter Allen, Ms Ilana Atlas, Mr Roy Furman, Lord (Peter) Goldsmith, Mr Mark G. Johnson, Mr Mark R. Johnson, Mr Peter Lowy, Mr Steven Lowy, Mr John McFarlane and Professor Judith Sloan.

In connection with the restructure of the Westfield Group implemented on 30 June 2014, the composition of the Board of the Responsible Entity changed.

The Board currently comprises the following directors:

- Mr Frank Lowy (Chairman)
- Mr Brian Schwartz (Deputy Chairman)
- Mr Peter Allen
- Mr Laurence Brindle (appointed 30 June 2014)
- Mr Richard Egerton-Warburton (appointed 30 June 2014)
- Mr Andrew Harmos (appointed 30 June 2014)
- Mr Michael Ihlein (appointed 30 June 2014)
- Mr Steven Lowy
- Ms Sandra McPhee (appointed 30 June 2014).

The following directors retired from the Board:

- Ms Ilana Atlas
- Mr Roy Furman
- Lord Peter Goldsmith
- Mr Mark G. Johnson
- Mr Mark R. Johnson
- Mr Peter Lowy
- Mr John McFarlane
- Professor Judith Sloan

Details of the qualifications, experience and special responsibilities of each of the Company's Directors as at the date of this report are set out below.

Mr Frank P Lowy AC

Chairman

Frank Lowy is the non-executive Chairman of Scentre Group. He served as the Westfield Group's Chief Executive Officer for over 50 years before assuming a non-executive role in May 2011. Mr Lowy also serves as the Chairman of Westfield Corporation. He is the founder and Chairman of the Lowy Institute for International Policy and Chairman of Football Federation Australia Limited.

Mr. Brian M Schwartz AM

Deputy Chairman

Brian Schwartz is a non-executive Director and Deputy Chairman of Scentre Group. In a career with Ernst & Young Australia spanning more than 25 years, he rose to the positions of Chairman (1996 - 1998) and then CEO of the firm from 1998 to 2004. From 2005 to 2009, Mr Schwartz was the CEO of Investec Bank (Australia) Limited. He is Chairman of Insurance Australia Group Limited and Deputy Chairman of Football Federation Australia Limited. Mr Schwartz is also a non-executive Director and Deputy Chairman of Westfield Corporation. Prior to the establishment of Scentre Group, Mr Schwartz was a non-executive Director and Deputy Chairman of Westfield Group. He is a Fellow of the Australian Institute of Company Directors and the Institute of Chartered Accountants. Mr Schwartz is Chairman of Scentre Group's Human Resources Committee and a member of the Nomination Committee.

Mr. Peter K Allen

Chief Executive Officer

Peter Allen is an executive Director and Chief Executive Officer of Scentre Group. He has more than 20 years of global experience in senior financial, property and commercial roles. Prior to the establishment of Scentre Group, Mr Allen was a non-executive Director of Westfield Retail Trust and an executive Director of Westfield Holdings Limited and the Westfield Group's Chief Financial Officer. Mr Allen worked for Citibank in Melbourne, New York and London before joining Westfield in 1996 as Director for Business Development. From 1998 to 2004 he was based in London as Westfield's CEO of United Kingdom/Europe and was responsible for establishing Westfield's presence in the United Kingdom. He is on the Board of the Kolling Foundation and is a member of the President's Council of the Art Gallery of NSW. Mr Allen is an Associate Member of the Australian Property Institute (AAPI).

Mr. Richard F E Warburton AO, LVO

Mr Warburton is a non-executive Director of Scentre Group. Before becoming a professional director, he was the Chairman and Chief Executive Officer of DuPont Australia and New Zealand where he was responsible for DuPont's petro-chemical business operations in Australia and New Zealand. Prior to the establishment of Scentre Group, Mr Warburton was Chairman of Westfield Retail Trust from December 2010 until June 2014. He is currently Chairman of Magellan Flagship Fund Limited and Citigroup Pty Limited and previously Chairman of David Jones Limited, AurionGold Limited, Caltex Australia Limited and the Board of Taxation, and a director of Tabcorp Holdings Limited, Southcorp Limited, Nufarm Limited and the Reserve Bank of Australia. Mr Warburton is a Fellow (and former National President) of the Australian Institute of Company Directors. Mr Warburton is Chairman of Scentre Group's Nomination Committee and a member of the Audit and Risk Committee.

Directors' Report (continued)

Mr. Laurence R Brindle

Laurence Brindle is a non-executive Director of Scentre Group. He has extensive experience in property investment. From 1988 to 2009, Mr Brindle served as an executive with Queensland Investment Corporation (QIC) where he held various positions including Head of Global Real Estate as well as serving as a long term member of QIC's Investment Strategy Committee. Mr Brindle holds a Bachelor of Engineering (Honours) and a Bachelor of Commerce from The University of Queensland and an MBA from Cass Business School, London. Prior to the establishment of Scentre Group, Mr Brindle was a non-executive Director of Westfield Retail Trust from December 2010 until June 2014. He is Chairman of the National Storage REIT and the former Chairman of the Shopping Centre Council of Australia and Chief Executive Officer of Trinity Limited. Mr Brindle is a member of Scentre Group's Audit and Risk Committee.

Mr. Michael F Ihlein

Michael Ihlein is a non-executive Director of Scentre Group. He is a highly experienced corporate and finance executive with a long career with Coca-Cola Amatil Limited (and related companies), where he was Managing Director, Poland (1995 – 1997) and Chief Financial Officer (1997 – 2004). Mr Ihlein joined Brambles as Chief Financial Officer in March 2004 and held the position of Chief Executive Officer from July 2007 until his retirement in November 2009. Mr Ihlein holds a Bachelor of Business Studies (Accounting) from the University of Technology, Sydney. Prior to the establishment of Scentre Group, Mr Ihlein was a non-executive Director of Westfield Retail Trust from December 2010 until June 2014. He is currently a director of CSR Limited, Snowy Hydro Limited and Murray Goulburn Co-operative Co Limited, Chairman of the Australian Theatre for Young People and is a Fellow of the Australian Institute of Company Directors, CPA Australia and the Financial Services Institute of Australasia (Finsia). Mr Ihlein is the Chairman of Scentre Group's Audit and Risk Committee.

Mr. Steven M Lowy AM

Steven Lowy is a non-executive Director of Scentre Group. He holds a Bachelor of Commerce (Honours) from the University of NSW. Prior to joining Westfield in 1987, Mr Lowy worked in investment banking in the US. He is an executive Director of Westfield Corporation and currently serves as Co-Chief Executive Officer. Mr Lowy is a Director of the Lowy Institute for International Policy and a member of the Prime Minister's Business-Government Advisory Group on National Security. His previous appointments include President of the Board of Trustees of the Art Gallery of New South Wales, Chairman of the Victor Chang Cardiac Research Institute and Presiding Officer of the NSW Police Force Associate Degree in Policing Practice Board of Management.

Ms. Sandra V McPhee AM

Sandra McPhee is a non-executive Director of Scentre Group. She has extensive international experience as a non-executive director and senior executive in consumer facing industries including retail, funds management and transport and logistics, most recently with Qantas Airways Limited. Ms McPhee serves on the boards of AGL Energy Limited, Fairfax Media Limited, Tourism Australia and Kathmandu Limited. She is Chairman of St Vincent's and Mater Health Sydney Advisory Council and was previously the Deputy President of the Art Gallery of NSW. Prior to the establishment of Scentre Group, Ms McPhee was a non-executive Director of Westfield Retail Trust from December 2010 until June 2014. Her other previous directorships include Coles Group Limited, Australia Post, Perpetual Limited, Primelife Corporation, CARE Australia, and Deputy Chairman of South Australia Water. She is a Fellow of the Australian Institute of Company Directors. Ms McPhee is a member of Scentre Group's Human Resources Committee.

Mr. Andrew W Harmos

Andrew Harmos is a non-executive Director of Scentre Group. He is one of the founding directors of Harmos Horton Lusk Limited, an Auckland based specialist corporate legal advisory firm, where he specialises in takeover advice and structuring, securities offerings, company acquisitions and disposals, strategic and board corporate legal advice. He was formerly a senior partner of Russell McVeagh. Mr Harmos holds a Bachelor of Commerce and a Bachelor of Laws (Honours) from The University of Auckland. Prior to the establishment of Scentre Group, Mr Harmos was a non-executive Director of Westfield Retail Trust from December 2010 until June 2014. He is Chairman of the New Zealand Stock Exchange, a Director of AMP Life Limited, The National Mutual Life Association and Elevation Capital Management Limited and is a Trustee of the Arts Foundation of New Zealand. Mr Harmos is a member of Scentre Group's Nomination Committee and Human Resources Committee.

4.2 Directors' Relevant Interests

None of the Directors hold a relevant interest in units in the Trust.

5. Options

No options were granted over unissued interests in the Trust during or since the end of the financial year to any of the Directors or officers of the Responsible Entity.

There are no unissued interests in the Trust under option.

No interests in the Trust were issued during or since the end of the financial year as a result of the exercise of an option over unissued interests in the Trust.

None of the Directors of the Responsible Entity are party to or entitled to a benefit under a contract which confers a right to call for, or be delivered, interests in the Trust.

6. Indemnities and Insurance Premiums

No insurance premiums were paid during or since the end of the Financial Year out of the assets of the Trust in regards to insurance cover provided to either officers of the Responsible Entity or the auditors of the Trust. As long as the Responsible Entity acts in accordance with the constitution of the Trust and the Corporations Act 2001, it remains fully indemnified out of the assets of the Trust against any losses incurred while acting as the Responsible Entity of the Trust.

The Responsible Entity's Constitution provides that a person who is or has been a Director or Secretary of the Responsible Entity is entitled to be indemnified out of the property of the Responsible Entity against any liability incurred by the person in that capacity and for all legal costs incurred in defending or resisting (or otherwise in connection with) proceedings in which the person becomes involved because of that capacity. The indemnity does not apply to the extent that the Responsible Entity is forbidden by statute to indemnify the person or the indemnity would, if given, be made void by statute.

The auditors of the Trust are not indemnified out of the assets of the Trust in respect of any matter prohibited by the Corporations Act 2001.

7. Information for Registered Schemes

\$6,986,593 in fees and \$1,665,303 in construction progress billings were paid or payable to the Responsible Entity and its associates out of the assets of the Trust during the Financial Year.

Scentre Management Limited as responsible entity of Scentre Group Trust 1 held 35,000,000 units in the Trust as at the end of the financial year.

No interests were issued in the Trust during the Financial Year. No withdrawals were made from the Trust during the Financial Year.

Details of the value of the Trust's assets as at the end of the Financial Year and the basis for valuation are set out in Note 7 to the financial statements.

Details of the number of interests in the Trust as at the end of the Financial Year are set out in Note 11 to the financial statements.

At the date of the report, the Responsible Entity of the Trust has an Audit and Risk Committee.

Directors' Report (continued)

8. Auditor's Independence Declaration to the Directors of Scentre Management Limited



In relation to our audit of the financial report of Carindale Property Trust for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Sydney
26 August 2014

Graham Ezzy
Partner

Liability Limited by a scheme approved
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9. ASIC Disclosures

9.1 Rounding

Pursuant to ASIC Class Order 98/0100, the amounts shown in the financial statements have been rounded to the nearest thousand dollars.

9.2 Synchronisation of Financial Year

The Trust is a consolidated entity of each of Scentre Group Trust 1 and Scentre Group Limited. By orders dated 21 November 2001 and 27 June 2005 respectively made by the Australian Securities & Investment Commission, the directors of the Responsible Entity of Scentre Group Trust 1 and Scentre Group Limited have been relieved from compliance with the requirement to ensure that the financial year of the Trust coincides with the financial year of Scentre Group Trust 1 and Scentre Group Limited.

This report is made in accordance with a resolution of the Board of Directors of the Responsible Entity and is signed for and on behalf of the Directors.

Frank Lowy AC
Chairman

Michael Ihlein
Director

26 August 2014

Corporate Governance Statement

The Responsible Entity, through its Board and the executives of its parent company, Scentre Group Limited (SGL), recognises the need to establish and maintain corporate governance policies and practices which reflect the requirements of the market regulators and participants and the expectations of members and others who deal with the Trust. These policies and practices remain under constant review as both regulation and good practice evolve. The Responsible Entity notes that the ASX Corporate Governance Council has published a third edition of the Corporate Governance Principles and Recommendations and that future reports will be by reference to that edition.

On 30 June 2014, the restructure of the Westfield Group was implemented. As part of the restructure, Scentre Management Limited (SML, formerly Westfield Management Limited) and its parent company, SGL (formerly Westfield Holdings Limited), became part of Scentre Group. As the restructure of the Westfield Group and the formation of Scentre Group occurred on 30 June 2014, the Responsible Entity, for the financial year had adopted and was bound by the various charters and policies implemented by the Westfield Group.

This statement outlines the Responsible Entity's main corporate governance practices during the financial year and the extent of the Responsible Entity's compliance with them as at the end of the financial year by reference to the second edition of the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (as amended in 2010) and to the Corporations Act 2001. A checklist of Westfield Group's compliance with the Principles and Recommendations can be found in Westfield Group's 2013 Annual Report which can be found at www.scentregroup.com.

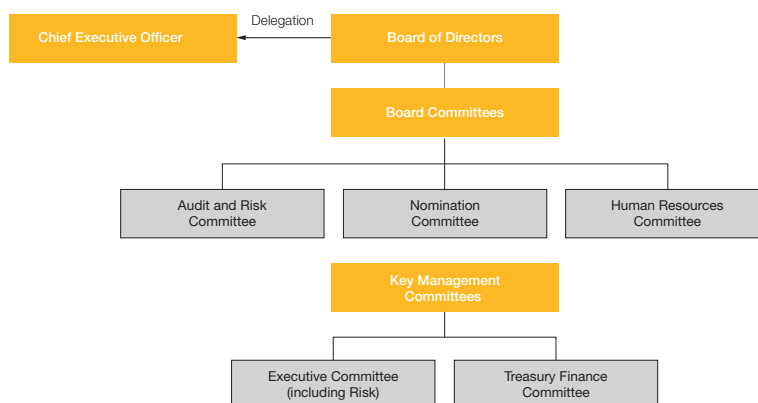
The corporate governance practices of the Responsible Entity for the financial year should be reviewed having regard to the following circumstances:

- the Trust is a single centre property trust which owns a 50% interest in Westfield Carindale in suburban Brisbane;
- the Responsible Entity of the Trust during the financial year was SML, a wholly owned subsidiary of SGL, then part of the Westfield Group and, as noted above, had for the financial year adopted the various charters and policies implemented by Westfield Group; and
- neither the Trust nor the Responsible Entity has any employees. During the financial year, the operations of the Trust were performed by Westfield Group executives and employees (see 2.3 below). The management of the centre was also conducted by subsidiaries of Westfield Group. These executives and employees, as are the management companies, are now part of Scentre Group.

On 30 June 2014, the composition of the Board of the Responsible Entity changed. As part of Scentre Group, the Responsible Entity has adopted the corporate governance policies and charters implemented by Scentre Group. Future corporate governance statements will report against those policies and charters.

Scentre Group's governance framework is outlined in the following diagram. This framework is reflective of the structure that Westfield Group had in place for the financial year. Scentre Group's corporate governance documentation, including charters and relevant corporate policies and codes, can be found in the corporate governance section on the Trust's website www.carindalepropertytrust.com.au.

Scentre Group's governance framework



The current composition of Scentre Group's Board and Board Committees is set out below.

Board

Name	Position Held	Independent (Y/N)	Year appointed to Responsible Entity*
Frank Lowy	Non-Executive Chairman	N	1979
Brian Schwartz	Non-Executive Director	Y	2009
Peter Allen	Chief Executive Officer / Executive Director	N	2011
Laurence Brindle	Non-Executive Director	Y	2014
Richard Egerton-Warburton	Non-Executive Director	Y	2014
Andrew Harmos	Non-Executive Director	Y	2014
Michael Ihlein	Non-Executive Director	Y	2014
Steven Lowy	Non-Executive Director	N	1989
Sandra McPhee	Non-Executive Director	Y	2014

* SML became the Responsible Entity of the Trust in 2000.

Corporate Governance Statement (continued)

Details of the qualifications, experience and special responsibilities of each Director as at the date of this statement are set out on pages 27 and 28 of this Report.

Audit and Risk Committee

Name	Position Held	Status
Michael Ihlein	Chairman	Independent Director
Laurence Brindle	Member	Independent Director
Richard Egerton-Warburton	Member	Independent Director

Nomination Committee

Name	Position Held	Status
Richard Egerton-Warburton	Chairman	Independent Director
Andrew Harnos	Member	Independent Director
Brian Schwartz	Member	Independent Director

Human Resources Committee

Name	Position Held	Status
Brian Schwartz	Chairman	Independent Director
Andrew Harnos	Member	Independent Director
Sandra McPhee	Member	Independent Director

1. The Board of the Responsible Entity

During the financial year, the Board of the Responsible Entity had adopted Westfield Group's Board Charter which set out the objectives, responsibilities and framework for the operation of the Board. The Charter also formalised the matters that were reserved for the Board. Scentre Group's Board charter also formalises these matters.

The Board is responsible for overseeing the effective management and operation of Carindale Property Trust. The Board is accountable to members and seeks to ensure that the business objectives of the Trust are aligned with the expectations of members and that the operations of the Trust are being effectively managed in a manner that is focussed on those business objectives as well as conforming to regulatory and ethical requirements.

As noted above, this statement reports against the Responsible Entity's corporate governance framework for the financial year ended 30 June 2014 and accordingly is reporting against the policies and charters then in place for the Westfield Group for that period.

1.1 Board Charter and Board Responsibility

The Westfield Group Board Charter set out the primary objectives of the Board and the practices and processes the Board adopted to discharge its responsibilities including matters reserved for the Board and the delegation of authority to the Co-Chief Executive Officers, including the limits on the execution of that authority by the Co-Chief Executive Officers and Group Chief Financial Officer could execute that authority.

Specifically, the Board had reserved its authority over the following matters (with a power of delegation to a committee of the Board, the Co-Chief Executive Officers or another nominated member of the senior management team):

As noted, the Responsible Entity as part of Scentre Group, has adopted the Scentre Group charters and policies, the framework of which is based on those of Westfield Group. Authority for the following matters has also been reserved to the Scentre Group Board (with powers of delegation to a committee of the Board, the Scentre Group Chief Executive Officer and senior management team).

Scentre Group's Board charter also formalises these matters.

Strategy and direction

- Setting policies regarding the strategic direction and plans for the Trust.
- Approving the distribution policy, amounts and timing of any distribution payments.
- Approving any significant acquisitions or disposals of assets and significant expenditure.

Financial controls, compliance and risk management

- Approving annual operating and capital expenditure budgets for the Trust.
- Approving treasury policies.
- Approving financial statements and published reports, including the directors' report and the corporate governance statement.
- Approving any significant changes in accounting policies or procedures.
- Reviewing the effectiveness of the internal control systems and risk management processes and compliance with statutory and regulatory obligations.
- Approving any matters impacting on compliance with statutory and regulatory obligations.

Capital and debt structure

- Approving any changes to the capital structure of the Trust.
- Approving changes to the Trust's debt structure including entry into new facilities.

Corporate Governance Statement (continued)

Appointments

- Appointing Directors to the Board, following a review by the Nomination Committee.
- Appointing and reviewing the performance of the Co-Chief Executive Officers and the Group Chief Financial Officer.
- Appointing the external auditors, on the recommendation of the Audit and Risk Committee and approving the fees payable to the external auditor.
- Appointing the Company Secretary.

Delegation of authority

- Approving any changes to the membership or charter of any Committee of the Board.
- Determining the scope of authority delegated to the Co-Chief Executive Officers, the Group Chief Financial Officer and any other significant matters.

Policies

- Approving significant policies including the Code of Conduct, security trading policies, health and safety policies, risk management policies and continuous disclosure and communications policies.

Corporate governance matters

- Determining the independence of non-executive Directors.
- Determining the resolutions and documentation to be put to members in general meeting.
- Reviewing and approving announcements and media releases concerning matters decided by the Board, including announcements relating to the operating performance of the Trust.

The primary objectives, duties and responsibilities of the Scentre Group Board under its charter are essentially the same as the above as are the matters reserved to the Scentre Group Board. The Board may amend the matters reserved for its consideration and decision subject to the limitations imposed by the constitutional documents and the law. A copy of the Scentre Group Board charter is available in the corporate governance section of the Trust's website.

1.2 Delegation to Management

The Board delegated a number of responsibilities to its Committees. The roles and responsibilities of these Committees are explained later in this statement. Directors could attend any Committee meeting. The Board received copies of the minutes of all Committee meetings.

During the financial year, day to day management of the business and operations of the Trust was delegated by the Board to management through the Co-Chief Executive Officers subject to the agreed authority limits applicable to the senior executive management team.

The delegation of day to day management of the business and operations of the Trust is now through the Scentre Group Chief Executive Officer.

During the financial year, the Board delegated to management responsibility for:

- Strategy: development of strategies and the management and performance of the business and operations, and making recommendations to the Board on such strategies.
- Management: managing the Trust in accordance with the strategy, business plans and policies approved by the Board.
- Financial performance: developing the annual budget, managing day to day operations within the budget and ensuring that the financial reports present a true and fair view of the Trust's financial condition and operational results and are in accordance with the relevant accounting standards.
- Risk management: establishing and maintaining effective risk management frameworks and internal control systems.
- Continuous disclosure: keeping the Board and the market fully informed about material developments.

The delegation to management, and specifically the Scentre Group Chief Executive Officer and Chief Financial Officer, has been confirmed by the Scentre Group Board. Agreed authority limits are also in place for Scentre Group's senior management team.

1.3 Board Composition

The membership of the Board is reviewed by the full Board, from time to time, having regard to the ongoing needs of the Scentre Group, including the Trust. It is the policy of the Board that its membership should reflect an appropriate balance between executives possessing extensive direct experience and expertise in the core business activities of the Scentre Group, and non-executive members who bring to the Board a broad range of general commercial expertise and experience.

Scentre Group's objective is that the Board should be of a size and composition that is conducive to effective decision making with the benefit of a variety of perspectives and skills and in the interests of the Scentre Group and the Trust.

Board renewal and succession planning forms a key part of Scentre Group's overall governance program. The Board is committed to a membership that included a combination of executive and non-executive members with exceptional track records and reputations at the highest levels of business and commerce generally.

The appointment process and self assessment surveys that were in place for Westfield Group during the financial year also form part of Scentre Group's governance framework.

Under the Westfield Group Charter, the appointment of a new member to the Board was only made after consultation between the Nomination Committee and the Board. New Directors were initially appointed by the full Board and then were required to submit themselves to election by members of Westfield Holdings Limited (now Scentre Group Limited) (the parent entity of the Responsible Entity) at the Annual General Meeting (AGM) following their appointment and, except in the case of one of the Co-Chief Executive Officers, were subject to re-election every three years. The notice of meeting for the AGM contained a statement by the Board as to whether it supported the proposed candidates.

As noted at 1.8 below, the Board undertook on-going self-assessment including skill sets. Board surveys were conducted on a regular basis in order to establish the views of all Directors on issues including Board performance and composition.

Corporate Governance Statement (continued)

The composition of the current Board and committees is set out on pages 30 to 31.

During the Financial Year, the Board comprised the following Directors.

Name	Position Held	Independent (Y/N)	Year appointed to Responsible Entity*
Frank Lowy	Non-Executive Chairman	N	1979
Brian Schwartz	Non-Executive Director	Y	2009
Peter Allen	Group Chief Financial Officer/Executive Director	N	2011
Ilana Atlas	Non-Executive Director	Y	2011
Roy Furman	Non-Executive Director	Y	2004
Peter Goldsmith	Non-Executive Director	Y	2008
Mark G. Johnson	Non-Executive Director	Y	2013
Mark R. Johnson	Non-Executive Director	Y	2010
Peter Lowy	Co-Chief Executive Officer / Executive Director	N	1987
Steven Lowy	Co-Chief Executive Officer / Executive Director	N	1989
John McFarlane	Non-Executive Director	Y	2008
Judith Sloan	Non-Executive Director	Y	2008

* SML became the Responsible Entity of the Trust in 2000.

On 30 June 2014, as part of the restructure of the Westfield Group, the following Directors retired from the Board of the Responsible Entity – Ms Ilana Atlas, Mr Roy Furman, Lord Peter Goldsmith, Mr Mark G. Johnson, Mr Mark R. Johnson, Mr Peter Lowy, Mr John McFarlane and Professor Judith Sloan.

1.4 Code of Conduct

The Directors' Code of Conduct outlines the responsibilities of Directors in maintaining the Group's commitment to high standards of ethical conduct.

As part of the Code of Conduct, Directors are required to undertake, amongst other things, to:

- act fairly, honestly and with integrity in all matters including the Trust;
- perform their duties to the best of their ability;
- never act in a manner which is likely to harm the reputation of the Group including the Trust; and
- always abide by applicable laws.

Directors' personal and business dealings must be separated from the performance of their duties as a Director of the Group and any matter which may give rise to an actual or perceived conflict of interest had to be fully disclosed to the Board at all times.

A Director cannot use his or her position as a Director or the name of the Group to further that Director's personal or business interests.

All commercial dealings by Directors with the Group in a personal capacity must be at arm's length and on normal commercial terms or otherwise approved by members.

Directors must ensure that all confidential information, whether relating to the business operations or assets of the Group or its retailers or customers, received by them in the course of performing their duties, will not be disclosed to third parties except in circumstances where disclosure has been authorised by the Group or is otherwise required by law.

The Westfield Group Code of Conduct contained the same undertakings as to conduct and confidentiality as well as obligations in relation to any potential conflict of interest as outlined above.

1.5 Directors' Independence

The Board considers that it should include significant representation by Directors who were capable and willing to make decisions which are in the best interests of members, free from interests and influences which conflict with that duty and are also independent of management.

The Board will regularly assess the independence of each Director in accordance with the terms of the Board Charter, the interests they have disclosed and such other factors as the Board determines are appropriate to take into account.

During the financial year, the Board comprised 12 members. Of these, 8 were independent non-executive Directors. These Directors were considered by the Board to be independent of management and free of any business or other relationship or any other circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement.

In making this determination the Board sought to assess whether Directors were:

- (a) independent of management; and
- (b) free of any business or other relationship that could materially interfere or be perceived to materially interfere with their unfettered and independent judgement; and
- (c) capable of making decisions without bias and which are in the best interests of all members.

A non-executive Director was not regarded as an independent director if that Director:

- (a) was a substantial securityholder of Westfield Group (or, in the case of the Responsible Entity, the Trust) or an officer of, or otherwise associated directly with, a substantial securityholder of Westfield Group (or, in the case of the Responsible Entity, the Trust);
- (b) within the last 3 years had been employed in an executive capacity by any member of Westfield Group, or has been a Director after ceasing to hold any such employment;
- (c) within the last 3 years had been a partner or a senior management executive with audit responsibilities of a firm which has acted in the capacity of statutory auditor of any member of the Group;
- (d) within the last 3 years had been a principal, employee or consultant of a material professional adviser to any member of the Group – for this purpose a material professional adviser is an adviser whose billings to the Group exceed 1% of the adviser's total revenues;

Corporate Governance Statement (continued)

- (e) was a principal, employee or associate of a material supplier to, or material customer of, any member of the Group – for this purpose a material supplier to the Group means a supplier whose revenues from the Group exceed 5% of the supplier's total revenues. A material customer is a customer whose payments to the Group exceed 1% of the customer's operating costs;
- (f) had a material contractual relationship with any member of the Group other than as a Director of the Board of the Responsible Entity; and
- (g) had any interest or business or other relationship which could materially interfere with the Director's ability to act in the best interests of the Group (including the Trust) and independently of management.

Each non-executive Director signed a letter of appointment which, amongst other things, required each independent Director to promptly and fully disclose to the Board any matter or circumstance which may have impacted on their status as an independent Director, or the likely perception of their status, as an independent member of the Board. If a Director had lost their status as an independent Director, that determination was required to have been reported to the market.

The Responsible Entity has adopted similar criteria for the assessment of Scentre Group Director independence.

Each non-executive Director appointed to the Board of the Responsible Entity as part of the restructure of the Westfield Group has signed a letter of appointment containing the disclosure requirements as outlined above.

The Nomination Committee's Charter sets out the process for selection and appointment of new Directors and re-election of incumbent Directors. The role and responsibilities of the Nomination Committee are set out later in this statement.

1.6 Chairperson and Independence

The Responsible Entity notes the ASX Corporate Governance Council's recommendation that listed companies should have an independent director as Chairman.

The Responsible Entity has, in prior reports, outlined the reasons why the Board considered Mr Frank Lowy as the most appropriate person to act as the Chairman of Westfield Group boards. Mr Lowy is also Chairman of Scentre Group.

For the reasons set out below, the Board considers that Mr Frank Lowy is the most appropriate person to act as Chairman of Scentre Group Boards, notwithstanding that he is not an independent Director.

Mr Lowy is the co-founder of Westfield and has overseen the success of Westfield since 1960. With over 50 years direct experience in the design, construction and management of shopping centres and associated fund and asset management, Mr Lowy's extensive knowledge, experience and reputation is unrivalled in the industry.

In Australia and internationally, Mr Lowy is regarded as an exceptional and unique individual who has overseen the growth of a global retail business which is a leader in its industry.

Apart from Mr Lowy's experience and knowledge it is considered the Mr Lowy's chairmanship provides an important element of continuity in dealing with all stakeholders (including over 2,000 employees) under the Scentre Group banner.

For these reasons, the Board takes the view that it is in the best interests of members that Mr Lowy, with his extensive background and experience, be the Chairman of the Responsible Entity.

In arriving at this view the Board notes that there are a majority of independent directors on the Scentre Group board. This was also the case during the financial year.

1.7 The Company Secretary

The Company Secretary is appointed and removed by the Board. The Company Secretary works with the Chairman, the Board and the Board Committees on all governance related issues. All Directors have access to the Company Secretary for the purpose of obtaining information or advice. The Company Secretary may also retain the services of independent advisory bodies if requested by the Board or Board Committees. The office of the Company Secretary is responsible for the systems and processes that enable the Board to perform its role and provides secretariat services for each of the Board Committees. The Committee agendas, papers and minutes are available to all members of the Board.

The Company Secretary is accountable to the Board, through the Chairman, on all governance matters.

1.8 Board Self-Assessment and Performance

During the financial year the Board conducted ongoing self-assessment and review of its performance and of the performance of the Board Committees. Board surveys were conducted on a regular basis in order to establish the views of all Directors on these issues as well as views on the composition of the Board and the range of skills of Board members.

As noted the composition of the Board changed on 30 June 2014. The Board will continue to conduct ongoing assessments. The Board remains satisfied that the composition of the Board continues to reflect the required mix of skills, experience and perspectives.

1.9 Process for Evaluating the Performance of Senior Executives, including Executive Directors

Westfield Group had an established process of objective setting and performance review of all staff, which was conducted on an annual basis. Senior executives, who have a discretionary element to their total remuneration package, had defined objectives which were agreed at the commencement of each financial year. Their performance against these objectives was assessed annually in a meeting with the manager to whom they report, in addition to regular feedback during the performance period. In that meeting, the potential future development of that executive is discussed along with any training or development required to enhance the prospects of the development objectives being achieved and career progression within Westfield Group.

In the case of the senior executive team (including the executive Directors) an assessment of their performance was undertaken by Westfield Group's Remuneration Committee and the Board. Details of Westfield Group's remuneration policies and practices are set out in the Remuneration Report which appears in the Westfield Group's 2013 Annual Report.

During the financial year, each member of the senior executive team, including the Executive Directors, were subject to a performance review as described above. Details of the performance criteria against which the Executive Directors were assessed are set out in section 8.4 of the Remuneration Report in the Westfield Group 2013 Annual Report.

The process of review and assessment of the senior executive team will continue to be undertaken by Scentre Group.

Corporate Governance Statement (continued)

2. Board Committees

The Board delegated certain responsibilities to standing committees which operated in accordance with charters approved by the Board. During the financial year there were 3 standing Board Committees, namely the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee.

As the composition of the Board each of SGL, the Responsible Entity and Westfield America Management Limited were identical, each Committee had the same membership and, for all purposes, acted as one "Westfield Group" Committee.

Each Committee was authorised to investigate any activity or function of the Group (including the Trust) in accordance with its charter. The Committees were authorised to make recommendations to the Board regarding appropriate action resulting from such investigations.

Each Board Committee had unrestricted access to executive management, all employees and all Group records, tax and other financial advisers, legal advisers, and internal and external auditors, as required.

Each Board Committee or any member of the Committee was authorised (at the cost of the Group) to obtain outside legal or other independent professional advice, and to secure the attendance of such advisers if it was considered necessary for the proper performance of the Committee's functions under its charter.

The Chair of each Board Committee (or a person nominated by the Chair of the Committee for that purpose) must report to the Board at the Board's next meeting on any matters relevant to the Committee's duties and responsibilities. The minutes of each Board Committee meeting were provided to the Board.

2.1 Audit and Risk Committee

Composition

The primary function of the Audit and Risk Committee was to oversee and monitor the integrity of consolidated financial reports and statements of the listed entities within the Group and the Group's systems of risk management, internal controls and legal compliance.

The Committee was assisted in its role and responsibilities by the Executive Risk Management Committee, details of which are outlined below.

The Committee was also assisted by the independent assurance function provided by the Group's Business Review and Audit department (internal auditors) and the external auditors.

During the financial year, the Audit and Risk Committee comprised the following members:

Name	Position Held	Status
Brian Schwartz*	Chairman	Independent Director
Mark G. Johnson**	Member	Independent Director
Judith Sloan**	Member	Independent Director

* Mr Schwartz continues to be a Director of Scentre Group but does not sit on the Scentre Group Audit and Risk Committee.

** Retired from the Board of the Responsible Entity, effective 30 June 2014.

The current membership of the Committee is set out on page 31.

The Committee met 5 times during the Financial Year. The full Committee was in attendance at all meetings.

All members of the Committee were independent Directors, financially literate with significant relevant financial and/or accounting experience and significant understanding of the Group's business, including the Trust. Members of the Committee had a sound understanding of the Group's (and Trust's) structure, controls and typical transactions which enabled them to assess the risks faced by the Group and Trust.

Role and responsibilities of the Audit and Risk Committee

The objective of the Committee was to assist the Board in fulfilling its corporate governance responsibilities by:

- (a) monitoring and reviewing;
 - the integrity and reliability of financial reports and statements of listed entities of the Group, including the Trust;
 - the effectiveness of the systems of internal controls, risk management and legal compliance;
 - the objectivity and effectiveness of the internal audit function;
 - the independence, objectivity and effectiveness of the external audit function,
- (b) overseeing the processes for:
 - identifying significant risks faced by the Group, including the Trust;
 - the Group's and the Trust's compliance with applicable laws and regulations; and
 - implementing appropriate and adequate control, monitoring and reporting systems,
- (c) making recommendations to the Board in relation to the appointment of the external auditors and approving the remuneration and terms of their engagement.

Compliance officers were appointed for each jurisdiction in which the Group operated, including the Trust. Those officers were responsible for reviewing and monitoring the efficacy of compliance systems within the Group on an ongoing basis to ensure appropriate measures are in place to educate staff as to their compliance responsibilities and to report to the Audit and Risk Committee on those matters. Compliance officers have been appointed for Scentre Group with the same responsibilities as outlined above.

The Audit and Risk Committee met with external auditors at least twice each year (and more frequently if required) to review the adequacy of existing external audit arrangements and the scope of the audit. Both the internal and external auditors had a direct line of communication at any time to, either the Chairman of the Committee, or the Chairman of the Board. The Audit and Risk Committee reported to the Board after each Committee meeting and the minutes of each Audit and Risk Committee meeting were provided to the Board.

At least annually, the Audit and Risk Committee met with the internal auditor and external auditors without management being present.

The functions of Scentre Group's Audit and Risk Committee are essentially the same as outlined above. The charter of the Audit and Risk Committee is available in the corporate governance section of the Trust's website.

Non-Audit Services Protocol

The Board had a Non-Audit Services Protocol which was designed to ensure that the Group's external auditor carried out the statutory audit function in a manner which is, at all times, demonstrably independent of the Westfield Group including the Trust.

The Protocol set out the parameters under which the Group could engage the external auditor to provide certain non-audit services in order to safeguard the auditor's objectivity or independence.

The Group recognised that a high quality, independent statutory audit is fundamental to the maintenance of good corporate governance, and to the proper functioning of the capital markets. The statutory audit forms an integral part of the process of providing members with clear, comprehensive and reliable financial information. The Protocol reflected the Group's desire to preserve the independence of the statutory audit process.

Corporate Governance Statement (continued)

Under the terms of the Protocol, the lead audit partner (having primary responsibility for the audit) and the audit partner responsible for reviewing the audit were required to rotate every 5 years. A succession plan was required to be presented by the external auditor to the Committee for its approval, at least one year before the rotation is due to occur.

The Non-Audit Services Protocol also set out some key requirements in the relationship between the external auditor and Westfield Group, and defined the scope and value of the non-audit services which could be provided by the external auditor to the Westfield Group, without impacting the actual or perceived independence of the external auditor. The Protocol also required an annual confirmation by the external auditor regarding compliance with the terms of the Protocol and a number of other matters which impact the actual and perceived independence of the external auditor. The Protocol was reviewed in the context of ongoing changes in the legal, accounting and governance requirements applicable to the Group so that it remains relevant and consistent with the high standards of independence as well as market and member expectations.

Scentre Group has in place a Non-Audit Services Protocol designed to protect the integrity of the independence of the statutory audit function.

2.2 Executive Risk Management Committee

In addition to the Audit and Risk Committee, the Board delegated specific risk related responsibilities to the Executive Risk Management Committee which comprised the Group Chief Financial Officer, the Chief Risk Officer, General Counsel, and the Deputy Group Chief Financial Officer.

This Committee was responsible for:

- assisting in the formulation of all aspects of the risk management process to be adopted by the Group including the Trust;
- overseeing the implementation by management of the Group's policies and procedures by ensuring that all phases of the process of identification, assessment, control, review and reporting are reflected appropriately in the business processes of the Group and the Trust;
- ensuring that there is a proper allocation of responsibility for the implementation and conduct of the risk management process between the Group's management in Australia and New Zealand; and
- implementing appropriate systems to monitor compliance with all relevant laws and other regulatory obligations and for ensuring that the risk management processes of the Group are such that the Co-Chief Executive Officers and the Chief Financial Officer are able to give the certifications required to be given in order to comply with the Corporations Act, applicable accounting standards and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Executive Risk Management Committee reported to the Audit and Risk Management Committee on the effectiveness of the Group's management of its material risks.

As part of Principle 7, the Co-Chief Executive Officers and the Group Chief Financial Officer were required to confirm in writing to the Board, at the time the financial statements of the Trust are being considered for approval by the Board, that in all material respects:

- the financial statements present a true and fair view; and
- that this assertion is founded on a sound system of financial risk management and internal compliance and control which implements the policies adopted by the Board; and
- that, insofar as they relate to the Trust, the Group's financial risk management and internal compliance and control systems are operating efficiently and effectively in all material respects in relation to financial reporting risks.

The Board received regular reports from management and the Audit and Risk Committee on areas where there are considered to be significant business risks and on the management of those risks. The internal audit function also monitored these risks and reports to the Audit and Risk Committee.

Scentre Group's Executive Committee will continue to assist Scentre Group's Audit and Risk Committee in the manner outlined above.

2.3 Remuneration Committee

Neither the Trust nor the Responsible Entity has any employees. During the financial year, the operations of the Trust were performed by Westfield Group executives and staff. Information regarding the remuneration policies of key management personnel can be found in Note 25 of the financial statements in this Annual Report. Reference should also be made to the Westfield Group's Remuneration Report in the 2013 Annual Report for details of remuneration policies of the Group as they applied during the Financial Year. This report is available at www.scentregroup.com.

As a consequence, as noted below, any recommendations on remuneration issues affecting the Trust or the Responsible Entity were made by the Remuneration Committee of Westfield Group.

As the Boards of the Responsible Entity and SGL are identical (and were identical during the financial year), no additional fees were paid to the non-executive Directors of the Responsible Entity by the Responsible Entity or the Trust in respect of their work in relation to the Trust. Rather, Director's fees were paid by SGL and the Remuneration Committee of that Board took into account the levels of effort required by the Directors in fulfilling their duties on the Board of the Responsible Entity when the level of those fees are being reviewed and set.

Non-executive Directors received their fees in cash. The non-executive Directors did not participate in equity-based incentive schemes designed for the remuneration of executives, nor did they receive any options or other equity based entitlements or bonus payments. Non-Executive Directors were not entitled to any payment upon retirement or resignation from the Board.

Reference should be made to the Westfield Group's 2013 Annual Report for full disclosure of the fees paid to the Directors of the Responsible Entity during the Financial Year. This report is available on www.scentregroup.com.

The role of the Remuneration Committee is now undertaken by Scentre Group's Human Resources Committee, the charter of which is available in the corporate governance section of the Trust's website. The current membership of this committee is set out on page 31.

2.4 Nomination Committee

As the Responsible Entity is a wholly owned subsidiary of SGL, recommendations relating to the composition of the Board of the Responsible Entity were made by the Nomination Committee of SGL. The Responsible Entity did not have its own Nomination Committee.

The objective of the Nomination Committee was to support and advise the Board on the selection and appointment of high calibre Directors who are able to meet the needs of the Group presently and in the future, and the ongoing evaluation and review of the performance of the Board and the Directors.

During the financial year, the Nomination Committee comprised the following members:

Name	Position Held	Status
Frank Lowy*	Chairman	Non-Executive Director
Mark R. Johnson*	Member	Independent Director
Brian Schwartz	Member	Independent Director

* With the exception of Mr Brian Schwartz, all other members retired from the Committee, effective 30 June 2014. Mr Mark Johnson also retired from the Board of the Responsible Entity effective 30 June 2014.

Corporate Governance Statement (continued)

The current membership of this committee is set out on page 31. The Chairman of the Scentre Group Nomination Committee is now Mr Richard Egerton-Warburton, an independent non executive director.

The Committee met 3 times during the Financial Year. The full Committee was in attendance at all meetings.

Broadly, the responsibilities of the Nomination Committee included:

- having regard to the strategic direction of the Trust, assessing periodically the skills of current Board members against the collective skill set required by the Board to competently discharge the Board's duties;
- regularly reviewing and making recommendations to the Board regarding the structure, size, diversity and composition (including the balance of skills, knowledge and experience) of the Board and reviewing the effectiveness of the Board;
- identifying suitable candidates (executive and non-executive) to fill Board vacancies as and when they arise and nominating candidates for approval of the Board;
- annually reviewing the performance of the Board; and
- ensuring the existence of proper succession planning processes and plans for the Board.

No member of the Committee participated in a review of their own performance or remuneration for re-election.

The Nomination Committee Charter, as approved by the Board, including the Responsible Entity appeared in the corporate governance section of the Trust's website www.carindalepropertytrust.com.au.

Recommendations made by the Nomination Committee were considered by the Board of SGL (the parent company of the Responsible Entity) which would make a recommendation to the Board of the Responsible Entity on the appointment of a director to fill a casual vacancy.

Recommendations made by the Nomination Committee were considered by the Board of SGL, which retained an unfettered discretion on the appointment of a Director to fill a casual vacancy or act as an additional Director, prior to the formal election of that Director by the members of the Company at a general meeting.

Following the restructure of the Westfield Group, SGL remains the parent company of the Responsible Entity and the arrangements with regard to the Scentre Group Nomination Committee remain as outlined above.

Upon appointment, new Directors undertake an induction program specifically designed to their needs to help familiarise them with issues relating to the current business before the Board.

New Board members are provided with the opportunity to experience first-hand the business and operations of the Group, and to meet and discuss all aspects of the Group's operations with key members of the senior executive team. As part of the induction program, the Company Secretary provided access to information in areas such as operations, finance, treasury and risk management to assist the new Board member as required. This typically includes briefings with every member of the senior executive team to provide the new Director with a deeper understanding of the main issues and strategic direction of each key business unit within the Group.

New Directors receive a letter of appointment which sets out the terms and conditions on which each Director is appointed. This letter provided that if a Director ceased to be a Director of the Company for any reason, they must also resign as a Director of SGL and Westfield America Management Limited. The letter of appointment conformed to the recommendations of the ASX Corporate Governance Council.

The letter of appointment sets out a procedure by which Directors are able to take independent professional advice at the Group's expense. Directors were encouraged to direct any enquiries or requests for additional information to the Company Secretary, who will facilitate a response to the query and/or provide the Director with the requested information.

On an ongoing basis, Directors are provided with regular updates on legal and corporate developments, including updates on the responsibilities of boards and directors generally, changes to the Corporations Act, corporate governance principles, tax and accounting developments and other matters of interest. In addition, management conducts regular briefing sessions to the Board and Board Committees on operational, financial, treasury, legal and tax issues.

A copy of the charter of Scentre Group's Nomination Committee is available in the corporate governance section of the Trust's website.

3. Corporate Responsibility

3.1 Scentre Group Values

The conduct of all Scentre Group employees is governed by a set of fundamental principles to which employees are expected to adhere to when dealing with other staff members, customers and retailers, members and the community. A copy of the code appears in the corporate governance section of the Trust's website. Neither the Trust nor the Responsible Entity has any employees. The operations of the Trust are performed by Scentre Group executives and employees. These executives as part of Scentre Group will continue to provide these services.

Scentre Group's values (as did Westfield Group's) require staff, at all times, to:

- welcome a diversity of people;
- create a healthy and safe work environment;
- create an environment that motivates and allows staff to contribute and develop;
- display honest, just and fair management in all dealings with staff;
- meet the commitments of the Trust;
- examine ways to continually improve processes in a manner which adds value;
- provide members with superior returns on a sustainable basis;
- constantly seek new opportunities and pursue sound growth and earning opportunities;
- conduct our activities in a safe and environmentally responsible manner;
- contribute expertise and resources to promote positive interaction between all members of the community; and
- act at all times as a leading corporate citizen in adhering to applicable laws and meeting the community's expectations regarding corporate behaviour.

3.2 Employee Handbook

Westfield's core principles were supplemented by the Employee Handbook which was provided to all employees at the time of joining the Group. That Handbook forms the basis of the Scentre Group Employee Handbook which deals, in broad terms, with the following matters:

- the high standards of personal conduct and ethical behaviour expected of all employees;
- the duty of employees to avoid conflicts of interest which may arise if the employee or any person or entity associated with that employee has a business arrangement or relationship with the Trust outside their normal employment relationship;
- the duty of employees to maintain confidentiality with respect to the Trust's information and information provided by our retailers and customers;
- the duty of employees to avoid discrimination against any person; and
- the Scentre Group's prohibition on harassment in any form.

Corporate Governance Statement (continued)

Each employee acknowledges that he or she has read, understood and agrees to abide by the standards and duties set out in the Employee Handbook.

3.3 Compliance Manuals

Westfield Group developed compliance manuals to provide guidance to employees of the Group, including those who provide services to the Trust, on the laws applicable in the jurisdiction in which they work and the standards of conduct and the procedures to be adopted to comply with those laws. Management seminars were also conducted to help employees understand the legal requirements with which the Trust must comply.

By way of example, the Australian compliance manual, which has been adopted by Scentre Group, deals with issues such as:

- work health and safety;
- trade practices;
- employment;
- retail tenancy legislation;
- environmental compliance;
- Corporations Act and ASX Listing Rules requirements; and
- complaints handling procedures.

3.4 Whistleblower Policy

Westfield Group had adopted a whistleblower policy to ensure that concerns regarding unethical, unlawful or improper conduct could be raised without fear of reprisal.

Under the policy, the Group appointed Whistleblower Protection Officers in each country in which it operated. Employees were encouraged to report any genuine matter or behaviour that they honestly believe contravened the Group's code of conduct, policies or the law. Such matters included any actual or suspected:

- conduct or practices which are illegal;
- corrupt activities;
- theft or fraud;
- misleading or deceptive conduct of any kind;
- harm to public health or safety or the health or safety of any Westfield employee.

Westfield Group had procedures under which all reported concerns would be appropriately investigated. If applicable, feedback would be provided regarding the investigation's outcome. Where no action was undertaken in connection with a report, an explanation would be provided. Where appropriate, a third party would be engaged to assist in the investigation.

Reports were provided on a 6 monthly basis to the Westfield Group Audit and Risk Committee summarising the whistleblower activities for the period.

The whistleblower policy and reporting obligations have been adopted by Scentre Group.

3.5 Diversity Policy

As noted in the Westfield Group 2013 Annual Report, the ASX Corporate Governance Principles and Recommendations required listed entities to formally comment on diversity measures.

Neither the Trust nor the Responsible Entity have any employees or had any employees during the financial year. During the financial year, the operations of the Trust were undertaken by Westfield Group executives and employees. The Westfield Group's diversity policy and measures for 2013 financial year were as outlined in the Westfield Group's corporate governance statement in its 2013 Annual Report which can be accessed at www.scentregroup.com.

4. Disclosure and Communication

4.1 Continuous Disclosure and Communications Policy

The Trust is committed to providing members with comprehensive, timely and equal access to information about its activities to enable them to make informed investment decisions.

The Scentre Group's Continuous Disclosure and Communications Policy underlined the Group's commitment to ensuring that the Trust's members and the market are provided with high quality, relevant and accurate information regarding its activities in a timely manner and that investors are able to trade in units in the Trust in a market which is efficient, competitive and informed as well as ensuring that market participants have an equal opportunity to review and assess information disclosed by the Group. The Group is also committed to complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the Corporations Act.

The Policy includes a vetting and authorisation process so that all disclosures were factual, did not omit material matters and were expressed in a clear and objective manner. The Policy also outlines how the Trust identifies and disseminates information to members and the market generally.

Westfield Group's Continuous Disclosure and Communications Policy contained the same commitments.

The Continuous Disclosure and Communications Policy is published in the corporate governance section of the Trust's website.

4.2 Communications with Members

The Trust continues to utilise a broad range of communication approaches including direct communications with members, publication of all relevant company information in the Investor Services section of the scentregroup.com/corporate website, access to market briefings via webcasting and teleconferencing facilities.

The Trust website forms a key part of its communication to members and the broader investment community. A section of this website is dedicated to members. Media releases, investor presentations and interim and full year financial reports are available for review on the website. These announcements, presentations and reports continue to be posted on the Group's corporate website immediately after they have been released to the market. Current and past Trust financial reports are also retained on the website.

To assist with our commitment to the environment (as well as being more cost efficient), members are strongly encouraged to access the annual reports online. A printed copy of the Annual Report will only be sent to those members who have made an election to receive it. Otherwise members will be notified when the Annual Report is available to be accessed online at the Trust's website.

On an ongoing basis, the Trust works closely with its share registry to monitor and review the opportunities available to the Trust to increase the use of electronic means of communicating with its investors.

Investor Relations

Carindale Property Trust Distribution Details

The final distribution of 15.90 cents per unit was paid to members on 29 August 2014. An interim distribution of 15.10 cents per unit was paid on 28 February 2014. The full year distribution of 31.00 cents is approximately 52% tax deferred.

Carindale Property Trust Website

The following information can be obtained from the Trust's website.

- > Unit price and graph
- > News and announcements
- > Unitholding details
- > Annual reports
- > Current and historical tax information
- > Downloadable unitholder forms
- > Calendar
- > Corporate Governance charters and policies

Electronic Information

By becoming an electronic investor and registering your email address, you can receive, via email, news and announcements, distribution statements, taxation statements and Annual Reports.

Secure Access to Your Unitholding Details 24 Hours a Day

Online – You can go to www.carindalepropertytrust.com.au to access your unitholding information including distribution and taxation statements, as well as forms in relation to change of address, direct credit and tax file number. To view your unitholding, you will need your SRN/HIN and you will be asked to verify your postcode (inside Australia) or your country of residence (outside Australia).

Phone – You can confirm your holding balance, request forms and access dividend and trading information by phoning 1300 132 211, then by pressing 2. You may be asked to enter your SRN/HIN.

Distribution

To ensure timely receipt of your distribution, please consider the following:

Direct Credit

You can receive your distribution payment efficiently and safely by having it direct credited to your bank account. If you wish to register for direct credit, please complete the form and return it to the registry. A form can be downloaded from www.carindalepropertytrust.com.au or by phoning our registry on 1300 132 211 (Please have your SRN/HIN available for you to quote).

Tax File Number (TFN)

You are not required by law to provide your Tax File Number, Australian Business Number or Exemption.

However, if you do not provide your TFN, ABN or Exemption, withholding tax at the highest marginal rate, currently 49% for Australian resident members may be deducted from distributions paid to you.

If you have not supplied this information and wish to do so, please advise the registry or your sponsoring broker.

Annual Tax Statement and Tax Guide

The Annual Tax Statement and Tax Guide is dispatched to members every year in late August.

Share Registry

All changes of name, tax file number, address, payment instructions and document requests should be passed to the Registry or submitted online.

Computershare Investor Services Pty Limited
GPO Box 523
Brisbane QLD 4001

Telephone: 1300 132 211
International: +61 3 9415 4070
Facsimile: +61 3 9473 2500
E-mail: web.queries@computershare.com.au
Website: www.computershare.com

All other queries can be directed to Investor Relations.

Investor Information
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Sydney NSW 2000 Australia

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Facsimile: +61 2 9358 7881
E-mail: investor@scentregroup.com
Website: www.carindalepropertytrust.com.au

Listing

ASX Code: CDP

Carindale Property Trust – Calendar 2014/2015

Date	Event
29 December 2014	Units trade ex-distribution
31 December 2014	Record date for Carindale Property Trust, 6 months to 31 December 2014
February 2015	Half-year results released, 6 months to 31 December 2014
27 February 2015	Payment date for Carindale Property Trust distribution, 6 months to 31 December 2014
26 June 2015	Units trade ex-distribution
30 June 2015	Record date for Carindale Property Trust, 6 months to 30 June 2015
August 2015	Full year results released
31 August 2015	Payment date for Carindale Property Trust distribution, 6 months to 30 June 2015. Annual Tax Statement issued.
September 2015	Annual Report released

Members' Information

FOR THE YEAR ENDED 30 JUNE 2014

Twenty largest ordinary members as at 12 September 2014

	No. of ordinary units	% of issued ordinary units
Scentre Management Limited	35,000,000	50.00
National Nominees Limited	6,241,691	8.92
J P Morgan Nominees Australia Limited	3,217,250	4.60
RBC Investor Services Australia Nominees Pty Limited <APN A/C>	2,690,121	3.84
HSBC Custody Nominees (Australia) Limited	2,169,628	3.10
AMP Life Limited	1,986,371	2.84
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	1,471,029	2.10
BNP Paribas Noms Pty Ltd <DRP>	1,398,245	2.00
Citicorp Nominees Pty Limited	1,013,998	1.45
Sonice Pty Limited <The Springfield A/C>	401,363	0.57
RBC Investor Services Australia Nominees Pty Limited <Piselect>	354,071	0.51
Mr Gordon Joseph Payne	259,000	0.37
Mirrabooka Investments Limited	255,000	0.36
Maleela Holdings Proprietary Limited	247,999	0.35
Invia Custodian Pty Limited <Torryburn SF-Fixed In A/C>	215,276	0.31
Mr Ian Somers + Mrs Jan Somers <Somerset Fin Servs S/F A/C>	191,705	0.27
Worldwide Finances Holding Pty Limited	173,040	0.25
John Lamble Superannuation Pty Ltd <John Lamble Super Fund A/C>	169,105	0.24
Tucko International Pty Ltd	157,000	0.22
Barland Investments Pty Ltd	150,000	0.21
	57,761,892	82.51

Spread of Ordinary Members as at 12 September 2014

Holding	No. of Members	No. of units
1 – 1,000	281	153,741
1,001 – 5,000	837	2,442,608
5,001 – 10,000	327	2,681,962
10,001 – 100,000	281	6,372,162
100,001 and over	25	58,349,527
Total	1,751	70,000,000

Voting rights for each class

At a meeting of members, on a show of hands, every member who is present in person or by proxy (and who is not otherwise disentitled from voting) has one vote. On a poll, every such member has one vote for each dollar of the value of their total holding in the trust.

Unmarketable parcel

As at 12 September 2014, there were 34 members with less than a marketable parcel of quoted securities.

Substantial Holders

The names of the Trust's substantial holders and the number of ordinary units in which each has a relevant interest, as disclosed in the substantial holders notices given to the Trust, are as follows:

Name of Substantial Holder	No. of units
Scentre Group	35,000,000
Commonwealth Bank of Australia	3,990,695
The Myer Family Company Holdings Pty Ltd	3,500,568

Corporate Directory

CARINDALE PROPERTY TRUST

ABN 29 192 934 520

ARSN 093 261 744

RESPONSIBLE ENTITY

Scentre Management Limited

ABN 41 001 670 579

AFS Licence 230329

REGISTERED OFFICE

Level 30

85 Castlereagh Street

Sydney NSW 2000

Telephone +61 2 9358 7000

Facsimile +61 2 9358 7077

SECRETARIES

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Paul F Giugni

AUDITORS

Ernst & Young

The Ernst & Young Centre

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Sydney NSW 2000

INVESTOR INFORMATION

Carindale Property Trust

Level 30

85 Castlereagh Street

Sydney NSW 2000

Telephone +61 2 9358 7877

Free Call 1800 116 661 (Australia only)

Facsimile + 61 2 9358 7881

E-mail investor@scentregroup.com

Website www.carindalepropertytrust.com.au

UNIT REGISTRY

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307 Queen Street

Brisbane QLD 4000

GPO Box 523

Brisbane QLD 4001

Telephone +61 3 9415 4070

Toll Free 1300 132 211 (Australia only)

Facsimile +61 3 9473 2500

E-mail web.queries@computershare.com.au

Website www.computershare.com

LISTINGS

ASX – CDP

www.carindalepropertytrust.com.au

SCENTRE GROUP

Owner and Operator of  in Australia and New Zealand