

Multiplex Development and Opportunity Fund
Interim condensed financial report
For the half year ended
31 December 2018

Multiplex Development and Opportunity Fund

ARSN 100 563 488

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Multiplex Development and Opportunity Fund

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Directory

Multiplex Development and Opportunity Fund

For the half year ended 31 December 2018

Responsible Entity

Brookfield Capital Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9158 5100
Facsimile: +61 2 9322 2001

Directors of Brookfield Capital Management Limited

F. Allan McDonald
Barbara Ward
Shane Ross

Company Secretary of Brookfield Capital Management Limited

Men Chiang

Registered Office

Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9158 5100
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Custodian

Brookfield Funds Management Limited
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Location of Share Registry

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Auditor

Deloitte Touche Tohmatsu
Grosvenor Place
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Telephone: + 61 2 9322 7000

Directors' Report

Multiplex Development and Opportunity Fund

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For the half year ended 31 December 2018

Introduction

The Directors of Brookfield Capital Management Limited (BCML) (ABN 32 094 936 866), the Responsible Entity of Multiplex Development and Opportunity Fund (ARSN 100 563 488) (Fund), present their report together with the interim condensed consolidated financial statements of the Consolidated Entity, being the Fund and its subsidiaries, and the Consolidated Entity's interest in associates for the half year ended 31 December 2018 (period) and the Independent Auditor's Review Report thereon.

The Fund was constituted on 27 May 2002.

Responsible Entity

The Responsible Entity of the Fund is Brookfield Capital Management Limited (BCML). The registered office and principal place of business of the Responsible Entity is Level 22, 135 King Street, Sydney NSW 2000.

Directors

The following persons were Directors of the Responsible Entity at any time during or since the end of the financial period:

Name	Capacity
F. Allan McDonald	Non-Executive Independent Chairman
Barbara Ward	Non-Executive Independent Director
Shane Ross	Executive Director

Principal activities

In prior periods the Consolidated Entity fully settled its final development property project (Little Bay South). The principal activity of the Consolidated Entity during the period is to resolve the outstanding commercial issues in the Little Bay South Development.

Review of operations

The Consolidated Entity has recorded a profit after income tax of \$11,623 for the half year ended 31 December 2018 (2017: \$56,218 loss).

Some of the significant events during the period are as follows:

- total revenue and other income of \$13,885 (2017: \$6,441);
- net assets attributable to ordinary unitholders of \$1,347,303 (30 June 2018: \$1,335,680); and
- share of profit from equity accounted investment in Little Bay South Developer Pty Limited of \$7,631 (2017: \$48,079 loss)

Wind up of the Fund

The Consolidated Entity intends to cease business in the next 12 months and realise its assets and extinguish its liabilities in the ordinary course of business. As such the going concern basis has not been adopted in the preparation of these financial statements. Accordingly, the assets have been recorded at their net realisable value and the liabilities have been recorded at their contract and settlement amounts.

In addition, all assets and liabilities have been classified as current since assets will be consumed or converted into cash and liabilities will be settled within 12 months.

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' Report for the half year ended 31 December 2018.

Dated at Sydney this 26th day of February 2019.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.



Shane Ross

Director

Brookfield Capital Management Limited

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

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The Board of Directors
Brookfield Capital Management Limited
(as Responsible Entity for Multiplex Development and Opportunity Fund)
Level 22, 135 King St
Sydney NSW 2000

26 February 2019

Dear Directors

Multiplex Development and Opportunity Fund

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Brookfield Capital Management Limited as the Responsible Entity of Multiplex Development and Opportunity Fund.

As lead audit partner for the review of the financial statements of Multiplex Development and Opportunity Fund for the half year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU.

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountants

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2018

	Note	Consolidated Half year ended 31 December 2018 \$	Half year ended 31 December 2017 \$
Revenue and other income			
Share of net profit of investment accounted for using the equity method	5	7,631	–
Interest income		6,254	6,441
Total revenue and income		13,885	6,441
Expenses			
Share of net loss of investment accounted for using the equity method		–	48,079
Management fees		–	11,946
Other expenses		2,262	2,634
Total expenses		2,262	62,659
Profit/(loss) before income tax		11,623	(56,218)
Income tax benefit		–	–
Net profit/(loss) after tax		11,623	(56,218)
Finance costs attributable to unitholders:			
Increase/(decrease) in net assets attributable to ordinary unitholders	6	11,623	(56,218)
Net profit for the period		–	–
Total comprehensive profit attributable to:			
Ordinary unitholders		–	–
Total comprehensive profit for the period		–	–

The Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Statement of Financial Position

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Multiplex Development and Opportunity Fund

As at 31 December 2018

	Note	Consolidated 31 December 2018 \$	30 June 2018 \$
Current assets			
Cash and cash equivalents		1,019,546	1,015,082
Trade and other receivables		161	617
Investment accounted for using the equity method	5	328,613	320,983
Total current assets		1,348,320	1,336,682
Total assets		1,348,320	1,336,682
Current liabilities			
Trade and other payables		1,017	1,002
Total current liabilities		1,017	1,002
Total liabilities (excluding liability to unitholders)		1,017	1,002
Net assets attributable to unitholders - Liability	6	1,347,303	1,335,680

The Interim Condensed Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Statement of Changes in Equity

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2018

As the Consolidated Entity and the Fund have no equity, the financial statements do not include a Statement of Changes in Equity for the current or comparative period.

Interim Condensed Consolidated Statement of Cash Flows

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2018

	Note	Consolidated	
		Half year ended 31 December 2018 \$	Half year ended 31 December 2017 \$
Cash flows from operating activities			
Cash payments in the course of operations		(1,790)	(11,336)
Interest received		6,254	6,441
Net cash inflows/(outflows) from operating activities		4,464	(4,895)
Cash flows from investing activities			
Net cash inflows from investing activities		-	-
Cash flows from financing activities			
Net cash inflows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		4,464	(4,895)
Cash and cash equivalents at beginning of the period		1,015,082	932,526
Cash and cash equivalents at 31 December		1,019,546	927,631

The Interim Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Interim Condensed Consolidated Financial Statements.

Notes to the Interim Condensed Consolidated Financial Statements

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2018

1 Reporting entity

Multiplex Development and Opportunity Fund (Fund) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Capital Management Limited (BCML), the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The interim consolidated financial report of the Fund as at and for the half year ended 31 December 2018 comprise the Fund and its subsidiaries (together referred to as the Consolidated Entity) and the Consolidated Entity's interest in associates.

2 Significant accounting policies

Statement of compliance

The interim consolidated financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* (AASB 134). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The interim consolidated financial report does not include notes of the type normally included in annual financial statements and should be read in conjunction with the most recent annual financial statements of the Consolidated Entity as at and for the year ended 30 June 2018. For purpose of preparing the consolidated financial statements, the Fund is a for profit entity.

Basis of preparation

The interim consolidated financial report is presented in Australian dollars, which is the Fund's presentation and functional currency.

The Fund has adopted AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* from 1 July 2018. There are no adjustments required in the opening balance of retained earnings.

Other accounting policies and methods of computation adopted in the preparation of the interim consolidated financial report are consistent with those adopted and disclosed in the consolidated financial report as at and for the year ended 30 June 2018.

Non-going concern

The Consolidated Entity intends to cease business in the next 12 months and realise its assets and extinguish its liabilities in the ordinary course of business. As such the going concern basis has not been adopted in the preparation of these financial statements. Accordingly, the assets have been recorded at their net realisable value and the liabilities have been recorded at their contract and settlement amounts.

In addition, all assets and liabilities have been classified as current since assets will be consumed or converted into cash and liabilities will be settled within 12 months.

3 Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no critical estimates or judgements as at 31 December 2018.

4 Distributions and returns of capital

The Consolidated Entity did not pay a distribution or return of capital for the six months ended 31 December 2018. (2017: nil).

Notes to the Interim Condensed Consolidated Financial Statements continued

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2018

5 Investment accounted for using the equity method

	Consolidated 31 December 2018 \$	30 June 2018 \$
Little Bay South Developer Pty Limited – 50% ownership	328,613	320,983

	Consolidated 31 December 2018 \$	30 June 2018 \$
Share of net profit/(loss) of investments accounted for using the equity method	7,631	(264,677)

Little Bay South Developer Pty Limited's (LBS Developer) place of incorporation and principal place of business is Australia. Its principal activity is direct or indirect development of residential properties.

A summary of financial information for the half year ended 31 December 2018 for LBS Developer and the comparative prior year, not adjusted for the percentage ownership held by the Consolidated Entity, is detailed below:

	31 December 2018 \$	30 June 2018 \$
Current assets	419,180	409,650
Total assets	419,180	409,650
Current liabilities	8,413	8,421
Total liabilities	8,413	8,421
Net assets	410,767	401,229

	31 December 2018 \$	30 June 2018 \$
Opening net assets 1 July	401,229	844,575
Net profit/(loss) after tax for the period/year	9,538	(330,846)
Return of capital paid by LBS Developer	–	(112,500)
Closing net assets	410,767	401,229
Consolidated Entity's share in (%)	80%	80%
Consolidated Entity's share in (\$)	328,613	320,983
Total investment accounted for using the equity method	328,613	320,983

	31 December 2018 \$	30 June 2018 \$
Revenues	10,945	259,725
Expenses	(1,407)	(595,677)
Income tax expense	–	5,106
Net profit/(loss) after income tax for the period/year	9,538	(330,846)
Other comprehensive income for the period/year	–	–
Total comprehensive profit/(loss) for the period/year	9,538	(330,846)

The Consolidated Entity owns 50% of the ordinary shares and 80% of the Class A shares in LBS Developer. The Consolidated Entity is entitled to 80% of LBS Developer's profit or loss. The Consolidated Entity's share of net profit for the half year ended 31 December 2018 was \$7,631 (net loss for the full year ended 30 June 2018: \$264,677).

Any additional contributions are made on an 80/20 basis (the Fund 80% and Brookfield group 20%) in accordance with the terms of the shareholders agreement.

Notes to the Interim Condensed Consolidated Financial Statements continued

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2018

6 Net assets attributable to ordinary unitholders – liability

	Consolidated	
	31 December 2018 \$	30 June 2018 \$
Units on issue	21,870,597	21,870,597
Undistributed losses	(20,523,294)	(20,534,917)
Net assets attributable to ordinary unitholders	1,347,303	1,335,680
Opening balance of net assets attributable to unitholders	1,335,680	1,605,019
Units on issue		
Return of capital	–	–
Undistributed income		
Net profit/(loss) from operations before distributions to unitholders	11,623	(269,339)
Closing balance of net assets attributable to unitholders	1,347,303	1,335,680

Number of units on issue during the year of 163,336,831 is unchanged since 30 June 2018.

7 Related parties

There have been no significant changes to the related party transactions as disclosed in the annual report for the year ended 30 June 2018.

8 Contingent liabilities and assets

No contingent liabilities or assets existed at 31 December 2018 (30 June 2018: nil).

9 Events subsequent to the reporting date

There are no matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial periods.

Directors' Declaration

Multiplex Development and Opportunity Fund

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For the half year ended 31 December 2018

In the opinion of the Directors of Brookfield Capital Management Limited, as Responsible Entity of Multiplex Development and Opportunity Fund:

- a The interim condensed consolidated financial statements and notes, set out in pages 6 to 12, are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2018 and of its performance, for the half year period ended on that date; and
 - ii complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- b There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Brookfield Capital Management Limited.

Dated at Sydney this 26th day of February 2019.



Shane Ross
Director
Brookfield Capital Management Limited

Deloitte Touche Tohmatsu
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Independent Auditor's Review Report to the Unitholders of Multiplex Development and Opportunity Fund

We have reviewed the accompanying half-year financial report of Multiplex Development and Opportunity Fund ("the Fund"), which comprises the condensed statement of financial position as at 31 December 2018, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the entity comprising the Fund and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Brookfield Capital Management Limited, the Responsible Entity of the Fund, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards as they apply on a non-going concern basis and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Brookfield Capital Management Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Multiplex Development and Opportunity Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* as it applies on a non-going concern basis and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU.

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountants
Sydney, 26 February 2019