Multiplex Development and Opportunity Fund
Financial report
For the year ended
30 June 2014

Multiplex Development and Opportunity Fund

ARSN 100 563 488

Table of Contents

Multiplex Development and Opportunity Fund

For the year ended 30 June 2014

Directory
Multiplex Development and Opportunity Fund
For the year ended 30 June 2014

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

Directors of Brookfield Capital Management Limited

F. Allan McDonald	
Barbara Ward	
Brian Motteram	(resigned 28 February 2014)
Russell Proutt	
Shane Ross (alternate)	(resigned and appointed alternate director 28 February 2014)

Company Secretary of Brookfield Capital Management Limited
Neil Olofsson

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

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

Location of Share Registry
Boardroom (Victoria) Pty Limited
Level 8, 446 Collins Street
Melbourne VIC 3000

All correspondence to:
GPO Box 3993
Sydney NSW 2001
Telephone: 1300 737 760
Facsimile: 1300 653 459
International
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664
www.boardroomlimited.com.au

Auditor
Deloitte Touche Tohmatsu
Eclipse Tower
Level 19, 60 Station Street
Parramatta NSW 2150
Telephone: + 61 2 9840 7000
Facsimile: + 61 2 9840 7001

Directors' Report
Multiplex Development and Opportunity Fund
For the year ended 30 June 2014

Introduction
The Directors of Brookfield Capital Management Limited (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 financial statements of the Consolidated Entity, being the Fund and its subsidiaries and the Consolidated Entity's interest in associates for the year ended 30 June 2014 and the Independent Auditor's 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 year:

Name	Capacity
F. Allan McDonald	Non-Executive Independent Chairman
Barbara Ward	Non-Executive Independent Director
Brian Motteram (resigned 28 February 2014)	Non-Executive Independent Director
Russell Proutt	Executive Director
Shane Ross (resigned and appointed alternate director 28 February 2014)	Executive Director/Alternate Director

Information on Directors
F. Allan McDonald (BEcon, FCPA, FAIM, FGIA), Non-Executive Independent Chairman
Allan was appointed the Non-Executive Independent Chairman of BCML on 1 January 2010 and also performs that role for Brookfield Funds Management Limited (BFML). Allan has had extensive experience in the role of Chairman and is presently associated with a number of companies as a consultant and Company Director. BCML is the Responsible Entity for listed funds Brookfield Prime Property Fund (BPA) and Multiplex European Property Fund (MUE). BFML is the Responsible Entity for the listed Multiplex SITES Trust. Allan's other directorship of listed entities is Astro Japan Property Management Limited (Responsible Entity of Astro Japan Property Trust) (appointed February 2005). During the past 3 years, Allan has also served as a director of Billabong International Limited (July 2000 – October 2012) and Brookfield Office Properties Inc. (May 2011-June 2014).

Barbara Ward, AM (BEcon, MPolEcon, MAICD), Non-Executive Independent Director
Barbara was appointed as a Non-Executive Independent Director of BCML on 1 January 2010 and also performs that role for BFML. Barbara has gained extensive business and finance experience through her role as Chief Executive Officer of Ansett Worldwide Aviation Services, as General Manager Finance for the TNT Group and as a Senior Ministerial Advisor. BCML is the Responsible Entity for listed funds BPA and MUE. BFML is the Responsible Entity for the listed Multiplex SITES Trust. Barbara is a Director of Qantas Airways Limited. During the past 3 years Barbara has also served as a Chair of Essential Energy (June 2001 – June 2012) and a Director of Essential Energy, Ausgrid and Endeavour Energy (July 2012 – December 2012).

Russell Proutt (BComm, CA, CBV), Executive Director
Russell is the Chief Financial Officer of Brookfield Australia Pty Ltd, was appointed as an Executive Director of BCML on 1 January 2010 and also performs that role for BFML. BCML is the Responsible Entity for the listed funds BPA and MUE. BFML is the Responsible Entity for the listed Multiplex SITES Trust. Russell joined Brookfield Asset Management Inc., the ultimate parent company of BCML, in 2006 and has held various senior management positions within Brookfield.

Shane Ross (BBus), Executive Director/Alternate Director
Shane is the Group General Manager of Treasury for Brookfield Australia Investments Limited and was appointed as an Executive Director of BCML on 16 May 2011, resigned on 28 February 2014 and was appointed as Alternate Director for Russell on that date . BCML is the Responsible Entity for BPA and MUE. Shane joined the organisation in 2003 following a background in banking and has over 20 year's experience in treasury and finance within the property industry.

Information on Company Secretary

Neil Olofsson

Neil has over 18 years of international company secretarial experience and has been with the Brookfield Australia group since 2005.

Directors' interests

The following table sets out each Director's relevant interest in the units, debentures, interests in registered schemes and rights or options over such instruments issued by the entities within the Consolidated Entity and other related bodies corporate as at the date of this report:

Director	Multiplex Development and Opportunity Fund units held
F. Allan McDonald	–
Barbara Ward	–
Russell Proutt	–
Shane Ross	–

During the year Brian Motteram resigned as a director. Accordingly, his unit holding is no longer disclosed.

No options are held by/have been issued to Directors.

Directors' meetings

	Board Meetings		Audit Committee Meetings		Board Risk and Compliance Committee Meetings	
Director	A	B	A	B	A	B
F. Allan McDonald	5	5	2	2	2	2
Barbara Ward	5	5	2	2	2	2
Brian Motteram	4	4	2	2	2	2
Russell Proutt	4	5	n/a	n/a	n/a	n/a
Shane Ross	5	5	n/a	n/a	n/a	n/a

A – Number of meetings attended.
B – Number of meetings held during the time the Director held office during the year, or number of meetings held that the Alternate Director was eligible to attend during the year.

Committee meetings

There were no Board committee meetings held during the year other than those stated above.

Principal activities

The principal activity of the Consolidated Entity during the year has been to provide investors with exposure to a range of property development projects at various stages of the development cycle, as well as other forms of direct and indirect property investments.

Review of operations

The Consolidated Entity has recorded a net profit before income tax of $3,507,000 for the year ended 30 June 2014 (2013: net loss before income tax of $2,127,000).

Some of the significant events during the year are as follows:
- total revenue and other income of $4,466,000 (2013: $13,035,000);
- net assets of $49,938,000 (2013: $64,405,000);
- net assets attributable to ordinary unitholders of $49,938,000 (2013: $64,405,000);
- share of profit from equity accounted investment in Little Bay South Developer Pty Limited of $3,739,000 (2013: loss $6,233,000); and
- recognition of an impairment write back on equity accounted investment in Little Bay South Developer Pty Limited of $229,000 (2013: impairment expense of $629,000).

The strategy of the Fund is to complete the development of the remaining development asset in the Fund and to return excess proceeds to investors when appropriate after consideration of the ongoing cash requirements of the Fund.

Likely developments

Other than the matters already included in the Directors' Report, information on likely developments in the operations of the Consolidated Entity in future financial years and the expected results of those operations have not been included in this report because the Directors believe that to do so would be likely to result in unreasonable prejudice to the Consolidated Entity.

Interest of the Responsible Entity

Management fees

For the year ended 30 June 2014, the Consolidated Entity incurred $795,000 in management fees to the Responsible Entity (2013: $1,070,000). $55,000 remains payable as at year end (2013: $234,000).

Expense recoveries

For the year ended 30 June 2014, the Consolidated Entity incurred $164,000 in expense recoveries to the Responsible Entity (2013: $200,000). $11,000 remains payable as at year end (2013: $48,000).

Related party unitholders

The following interest as at 30 June 2014 is held in the Consolidated Entity:

- BAO Trust 9,320,388 units or 5.7% (2013: 9,320,388 units or 5.7%);
- Brookfield Capital Management Limited 20,582,496 units or 12.6% (2013: 20,582,496 units or 12.6%);

Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year other than those disclosed in this report or in the consolidated financial statements.

Events subsequent to the reporting date

The Fund is proposing to make a distribution payment of approximately 11 cents per unit ($17,900,000) subject to obtaining a ruling from the Australian Taxation Office (ATO) confirming that the payment is capital in nature. The payment will be funded by cash currently held by the Fund.

Other than the above, there are no matters or circumstances which have arisen since the end of the financial year 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 years.

Environmental regulation

The Consolidated Entity has systems in place to manage its environmental obligations. Based upon the results of inquiries made, the Responsible Entity is not aware of any significant breaches or non-compliance issues during the year covered by this report.

Distributions and return of capital

No distributions were declared or paid during the year (2013: nil). A capital return to ordinary unitholders of $17,967,000 or 11.0 cents per unit was paid on 11 December 2013 (2013: nil).

Indemnification and insurance of officers and auditors

BCML is a wholly owned subsidiary of Brookfield Australia Investments Limited (BAIL). BAIL has entered into deeds of access and indemnity with each of its Directors, Company Secretary and other nominated Officers. The terms of the deeds are in accordance with the provisions of the *Corporations Act 2001* and will indemnify these executives (to the extent permitted by law) for up to seven years after serving as an Officer against legal costs incurred in defending civil or criminal proceedings against the executives, except where proceedings result in unfavourable decisions against the executives, and in respect of reasonable legal costs incurred by the executives in good faith in obtaining legal advice in relation to any issue relating to the executives being an officer of the Brookfield Australia Investments Group (Group), including BCML.

Under the deeds of access and indemnity, BAIL has agreed to indemnify these persons (to the extent permitted by law) against:

- liabilities incurred as a director or officer of BCML or a company in the Group, except for those liabilities incurred in relation to the matters set out in section 199A(2) of the *Corporations Act 2001*; and
- reasonable legal costs incurred in defending an action for a liability or alleged liability as a director or officer, except for costs incurred in relation to the matters set out in section 199A(3) of the *Corporations Act 2001*.

BAIL has also agreed to effect, maintain and pay the premium on a directors' and officers' liability insurance policy. This obligation is satisfied by BAIL being able to rely upon Brookfield's global directors' and officers' insurance policy, for which it pays a portion of the premium.

As is usual, this policy has certain exclusions and therefore does not insure against liabilities arising out of matters including but not limited to:

- fraudulent, dishonest or criminal acts or omissions and improper personal profit or advantage;
- violation of US Securities Act of 1933;
- losses for which coverage under a different kind of insurance policy is readily available such as, for example, liability insurance, employment practices liability and pollution liability (there can be limited coverage for some of these exposures); and
- claims made by a major shareholder (threshold is ownership of 10% or greater).

Indemnification and insurance of officers and auditors continued
The obligation to effect, maintain and pay the premium on a policy continues for a period of seven years after the director or officer has left office to the extent such coverage is available with reasonable terms in the commercial insurance marketplace.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of BCML or of any related body corporate against a liability incurred as such an officer or auditor.

Rounding of amounts
The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

Lead auditor's independence declaration under Section 307C of the *Corporations Act 2001*
The lead auditor's independence declaration is set out on page 8 and forms part of the Directors' Report for the year ended 30 June 2014.

Dated at Sydney this 25th day of August 2014.

Signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the *Corporations Act 2001*.

Russell Proutt
Director
Brookfield Capital Management Limited

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

Eclipse Tower
Level 19
60 Station Street
Parramatta NSW 2150
PO Box 38
Parramatta NSW 2124 Australia

DX 28485
Tel: +61 (0) 2 9840 7000
Fax: +61 (0) 2 9840 7001
www.deloitte.com.au

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

25 August 2014

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 for Multiplex Development and Opportunity Fund.

As lead audit partner for the audit of the financial statements of Multiplex Development and Opportunity Fund for the year ended 30 June 2014, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Helen Hamilton-James
Partner
Chartered Accountants

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Multiplex Development and Opportunity Fund

For the year ended 30 June 2014

	Note	Consolidated Year ended 30 June 2014 $'000	Consolidated Year ended 30 June 2013 $'000
Revenue and other income			
Revenue from the sale of land held for development	5	–	7,069
Interest income		498	1,382
Share of net profit of investments accounted for using the equity method	11	3,739	–
Impairment write back	11	229	–
Reversal of income guarantee provisions		–	4,500
Other income		–	84
Total revenue and other income		**4,466**	**13,035**
Expenses			
Cost of sale of land held for development		–	6,310
Share of net loss of investments accounted for using the equity method	11	–	6,233
Impairment expense	11	–	629
Marketing and selling costs		–	156
Management fees		795	1,070
Performance fee expense		–	280
Other expenses		164	484
Total expenses		**959**	**15,162**
Net profit/(loss) before income tax		**3,507**	**(2,127)**
Income tax expense	9	–	(157)
Net profit/(loss) after tax		**3,507**	**(2,284)**
Finance costs attributable to unitholders:			
Increase in net assets attributable to non-controlling interest		–	(183)
(Increase)/decrease in net assets attributable to ordinary unitholders		(3,507)	2,467
Net profit for the year		**–**	**–**
Other comprehensive income attributable to:			
Non-controlling interest		–	–
Ordinary unitholders		–	–
Total comprehensive income for the year		**–**	**–**

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

Consolidated Statement of Financial Position
Multiplex Development and Opportunity Fund
As at 30 June 2014

	Note	Consolidated 2014 $'000	2013 $'000
Current assets			
Cash and cash equivalents	6	17,814	20,022
Trade and other receivables	7	87	130
Other financial assets	8	442	2,674
Total current assets		**18,343**	**22,826**
Non-current assets			
Investment accounted for using the equity method	11	31,662	41,861
Total non-current assets		**31,662**	**41,861**
Total assets		**50,005**	**64,687**
Current liabilities			
Trade and other payables	12	67	282
Total current liabilities		**67**	**282**
Total liabilities		**67**	**282**
Net assets attributable to ordinary unitholders - Liability	13	**49,938**	**64,405**

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

Consolidated Statement of Changes in Equity

Multiplex Development and Opportunity Fund

For the year ended 30 June 2014

As the Consolidated Entity has no equity, the financial statements do not include a Consolidated Statement of Changes in Equity for the current or comparative year.

Consolidated Statement of Cash Flows

Multiplex Development and Opportunity Fund

For the year ended 30 June 2014

	Note	Consolidated Year ended 30 June 2014 $'000	 Year ended 30 June 2013 $'000
Cash flow from operating activities			
Cash receipts in the course of operations		–	7,751
Cash payments in the course of operations		(1,158)	(5,643)
Interest received		525	1,427
Income tax received/(paid)		–	410
Net cash flows (used in)/from operating activities	18	**(633)**	**3,945**
Cash flows from investing activities			
Net amounts from/(to) associates		14,160	(2,649)
Return of capital from financial assets		2,232	–
Repayment of loans from related parties		–	314
Net cash flows from/(used in) investing activities		**16,392**	**(2,335)**
Cash flows from financing activities			
Return of capital to ordinary unitholders		(17,967)	–
Return of capital to non-controlling interests		–	(2,571)
Net cash flows used in financing activities		**(17,967)**	**(2,571)**
Net decrease in cash and cash equivalents		(2,208)	(961)
Deconsolidation of Multiplex Acumen Vale Syndicate Limited (In Liquidation) cash balances		–	(6,989)
Cash and cash equivalents at beginning of year		20,022	27,972
Cash and cash equivalents at 30 June	6	**17,814**	**20,022**

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

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 consolidated financial statements of the Fund as at and for the year ended 30 June 2014 comprise the Fund and its subsidiaries and the Consolidated Entity's interest in associates.

2 Basis of preparation

a Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASB) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements of the Consolidated Entity and the Fund comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Boards (IASB). For the purpose of preparing the consolidated financial statements the Fund is a for profit entity.

The financial statements were authorised for issue by the Directors on this 25th day of August 2014.

b Basis of measurement

The consolidated financial statements have been prepared on the basis of historical cost, except for equity accounted investments which are measured using the equity method and interest bearing liabilities which are measured at amortised cost.

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

The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

c Use of estimates and judgements

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

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is provided in inventories – land held for development (Note 3k).

d New and amended standards adopted

The following new and amended standards have been applied in preparing this financial report:

AASB 10 *Consolidated Financial Statements* which replaces all of the guidance on control and consolidation. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities, whereby an investor controls an investee only if the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

AASB 11 *Joint Arrangements* which introduces a principle based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint-operation will account for their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard AASB 131 *Interests in Joint Ventures*.

AASB 12 *Disclosure of Interests in Other Entities* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, which set out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11 and replace the disclosure requirements previously found in AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*.

2 Basis of preparation continued

d New and amended standards adopted continued

AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* which sets out in a single standard a framework for measuring fair value, including related disclosure requirements in relation to fair value measurement. AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* which removes the individual key management personnel disclosure requirements from AASB 124 *Related Party Disclosures*, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the *Corporations Act 2001*.

AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 7)* which requires an entity to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement.

AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle* which amends a number of pronouncements as a result of the 2009-2011 annual improvements cycle.

AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments* which provides transition guidance for the amendments to AASB 10 *Consolidated Financial Statements*.

These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. The adoption of the above revised Standards and Interpretations has resulted in amended disclosures in the financial report but has not impacted the financial results of the Consolidated Entity.

3 Significant accounting policies

The significant policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

a Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Fund and its subsidiaries. Control of an entity is achieved where the Fund is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to significantly affect those returns through its power to direct the activities of the entity.

The results of the subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Consolidated Entity.

All intra-group transactions, balances, income and expenses, including unrealised profits arising from intra-group transactions, are eliminated in full in the consolidated financial statements. In the separate financial statements of the Fund, intra-group transactions (common control transactions) are generally accounted for by reference to the existing carrying value of the items. Where the transaction value of common control transactions differs from their carrying value, the difference is recognised as a contribution by or distribution to equity participants by the transacting entities.

In the Fund's financial statements, investments in controlled entities are carried at cost less impairment, if applicable.

Non-controlling interests in subsidiaries are identified separately from the Consolidated Entity's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3 Significant accounting policies continued

a Principles of consolidation continued

Subsidiaries continued

Changes in the Consolidated Entity's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Consolidated Entity's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to unitholders.

When the Consolidated Entity loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between the aggregate of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Jointly controlled entities (equity accounted investees)

Jointly controlled entities are those entities over whose activities the Consolidated Entity has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The consolidated financial statements include the Consolidated Entity's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Consolidated Entity, from the date that joint control commences until the date that significant influence or joint control ceases. When the Consolidated Entity's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term receivables) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Consolidated Entity has an obligation or has made payments on behalf of the investee.

b Revenue recognition

Revenues are recognised at the fair value of the consideration received for the sale of goods and services, net of the amount of Goods and Services Tax (GST), rebates and discounts.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific criteria for the major business activities must also be met before revenue is recognised. Where amounts do not meet these recognition criteria, they are deferred and recognised in the period in which the recognition criteria are met.

Sale of land held for development

Revenue from the sale of land held for development is recognised when the Consolidated Entity has transferred to the buyer the significant risks and rewards of the ownership of the property. This is generally deemed to occur upon settlement.

Dividends and distributions

Revenue from dividends and distributions is recognised when the right of the Consolidated Entity to receive payment is established, which is generally when they have been declared.

Dividends and distributions received from equity accounted investees reduce the carrying amount of the investment of the Consolidated Entity in that equity accounted investee and are not recognised as revenue.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

3 Significant accounting policies continued

c Expense recognition

Finance costs

Finance costs are recognised as expenses using the effective interest rate method, unless they relate to a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Where a qualifying asset exists, borrowing costs that are directly attributable to the acquisition, construction or production of the qualifying asset is capitalised as part of the cost of that asset.

Qualifying assets are assets that take more than 12 months to prepare for their intended use or sale. In these circumstances, borrowing costs are capitalised to the costs of the assets. Where funds are borrowed specifically for the acquisition or construction of a qualifying asset, the amount of borrowing costs capitalised are those incurred in relation to that borrowing. To the extent that funds are borrowed generally the amount of borrowing costs capitalised is calculated by applying a capitalisation rate to the expenditures on that asset.

Finance costs include:
- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance lease charges.

Management fees

A base management fee calculated on the gross value of assets is payable to the Responsible Entity. The fee is payable by the Consolidated Entity monthly in arrears.

Performance fee

In prior years, a performance fee was recognised as part of the Consolidated Entity results due to the consolidation of Multiplex Acumen Vale Syndicate Limited (In Liquidation) (MAVSL). MAVSL was deconsolidated on 26 June 2013. Refer to other financial assets (Note 8) for further details of the MAVSL deconsolidation.

Other expenditure

Expenses are recognised by the Consolidated Entity on an accruals basis.

d Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an expense item.

Receivables and payables are stated with the amount of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

3 Significant accounting policies continued

e Taxation

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

f Tax consolidation

Tax consolidation

The Fund and its wholly-owned Australian resident subsidiaries have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is the Fund. Separately, Multiplex Acumen Vale Syndicate Limited (In Liquidation), formerly a 50% owned subsidiary of the Fund, has formed a tax-consolidated group with its wholly owned subsidiary Brookfield Multiplex Vale Landowner Pty Ltd (In Liquidation), with effect from 17 June 2005 and is therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Multiplex Acumen Vale Syndicate Limited (In Liquidation).

Current tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax-consolidated group and are recognised by the head entity as amounts payable/(receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the head entity as an equity contribution or distribution.

The head entity recognises deferred tax assets arising from unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax consolidated group in respect of tax amounts. The tax funding arrangements require payments to/(from) the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal to the amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

3 Significant accounting policies continued

g Cash and cash equivalents

For purposes of presentation in the Consolidated Statement of Cash Flows, cash includes cash balances, deposits at call with financial institutions and other highly liquid investments, with short periods to maturity, which are readily convertible to cash and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

h Trade and other receivables

Trade debtors and other receivables are stated at their amortised cost using the effective interest rate method less any identified impairment losses. Impairment changes are brought to account as described in Note 3m. Non-current receivables are measured at amortised cost using the effective interest rate method.

i Associates

The Consolidated Entity's investments in associates are accounted for using the equity method of accounting in the consolidated financial statements. An associate is an entity in which the Consolidated Entity has significant influence, but not control, over their financial and operating policies.

Under the equity method, investments in associates are carried in the Consolidated Statement of Financial Position at cost plus post-acquisition changes in the Consolidated Entity's share of net assets of the associates. After application of the equity method, the Consolidated Entity determines whether it is necessary to recognise any additional impairment loss with respect to the Consolidated Entity's net investment in the associates. The Consolidated Statement of Profit or Loss and Other Comprehensive Income reflects the Consolidated Entity's share of the results of operations of the associates.

When the Consolidated Entity's share of losses exceeds its interest in an associate, the Consolidated Entity's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Consolidated Entity has incurred legal or constructive obligations or made payments on behalf of an associate.

Where there has been a change recognised directly in the associate's equity, the Consolidated Entity recognises its share of changes.

Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Consolidated Entity's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Gains and losses are recognised when the contributed assets are consumed or sold by the associate.

j Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, interest bearing liabilities, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at a fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Consolidated Entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Consolidated Entity's contractual rights to the cash flows from the financial assets expire or if the Consolidated Entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchase and sales of financial assets are accounted for at trade date, i.e. the date that the Consolidated Entity commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Consolidated Entity's obligations specified in the contract expire or are discharged or cancelled.

Accounting policies for cash and cash equivalents, trade and other receivables, trade and other payables, and interest bearing liabilities are discussed elsewhere within the financial statements.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

k Inventories – land held for development

Inventories being developed or held for resale are stated at the lower of cost or realisable value. Included in costs are the costs of acquisition, development and holding costs such as finance costs, rates and taxes.

l Financial assets

A designation has been made that financial assets be classified at fair value through profit or loss (FVTPL). Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The net gain or losses arising on remeasurment recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income incorporates any dividends earned on the financial asset and is included in the 'other income' line item.

3 Significant accounting policies continued

m Impairment

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available for sale financial asset is calculated by reference to its current fair value.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Any cumulative loss in respect of an available for sale financial asset recognised previously in equity is transferred to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available for sale financial assets that are debt securities, the reversal is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. For available for sale financial assets that are equity securities, the reversal is recognised directly in equity.

Non-financial assets

The carrying amount of the Consolidated Entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists then the asset's recoverable amount is estimated.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

n Trade and other payables

Payables are stated at amortised cost using the effective interest rate method and represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

o Distributions

A provision for distribution is recognised in the Consolidated Statement of Financial Position if the distribution has been declared prior to period end. Distributions paid and payable on units are recognised as a reduction in net assets attributable to unitholders. Distributions paid are included in cash flows from financing activities in the Consolidated Statement of Cash Flows.

p Net assets attributable to unitholders

Net assets attributable to unitholders consist of units on issue (less transaction costs), undistributed income and reserves.

q Units on issue

Issued and paid up units are recognised as changes in net assets attributable to unitholders at the fair value of the consideration received by the Consolidated Entity, less any incremental costs directly attributable to the issue of new units.

3 Significant accounting policies continued

r New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2014 but have not been applied in preparing this financial report:

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and liabilities. Since December 2013 it also sets out new rules for hedge accounting. The standard is applicable for financial years commencing on or after 1 January 2017 (deferred from 1 January 2015) but is available for early adoption.

Under AASB 9, financial assets will be measured at either amortised cost or fair value based on the objective of an entity's business model for managing financial assets and the characteristics of the contractual cash flows. This will replace the categories of financial assets under AASB 139, where each had its own classification criteria. For example, AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading and an irrevocable election is made upon initial recognition. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in the profit or loss of the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Financial assets may also be designated and measured at fair value through profit or loss if doing so eliminates or significantly reduces certain inconsistencies. For financial liabilities, the new requirements under AASB 9 only affect the accounting for financial liabilities designated at fair value through profit or loss.

New hedging rules will introduce expanded disclosure requirements and changes in presentation for hedge accounting.

The Consolidated Entity does not expect to adopt AASB 9 before its operative date and therefore will apply the new standard for the annual reporting period ending 30 June 2018. The Consolidated Entity is still assessing the consequential impact of the amendments.

AASB 1031 *Materiality (December 2013)* is an interim standard that cross references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contains guidance on materiality.

The AASB is progressively removing reference to AASB 1031 in all Standards and Interpretations, and once all these references have been removed AASB 1031 will be withdrawn.

AASB 1031 is applicable to financial statements with a reporting period beginning on or after 1 January 2014. It is not considered that the Standard will have a material effect on the financial statements.

AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets* addresses the disclosure of information about the recoverable amount of impaired assets if that value is based on fair value less cost of disposal.

AASB 2013-3 is applicable to financial statements with a reporting period beginning on or after 1 January 2014. The impact on the financial statements is still being assessed.

AASB 2013-5 *Amendments to Australian Accounting Standard – Investment Entities* provides an exemption from consolidation of subsidiaries under AASB 10 *Consolidated Financial Statements* for entities which meet the definition of an "investment entity". Such entities would measure their investment in particular subsidiaries at fair value through profit and loss in accordance with AASB 9 *Financial Instruments* or AASB 139 *Financial Instruments: Recognition and Measurement.*

AASB 2013-5 is applicable to financial statements with a reporting period beginning on or after 1 January 2014. The impact on the financial statements is still being assessed.

AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* Part B makes changes to particular Australian Accounting Standards to delete reference to AASB 1031.

AASB 2013-9 Part B is applicable to financial statements with a reporting period beginning on or after 1 January 2014. It is not considered that the Standard will have a material effect on the financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the Consolidated Entity in the current or future reporting periods and on foreseeable future transactions.

4 Parent entity disclosures

	Note	Fund 2014 $'000	2013 $'000
Assets			
Current assets		45,601	62,013
Non-current assets	15	97,183	97,183
Total assets		**142,784**	**159,196**
Liabilities			
Current liabilities		96,807	103,134
Total liabilities		**96,807**	**103,134**
Net assets attributable to unitholders			
Units on issue		73,975	91,942
Undistributed losses		(27,998)	(35,880)
Net assets attributable to unitholders		**45,977**	**56,062**

	Fund Year ended 30 June 2014 $'000	Year ended 30 June 2013 $'000
Net profit/(loss) for the year	7,882	(8,468)
Other comprehensive income/(loss) for the year	–	–
Total comprehensive income/(loss) for the year	**7,882**	**(8,468)**

5 Revenue from the sale of land held for development

	Year ended 30 June 2014 $'000	Year ended 30 June 2013 $'000
Vale Stages 2-6, Perth	–	7,069
Total revenue from the sale of land held for development	**–**	**7,069**

6 Cash and cash equivalents

	Consolidated Year ended 30 June 2014 $'000	Year ended 30 June 2013 $'000
Cash at bank	17,814	20,022
Total cash and cash equivalents	**17,814**	**20,022**

7 Trade and other receivables

	Consolidated 2014 $'000	2013 $'000
Current		
Interest receivable	42	70
Other receivables	45	60
Total trade and other receivables	**87**	**130**

8 Other financial assets

	Consolidated 2014 $'000	2013 $'000
Investment – Multiplex Acumen Vale Syndicate Limited (In Liquidation)	442	2,674
Total other financial assets	**442**	**2,674**

On 26 June 2013 Multiplex Acumen Vale Syndicate Limited (In Liquidation) (MAVSL), an entity in which the Consolidated Entity has a 49.6% ownership stake, was placed into a members' voluntary liquidation, as a result of MAVSL's last major project being successfully completed. The wholly-owned, and only, subsidiary of MAVSL, Brookfield Multiplex Vale Landowner Pty Limited (In Liquidation) (BVML) was also placed into a members' voluntary liquidation. MAVSL was deconsolidated from that date.

The Consolidated Entity's investment in MAVSL is now classified as a financial asset and is measured based on the fair value of proceeds expected to be received as part of the liquidation process. The financial asset has been classified as current, as management expect the proceeds of liquidation to be received within twelve months of the balance date.

9 Income tax

	Consolidated Year ended 30 June 2014 $'000	Year ended 30 June 2013 $'000
Current tax benefit		
Current period tax expense	–	(140)
Prior period adjustments	–	–
Total current tax expense	**–**	**(140)**
Deferred tax expense		
Origination and reversal of temporary differences	–	(17)
Total deferred tax expense	**–**	**(17)**
Total income tax expense reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	**–**	**(157)**
Income tax expense		
Numerical reconciliation between tax expense and pre-tax net profit		
Net profit/(loss) after tax	3,507	(2,284)
Total income tax expense	–	(157)
Net profit/(loss) before income tax	**3,507**	**(2,127)**
Prima facie income tax (expense)/benefit on profit/(loss) using the Fund's tax rate of 30% (2013: 30%)	(1,052)	638
Effect of tax losses and other temporary differences not recognised as deferred tax assets	1,052	–
Revenue losses not brought to account	–	(795)
Other deferred tax assets not previously brought to account		–
Total income tax expense reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	**–**	**(157)**

In accordance with AASB 112 *Income taxes*, a deferred tax asset of $7,730,000 (2013: $6,188,000) in respect of tax losses has not been recognised by the Consolidated Entity as it has been determined that realisation of this asset in the short term is not probable.

10 Distributions to unitholders

The Fund did not pay a distribution for the year ended 30 June 2014 (2013: nil). On the 11 December 2013, the Fund made a capital return to ordinary unitholders of $17,967,000 or 11.0 cents per unit (2013: nil).

11 Investment accounted for using the equity method

	Consolidated 2014 Ownership	Consolidated 2014 $'000	Consolidated 2013 Ownership	Consolidated 2013 $'000
Little Bay South Developer Pty Limited	50%	31,662	50%	41,861

	Consolidated 2014 $'000	Consolidated 2013 $'000
Share of net profit/(loss) for the year from investments accounted for using the equity method	3,739	(6,233)

Little Bay South Developer Pty Limited's 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 2014 for investment in Little Bay South Development Pty Limited and comparative prior year, not adjusted for the percentage ownership held by the Consolidated Entity, is detailed below:

	Year ended 30 June 2014 $'000	Year ended 30 June 2013 $'000
Current assets	87,328	81,522
Total assets	**87,328**	**81,522**
Current liabilities	49,751	30,910
Total liabilities	**49,751**	**30,910**
Net assets	**37,577**	**50,612**

	Year ended 30 June 2014 $'000	Year ended 30 June 2013 $'000
Opening net assets 1 July	50,612	55,088
Net profit for the year	4,674	(7,791)
Other comprehensive income	(9)	4
Net amounts (to)/from the Consolidated Entity	(17,700)	3,311
Closing net assets	**37,577**	**50,612**
Consolidated Entity's share in (%)	80.0%	80.0%
Consolidated Entity's share in ($)	30,062	40,490
Little Bay South – Stage 4 loan receivable	2,000	2,000
Impairment provision of investment accounted for using the equity method	(400)	(629)
Total investment accounted for using the equity method	**31,662**	**41,861**

	Year ended 30 June 2014 $'000	Year ended 30 June 2013 $'000
Revenues	48,302	25,946
Expenses	(43,628)	(32,836)
Income tax expense	–	(901)
Net profit/(loss) after income tax for the year	**4,674**	**(7,791)**
Other comprehensive (loss)/income for the year	**(9)**	**4**
Total comprehensive income/(loss) for the year	**4,665**	**(7,787)**

11 Investment accounted for using the equity method continued

The Consolidated Entity is entitled to 80% of the profit or loss of Little Bay South Developer Pty Ltd. The Consolidated Entity's share of net profit/(loss) in its equity accounted investment for the period was $3,739,000 profit (2013: $6,233,000 loss).

An assessment of the recoverability of the investment in Little Bay South Developer Pty Limited undertaken as at 30 June 2014 has resulted in an impairment write back of $229,000 (2013: $629,000 impairment expense).

Additional contributions have been made on an 80/20 basis (the Fund 80% and Brookfield group 20%) in accordance with the terms of the shareholders agreement. A net return of $14,160,000 was received during the current financial year (2013: $2,649,000 net contribution).

12 Trade and other payables

	Consolidated 2014 $'000	2013 $'000
Current		
Management fee payable	55	234
Other payables	12	48
Total trade and other payables	**67**	**282**

13 Net assets attributable to unitholders

	Consolidated Year ended 30 June 2014 $'000	Year ended 30 June 2013 $'000
Units on issue	73,975	91,942
Reserves	(7)	–
Undistributed losses	(24,030)	(27,537)
Net assets attributable to unitholders	**49,938**	**64,405**
Opening balance of net assets attributable to unitholders	**64,405**	**71,978**
Units on issue		
Return of capital	(17,967)	–
Undistributed income		
Net profit/(loss) from operations before distributions to unitholders	3,507	(2,467)
Reserves		
Movements in reserves	(7)	–
Non-controlling interests		
Share of net profit	–	183
Share of return of capital	–	(2,571)
Derecognition of non-controlling interest	–	(2,718)
Closing balance of net assets attributable to unitholders	**49,938**	**64,405**

Units on issue

Date	Details	Units	$
30 June 2013	**Closing balance**	**163,336,831**	**91,941,855**
30 June 2014	**Closing balance**	**163,336,831**	**73,975,044**

Ordinary units

All units in the Fund were fully paid and are of the same class and carry equal rights. Unitholders are entitled to a pro rata distribution from date of issue.

On 26 June 2013, the Consolidated Entity was deemed to no longer control MAVSL, and hence MAVSL has been deconsolidated from that date. As such the non-controlling interest is no longer separately reflected in the financial statements of the Consolidated Entity. Refer to Note 8 for further information.

14 Auditors' remuneration

The Responsible Entity pays all expenses, including audit fees, on behalf of the Fund. These fees are not paid out of the assets of the Fund. The Fund pays an expense recovery fee to the Responsible Entity as a contribution towards these expenses. A summary of fees incurred by the Responsible Entity on behalf of the Fund is provided below. Fees paid by the Fund's former subsidiary MAVSL in relation to audit fees are paid out of the assets of MAVSL. Fees in relation to compliance plan audits are borne by the Responsible Entity.

	Consolidated	
	Year ended 30 June 2014 $	Year ended 30 June 2013 $
Auditors of the Fund:		
Audit and review of financial reports	45,000	64,975
Total auditor's remuneration	**45,000**	**64,975**

15 Investment in controlled entities

	Principal place of business / country of incorporation	Ownership and voting rights 30 June 2014	Ownership and voting rights 30 June 2013
Directly held subsidiaries			
Brookfield Multiplex DT Pty Ltd	Australia	100%	100%
Multiplex Residential Communities No 2 Pty Ltd	Australia	100%	100%
Indirectly held subsidiaries			
Ettalong Project Development Trust	Australia	100%	100%
MDOF Little Bay South Holdings Pty Ltd	Australia	100%	100%
Brookfield MDOF LBS Landowner Pty Ltd	Australia	100%	100%

The principal activity of all of the above entities is direct and indirect property investment.

On 22 December 2004, the Fund acquired 100% of the ordinary shares in Brookfield Multiplex DT Pty Limited, an unlisted company specialising in direct and indirect property investments. There have been no changes in the activities of Brookfield Multiplex DT Pty Limited since that date.

On 26 November 2007, the Fund acquired 100% of the ordinary shares in Multiplex Residential Communities No 2 Pty Limited for $10. There have been no changes in the activities of Multiplex Residential Communities No 2 Pty Limited since that date.

On 7 April 2014 Multiplex Residential Communities Pty Ltd and its subsidiaries were wound up and ceased to exist. On 29 January 2014 and 7 April 2014, a number of subsidiaries of Brookfield Multiplex DT Pty Ltd were wound up and ceased to exist.

16 Financial Instruments

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 3 to the financial statements.

Throughout the year, in assessing the size and frequency of any distributions, the Responsible Entity considers all of the risk factors disclosed below. This includes considering the liquid/illiquid nature of any assets or investments held by the Consolidated Entity.

a Capital risk management

The Board's intention is to maintain a strong capital base so as to maintain investor and market confidence and the sustainable future development of the Consolidated Entity. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the security afforded by a sound capital position.

There was no change in the Consolidated Entity's approach to capital management during the year.

16 Financial Instruments continued

b Financial risk management

Overview

The Consolidated Entity is predominantly exposed to the following financial risks in the course of their operations:

- risks arising from investments in land syndications; and
- risks arising from the Consolidated Entity's use of financial instruments.

These risk can be summarised as follows:

- credit risk;
- liquidity risk; and
- market risk (including interest rate risk, foreign currency risk and equity price risk).

The Responsible Entity has responsibility for the establishment and monitoring of the risk management framework and the risk management policies of the Consolidated Entity. These policies seek to minimise the potential adverse impact of the above risks on the Consolidated Entity's financial performance. The Board is responsible for developing risk management policies and the Board Risk and Compliance Committee (which is established by the Board) is responsible for ensuring compliance with those risk management policies as outlined in the compliance plan. Compliance with the Consolidated Entity's policies is reviewed by the Responsible Entity on a regular basis. The results of these reviews are reported to the Board and the Board Risk and Compliance Committee of the Responsible Entity quarterly.

Investment mandate

The investment objective of the Consolidated Entity is to maximise returns to investors, subject to assuming an appropriate level of risk commensurate with the investment undertaken and the forecast return. In line with its objective to maximise returns, the Manager aims to meet or exceed a benchmark pre-tax return to investors of 15% per annum, net of fees and expenses. This is not a forecast or indication of likely future returns. Rather, it is simply the benchmark against which the Responsible Entity measures the performance of the Consolidated Entity.

The Responsible Entity aims to provide investors with a number of benefits including:

- higher income returns than traditional listed and unlisted property trusts; and
- a diversified investment exposure across a broad property sector base and geography.

Derivative financial instruments

Whilst the Consolidated Entity may utilise derivative financial instruments, it does not enter into or trade derivative financial instruments for speculative purposes. The use of derivatives is governed by the Consolidated Entity's investment policies, which provide written principles on the use of financial instruments utilised by the Consolidated Entity. These principles permit the use of derivatives to mitigate financial risks associated with financial instruments utilised by the Consolidated Entity. At 30 June 2014 and 30 June 2013, the Consolidated Entity is/was not party to any derivative agreements.

c Credit risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Other credit risk also arises for the Consolidated Entity from cash and cash equivalents.

Trade and other receivables

The Consolidated Entity's exposure to credit risk is influenced mainly by the individual characteristics of each underlying project. The Consolidated Entity manages and minimises exposure to credit risk by:

- managing exposures to Brookfield entities;
- monitoring receivable balances on an ongoing basis; and
- obtaining other collateral as security (where appropriate).

Credit risk arising from Brookfield entities is mitigated by investing in accordance with the Consolidated Entity's Constitution and Product Disclosure Statement (PDS). The Consolidated Entity manages its credit risk on these investments by:

- undertaking an evaluation and due diligence process in relation to a potential investment;
- no investment will be made unless all of the Independent Directors of the Responsible Entity have agreed to the investment proposal; and
- only invest in developments that satisfy the investment criteria of the Consolidated Entity.

Fair value of financial derivatives

Transactions with derivative counterparties are limited to established financial institutions that meet the Consolidated Entity's minimum credit rating criteria. At 30 June 2014 and 30 June 2013, the Consolidated Entity held no derivative positions. The Consolidated Entity's overall strategy of credit risk management remains unchanged from 2013.

16 Financial Instruments continued

c Credit risk continued

Exposure to credit risk

The table below shows the maximum exposure to credit risk at the reporting date.

	Consolidated 2014 $'000	2013 $'000
Cash and cash equivalents	17,814	20,022
Trade and other receivables	87	130
Other financial assets	442	2,674
Total exposure to credit risk	**18,343**	**22,826**

Concentrations of credit risk exposure

There are no concentrations of credit risk at the reporting date (2013: nil).

Collateral obtained / held

In the ordinary course of its operations the Consolidated Entity obtains collateral, normally in the form of a charge over the assets of the holding company of the entities in which the Consolidated Entity invests. Where applicable, the Consolidated Entity also obtains collateral in the form of guarantees from Brookfield group to minimise the risk of default on its contractual obligations.

During the year ended 30 June 2014, the Consolidated Entity did not call on any collateral provided (2013: nil).

Financial assets past due but not impaired

No financial assets of the Consolidated Entity was past due at the reporting date (2013: nil).

Financial assets whose terms have been renegotiated

As at 30 June 2014 and 30 June 2013, there were no financial assets of the Consolidated Entity whose terms have been renegotiated.

Impairment losses

During the year ended 30 June 2014, the Consolidated Entity did not write off any assets deemed not recoverable. (2013: nil).

d Liquidity risk

Liquidity risk is the risk the Consolidated Entity will not be able to meet its financial obligations as and when they fall due.

Sources of liquidity risk and risk management strategies

The Consolidated Entity's approach to managing liquidity risk is to work to ensure that it has sufficient cash available to meet its liabilities as and when they fall due without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation.

The Consolidated Entity also manages liquidity risk by maintaining adequate banking facilities, through continuous monitoring of forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

Sources of liquidity risk and risk management strategies

The Consolidated Entity's specific risk management strategies are discussed below.

Interest bearing liabilities

The Consolidated Entity's PDS prohibits the Fund from incurring debt. However the Consolidated Entity is exposed to liquidity risk (refinancing risk) on the interest bearing loans of its underlying entities. The Consolidated Entity manages this risk by ensuring debt maturity dates are regularly monitored and negotiations with counterparties are commenced well in advance of the debt's maturity date.

Defaults and breaches

During the financial years ended 30 June 2014 and 30 June 2013, the Consolidated Entity, including its associates, did not default on or breach any terms of its loan covenants.

16 Financial Instruments continued

d Liquidity risk continued

Maturity analysis of financial liabilities

The following are the contractual maturities of financial liabilities, including estimated interest payments. The tables have been prepared based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Consolidated Entity can be required to pay.

	Consolidated $'000					
	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	Greater than 5 years
2014						
Trade and other payables	67	67	67	–	–	–
Total	**67**	**67**	**67**	**–**	**–**	**–**
2013						
Trade and other payables	282	282	282	–	–	–
Total	**282**	**282**	**282**	**–**	**–**	**–**

e Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Consolidated Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Sources of market risk and risk management strategies

The main type of market risk the Consolidated Entity is exposed to is market risk from its exposure to the property market.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Cash and cash equivalents balances will also fluctuate with changes in interest rates due to interest earned. The key source of interest rate risk for the Consolidated Entity is derived from the interest bearing liabilities of the Consolidated Entity's interest in associates. The Consolidated Entity manages this exposure by constantly monitoring actual and forecast cash flows that are in line with fluctuations in interest rates.

16 Financial Instruments continued

e Market risk continued

The table below shows the Consolidated Entity's direct exposure to interest rate risk at year end, including maturity dates.

Consolidated	Floating rate $'000	Fixed rate $'000	Non-interest bearing $'000	Total $'000
2014				
Financial assets				
Cash and cash equivalents	134	17,680	–	**17,814**
Trade and other receivables	–	–	87	**87**
Other financial assets	–	–	442	**442**
Total financial assets	**134**	**17,680**	**529**	**18,343**
Financial Liabilities				
Trade and other payables	–	–	67	**67**
Total financial liabilities	**–**	**–**	**67**	**67**

Consolidated	Floating rate $'000	Fixed rate $'000	Non-interest bearing $'000	Total $'000
2013				
Financial assets				
Cash and cash equivalents	1,461	18,561	–	**20,022**
Trade and other receivables	–	–	130	**130**
Other financial assets	–	–	2,674	**2,674**
Total financial assets	**1,461**	**18,561**	**2,804**	**22,826**
Financial Liabilities				
Trade and other payables	–	–	282	**282**
Total financial liabilities	**–**	**–**	**282**	**282**

Sensitivity analysis for variable rate instruments

A change of 1% in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

$'000	+ 1% Profit or loss	2014 + 1% Net assets	- 1% Profit or loss	2014 - 1% Net assets	+ 1% Profit or loss	2013 + 1% Net assets	- 1% Profit or loss	2013 - 1% Net assets
Consolidated Entity								
Interest on cash	1	1	(1)	(1)	15	15	(15)	(15)
Total increase/(decrease)	**1**	**1**	**(1)**	**(1)**	**15**	**15**	**(15)**	**(15)**

Foreign currency risk

Foreign currency risk is the risk that the market value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Consolidated Entity is currently not exposed to any foreign currency risk (2013: no exposure)

f Fair values

Methods for determining fair values

A number of the Consolidated Entity's accounting policies and disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Cash and cash equivalents and trade and other receivables

Fair value, which is determined for disclosure purposes, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

16 Financial Instruments continued

f Fair value continued

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair values versus carrying amount

The Consolidated Entity is required to disclose fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Consolidated Entity's assets and liabilities measured and recognised at fair value at 30 June 2014. The carrying amounts of cash and cash equivalents, trade and other receivables, and trade and other payables are assumed to reasonably approximate their fair values due to their short-term nature. Accordingly, fair value disclosures are not provided for such assets and liabilities.

Consolidated Entity – at 30 June 2014	Level 3 $'000	Total $'000
Assets		
Other financial assets	442	**442**
Total assets	**442**	**442**

Consolidated Entity – at 30 June 2013	Level 3 $'000	Total $'000
Assets		
Other financial assets	2,674	**2,674**
Total assets	**2,674**	**2,674**

Reconciliation of level 3 fair value measurements:

Consolidated Entity – for the year ended 30 June 2014	Other financial assets $'000	Total $'000
Opening balance – 1 July 2013	2,674	**2,674**
Return of capital	(2,232)	**(2,232)**
Closing balance – 30 June 2014	**442**	**442**
Total losses for the year included in the profit or loss attributable to losses relating to assets held at the end of year	**–**	**–**

Consolidated Entity – for the year ended 30 June 2013	Other financial assets $'000	Total $'000
Opening balance – 1 July 2012	–	**–**
Transfers into level 3	2,674	**2,674**
Closing balance – 30 June 2013	**2,674**	**2,674**
Total losses for the year included in the profit or loss attributable to losses relating to assets held at the end of year	**–**	**–**

During the current year there were no financial assets or liabilities which transferred between levels 1, 2 or 3 (2013: MAVSL transferred into level 3 upon deconsolidation).

17 Non-financial assets and liabilities recognised at fair value

The Fund has no non-financial assets and liabilities measured and recognised at fair value at 30 June 2014.

18 Reconciliation of cash flows from operating activities

	Consolidated Year ended 30 June 2014 $'000	 Year ended 30 June 2013 $'000
Net profit/(loss) for the year	3,507	(2,284)
Adjustments for:		
Non cash items:		
Impairment expense	(229)	629
Performance fee expense/(reversal)	–	280
Reversal of guarantee fee	–	(4,500)
Investing activities		
Share of net (profit)/loss of equity accounted investment	(3,739)	6,233
Operating (loss)/profit before changes in working capital	**(461)**	**358**
Changes in assets and liabilities during the year:		
Decrease in inventories	–	5,412
Decrease in trade and other receivables	43	890
(Decrease)/increase in trade and other payables	(215)	(2,715)
Net cash flow (used in)/from operating activities	**(633)**	**3,945**

19 Related parties

Responsible Entity

The Responsible Entity of the Fund is Brookfield Capital Management Limited.

Key management personnel

The Fund is required to have an incorporated Responsible Entity to manage the activities of the Fund and the Consolidated Entity. The Directors of the Responsible Entity are key management personnel of that entity.

F. Allan McDonald
Barbara Ward
Brian Motteram (resigned 28 February 2014)
Russell Proutt
Shane Ross (resigned and appointed alternate director 28 February 2014)

No compensation is paid to any of the key management personnel of the Responsible Entity directly by the Fund or Consolidated Entity.

Responsible Entity's fees and other transactions

Management fees

The Responsible Entity is entitled to a management fee calculated on the gross assets of the Fund payable monthly. The management fees incurred by the Fund in the current year totalled $795,000 (2013: $1,070,000).

Reimbursement of expenses

The Responsible Entity is entitled to claim reimbursement for most expenses incurred in the operation of the Fund, however has undertaken to limit the expenses it claims to 0.30% per annum of the gross asset value of the Fund.

Little Bay South – Stage 4 payment

In prior year, a payment of $2 million was made from the associate Little Bay South Group (further details of MDOF's equity investment are detailed in Note 11). The payment was made to Brookfield Residential Properties Australia Pty Limited, a related party of the Responsible Entity, to relieve the Little Bay South Group from the obligation to complete Stage 4 of the Little Bay South project. This payment was funded by the Fund and removes the risks associated with the development of Stage 4 from the Fund. As at 30 June 2014 the loan remains receivable.

Income Guarantee

The Income Guarantee provision of $4.5 million, which was released last financial year, was in respect of an agreement with a Brookfield related party.

19 Related parties continued

All transactions with related parties are conducted on normal commercial terms and conditions.

Set out below is a summary of all transactions and balances with related parties.

	Consolidated 2014 $'000	2013 $'000
Transactions with the Responsible Entity		
Management fees	795	1,070
Expense recoveries	164	200
Management fee payable	55	234
Expense recovery payable	11	48
Transactions with related parties of the Responsible Entity		
Sales and marketing fees	–	328
Development management service fee	–	246
Little Bay South – Stage 4 loan receivable	2,000	2,000
Income guarantee reversal	–	4,500
Performance fee expense/(reversal)	–	280
Repayment of loan from related party	–	314

Related party unitholders

The interests of related party unitholders in the Fund at year end are set out below:

	2014 Number Held	2013 Number Held
BAO Trust	9,320,388	9,320,388
Brookfield Capital Management Limited	20,582,496	20,582,496

20 Contingent assets and liabilities

The Fund and Consolidated entity has no contingent assets or liabilities at 30 June 2014 (2013: nil).

21 Capital and other commitments

The Fund and Consolidated entity has no capital or other commitments at 30 June 2014 (2013: nil).

22 Events subsequent to reporting date

The Fund is proposing to make a distribution payment of approximately 11 cents per unit ($17,900,000) subject to obtaining a ruling from the Australian Taxation Office (ATO) confirming that the payment is capital in nature. The payment will be funded by cash currently held by the Fund.

Other than the above, there are no matters or circumstances which have arisen since the end of the financial year 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 years.

Directors' Declaration

Multiplex Development and Opportunity Fund

For the year ended 30 June 2014

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

a The consolidated financial statements and notes, set out in pages 9 to 32, 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 30 June 2014 and of its performance, for the financial year ended on that date; and

  ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

  iii complying with International Financial Reporting Standards, as stated in Note 2 to the consolidated financial statements.

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 required by Section 295(5) of the *Corporations Act 2001*.

Dated at Sydney this 25th day of August 2014.

Russell Proutt
Director
Brookfield Capital Management Limited

Deloitte.

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

Eclipse Tower
Level 19
60 Station Street
Parramatta NSW 2150
PO Box 38
Parramatta NSW 2124 Australia

DX 28485
Tel: +61 (0) 2 9840 7000
Fax: +61 (0) 2 9840 7001
www.deloitte.com.au

Independent Auditor's Report to the Unitholders of Multiplex Development and Opportunity Fund

We have audited the accompanying financial report of Multiplex Development and Opportunity Fund ('the Fund'), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Fund and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 9 to 33.

Directors' Responsibility for the Financial Report

The directors of the Responsible Entity of the Fund ("the Directors") 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 control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, 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 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 judgement, 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 control, 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 control. 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.

Auditor's Independence Declaration

In conducting our audit, 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 report.

Opinion

In our opinion:

(a) the financial report of Multiplex Development and Opportunity Fund is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Fund'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 statements also comply with International Financial Reporting Standards as disclosed in Note 2.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Helen Hamilton-James
Partner
Chartered Accountants
Parramatta, 25 August 2014