

ASX Announcement

22 August 2011

**Brookfield Secured Bonds Series A Issuer Limited (ASX: BZA)
30 June 2011 Interim Financial Report**

Please find attached the 30 June 2011 Interim Financial Report for Brookfield Secured Bonds Series A Issuer Limited as issuer of Brookfield Secured Bonds Series A (BSB-sA).

For securityholder enquiries relating to BSB-sA, please contact the security registry on 1300 737 760 between 9.00 am and 5.00 pm (Australian Eastern Standard time) on business days.

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Brookfield Secured Bonds Series A Issuer Limited
Interim financial report
For the half year ended
30 June 2011

Brookfield Secured Bonds Series A Issuer Limited

ABN 38 136 866 969

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Brookfield Secured Bonds Series A Issuer Limited

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Directory

Brookfield Secured Bonds Series A Issuer Limited

For the half year ended 30 June 2011

Directors of Brookfield Secured Bonds Series A Issuer Limited

Mr Ross A McDiven

Mr Russell T Proutt

Mr Ricky Tang (Appointed 25 May 2011)

Mr Timothy M Harris (Resigned 25 May 2011)

Registered Office

Level 22, 135 King Street

Sydney NSW 2000

Telephone: +61 (0)2 9322 2000

Facsimile: +61 (0)2 9322 2001

Auditor

Deloitte Touche Tohmatsu

Grosvenor Place, 225 George Street

Sydney NSW 2000

Telephone: +61 (0)2 9322 7000

Facsimile: +61 (0)2 9322 7001

Directors' Report

Brookfield Secured Bonds Series A Issuer Limited

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For the half year ended 30 June 2011

Introduction

The Directors of Brookfield Secured Bonds Series A Issuer Limited (the Company) present their report together with the condensed interim financial statements for the half year ended 30 June 2011 and the Independent Auditor's Review Report thereon.

The Company was incorporated on 30 April 2009.

Directors

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

Name	Title
Mr Ross A McDiven (Director since 30 April 2009)	Chairman
Mr Russell T Proutt (Director since 30 April 2009)	Executive Director
Mr Ricky Tang (Appointed 25 May 2011)	Executive Director
Mr Timothy M Harris (Resigned 25 May 2011)	Executive Director

Information on Directors

Director	Experience	Special responsibilities
Ross A McDiven	<p>Mr Ross A McDiven is the Chief Executive Officer of the Brookfield Australia Investments Group.</p> <p>Mr McDiven was appointed as an executive director of Brookfield Australia Investments Limited on 18 January 1986 and Brookfield Funds Management Limited on 18 August 2003 respectively. Mr McDiven has over 39 years' experience with the Brookfield Australia Investments Group.</p> <p>He spent his early years at the Brookfield Australia Investments Group in the Construction business and for 18 years led the company's operations in New South Wales. Mr McDiven was also responsible for overseeing significant growth of the Brookfield Australia Investments Group Development operations and is now responsible for the Brookfield Australia Investments Group's Construction, Development and Services businesses worldwide.</p> <p>During the past three years Mr McDiven has served as a Director of Brookfield Australia Investments Limited (delisted December 2007).</p>	Executive Director / Chairman
Russell T Proutt	<p>Mr Russell T Proutt is the Chief Financial Officer of Brookfield Australia Pty Limited. Russell joined Brookfield Asset Management, the ultimate parent company, in 2006 and has held various senior management positions within Brookfield, including managing the Bridge Lending Fund, mergers and acquisitions involving subsidiaries as well as transactions involving Brookfield's restructuring fund, Tricap Partners.</p>	Executive Director
Ricky Tang	<p>Mr Ricky Tang was appointed Chief Financial Officer of Brookfield's Australian Commercial Property Operations in 2011, prior to which he spent four years as Vice President and Controller of BPO Properties Ltd and its public subsidiary Brookfield Office Properties Canada. Mr Tang has also held various finance positions with Chartwell Seniors Housing REIT, including Associate Vice President and Director of Finance, and has worked in the Transactions Advisory Group with PricewaterhouseCoopers LLP.</p>	Executive Director

Company Secretary

Neil Olofsson	<p>Mr Neil Olofsson has over 15 years' international company secretarial experience, and has been with the Brookfield Australia Group since 2005.</p>	Company Secretary
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Directors' Report continued

Brookfield Secured Bonds Series A Issuer Limited

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For the half year ended 30 June 2011

Information on Directors continued

Directors' and executives' equity interests

	Securities held at the start of the period	Changes during the period	Securities held at the end of the period
Mr Ross A McDiven	Nil	Nil	Nil
Mr Russell T Proutt	Nil	Nil	Nil
Mr Ricky Tang	Nil	Nil	Nil
Mr Neil Olofsson	Nil	Nil	Nil

Principal activities

The principal activities of the Company relate to the issue of the Brookfield Secured Bonds Series A (BSBsA). The BSBsA are limited recourse mortgage debentures which are secured by a first ranking mortgage over a 50% interest in an A grade office building located in the Sydney CBD.

The face value of the BSBsA is \$100 per bond and totals \$57 million.

The Company did not have any employees during the year.

Review of operations

The Company earned a net profit attributable to members of \$24,987 for the half year ended 30 June 2011 (half year ended 30 June 2010: \$14,494).

Total interest paid or payable in respect of the half year ended 30 June 2011 was \$2,208,347 (half year ended 30 June 2010: \$2,229,511). The value of the Company's net assets at 30 June 2011 was \$87,083 (31 December 2010: \$62,096).

Likely developments and expected results of operations

In the opinion of the Directors, further information has not been included in this report because the Directors believe that to do so would be likely to result in unreasonable prejudice to the Company.

Dividends from the Company

There were no dividends paid or declared during the half year ended 30 June 2011 (half year ended 30 June 2010: \$nil).

Events occurring after the reporting date

To the best knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the year that has significantly affected, or may affect, the Company's operations in future financial years, the results of those operations or the Company's state of affairs in future financial years.

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

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half year ended 30 June 2011.

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

Dated at Sydney, this 22nd day of August 2011.



Ricky Tang
Executive Director
Brookfield Secured Bonds Series A Issuer Limited



Russell T Proutt
Executive Director
Brookfield Secured Bonds Series A Issuer Limited

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

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Board of Directors
Brookfield Secured Bonds Series A Issuer Limited
Level 22
135 King Street
SYDNEY, NSW 2000

22 August 2011

Dear Board Members

Brookfield Secured Bonds Series A Issuer Limited

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 Secured Bonds Series A Issuer Limited.

As lead partner for the review of the financial statements of Brookfield Secured Bonds Series A Issuer Limited for the half-year ended 30 June 2011, 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 G Collinson
Partner
Chartered Accountants

Condensed Interim Statement of Comprehensive Income 7

Brookfield Secured Bonds Series A Issuer Limited

For the half year ended 30 June 2011

	Half year ended 30 Jun 2011	Half year ended 30 Jun 2010
	\$	\$
Interest income	2,244,220	2,250,217
Interest expense	(2,208,347)	(2,229,511)
Other expenses	(176)	-
Net profit before income tax	35,697	20,706
Income tax expense	(10,710)	(6,212)
Net profit for the period from continuing operations	24,987	14,494
Other comprehensive income for the period	-	-
Total comprehensive income for the period	24,987	14,494

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

Condensed Interim Statement of Financial Position

Brookfield Secured Bonds Series A Issuer Limited

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As at 30 June 2011

	Note	30 Jun 2011 \$	31 Dec 2010 \$
Current assets			
Cash and cash equivalents		1,823,303	2,209,291
Trade and other receivables		1,999,814	516,297
Total current assets		3,823,117	2,725,588
Non-current assets			
Interest bearing receivables	5	57,000,000	57,000,000
Total non-current assets		57,000,000	57,000,000
Total assets		60,823,117	59,725,588
Current liabilities			
Trade and other payables		1,148,614	1,275,117
Non-interest bearing loans and borrowings		2,587,420	1,388,375
Total current liabilities		3,736,034	2,663,492
Non-current Liabilities			
Interest bearing loans and borrowings	6	57,000,000	57,000,000
Total non-current liabilities		57,000,000	57,000,000
Total liabilities		60,736,034	59,663,492
Net assets		87,083	62,096
Equity			
Issued capital	7	10	10
Retained earnings		87,073	62,086
Total equity		87,083	62,096

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

Condensed Interim Statement of Changes in Equity

Brookfield Secured Bonds Series A Issuer Limited

For the half year ended 30 June 2011

	Shares on issue \$	Retained earnings \$	Total equity \$
Opening equity – 1 January 2011	10	62,086	62,096
Net profit	-	24,987	24,987
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	24,987	24,987
Transactions with owners in their capacity as owners	-	-	-
Closing equity – 30 June 2011	10	87,073	87,083

	Shares on issue \$	Retained earnings \$	Total equity \$
Opening equity – 1 January 2010	10	-	10
Net profit	-	14,494	14,494
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	14,494	14,494
Transactions with owners in their capacity as owners	-	-	-
Shares issued	-	-	-
Closing equity – 30 June 2010	10	14,494	14,504

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

Condensed Interim Statement of Cash Flows

Brookfield Secured Bonds Series A Issuer Limited

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For the half year ended 30 June 2011

	Half year ended 30 Jun 2011 \$	Half year ended 30 Jun 2010 \$
Cash flows from operating activities		
Interest received	2,256,432	2,079,050
Interest paid	(2,220,559)	(2,058,344)
Net cash from operating activities	35,873	20,706
Cash flows from investing activities		
Net loans from related entities	(421,861)	1,039,488
Net cash from investing activities	(421,861)	1,039,488
Cash flows from financing activities		
Proceeds from borrowings external	-	-
Net cash from financing activities	-	-
Net increase in cash and cash equivalents	(385,988)	1,060,194
Cash and cash equivalents at the beginning of the financial period	2,209,291	1,104,646
Cash and cash equivalents at the end of the financial period	1,823,303	2,164,840

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

Notes to the Condensed Interim Financial Statements

Brookfield Secured Bonds Series A Issuer Limited

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For the half year ended 30 June 2011

1 Reporting entity

Brookfield Secured Bonds Series A Issuer Limited (the Company) is a public company incorporated and domiciled in Australia. The parent entity of the Company is Brookfield Latitude Site C Investments Trust (formerly Latitude Site C Investments Trust) (Holding Trust). The ultimate parent entity is Brookfield Asset Management Inc. (BAM), domiciled in Canada.

The Company was incorporated on 30 April 2009.

The Company has issued Brookfield Secured Bonds Series A (BSBsA), which are limited recourse mortgage debentures secured by a first property mortgage over a 50% interest in an A-grade office building located in the Sydney CBD.

The face value of the BSBsA is \$100 per bond and totals \$57 million.

The condensed interim financial statements of the Company for the half year ended 30 June 2011 were authorised for issue in accordance with a resolution of the Directors on 22 August 2011.

2 Basis of preparation

Statement of compliance

The condensed financial statements have been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Use of estimates and judgements

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

3 Significant accounting policies

The accounting policies applied by the Company in this condensed interim financial report are the same as those applied by the Company in its annual financial report as at and for the year ended 31 December 2010.

4 Segment reporting

The Company has adopted AASB 8 Operating Segments with effect from 1 January 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. AASB 8 is a disclosure standard which has no impact on the reported results or financial position of the Company. The Company operates in a single segment, being the issuer of BSBsA in Australia. All items of the Condensed Interim Statement of Comprehensive Income and Condensed Interim Statement of Financial Position are derived from this single segment therefore no further segment reporting is required. The chief operating decision maker of the Company, being the Board of Directors, reviews and assesses performance using information display as set out in these financial statements.

	30 Jun 2011	31 Dec 2010
	\$	\$
5 Interest bearing receivables		
Non-current		
Amounts due from Brookfield Latitude Site C Landowning Trust ¹	57,000,000	57,000,000
Total interest bearing receivables	57,000,000	57,000,000

¹ Interest is charged on amounts due from Brookfield Latitude Site C Landowning Trust at a rate of 7.82% p.a. Maturity date is 9 July 2012.

Notes to the Condensed Interim Financial Statements

continued

Brookfield Secured Bonds Series A Issuer Limited

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For the half year ended 30 June 2011

	30 Jun 2011 \$	31 Dec 2010 \$
6 Interest bearing loans and borrowings		
Non-current		
Brookfield Secured Bonds Series A	57,000,000	57,000,000
Total interest bearing loans and borrowings	57,000,000	57,000,000

BSBsA are limited recourse mortgage debentures which are secured by a first ranking mortgage over a 50% interest in an A grade office building located at 52 Goulburn Street, Sydney, and various fixed and/or floating charges over the Company, Holding Trust and Latitude Site C Landowning Trust (the Property Owner).

The Company operates a collection bank account whereby the Property Owner is required to deposit its share of all rental income, net of certain expenses and taxes, so that the trustee of the BSBsA can apply the funds towards meeting amounts due and payable in respect of the BSBsA.

The BSBsA have a face value of \$100, are denominated in Australian dollars and mature on 9 July 2012. Interest on the BSBsA is charged at 7.82% p.a.

	30 Jun 2011 \$	31 Dec 2010 \$
7 Issued capital		
Ordinary shares	10	10

The number of ordinary securities on issue at 30 June 2011 is 10 shares (31 December 2010: 10 shares), with a total value of \$10 (31 December 2010: \$10). Each ordinary share entitles the shareholder to one vote.

8 Related party disclosure

There have been no significant changes to the related party transactions as disclosed in the last audited financial report for the year ended 31 December 2010.

9 Contingent liabilities and assets

No contingent liabilities or assets existed at 30 June 2011 (31 December 2010: nil).

10 Events occurring after the reporting date

To the best knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the period that has significantly affected, or may affect, the Company's operations in future financial years, the results of those operations or the Company's state of affairs in future financial years.

Directors' Declaration

Brookfield Secured Bonds Series A Issuer Limited

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For the half year ended 30 June 2011

In the opinion of the Directors of Brookfield Secured Bonds Series A Issuer Limited:

- a The financial statements and notes, set out on pages 7 to 12, are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance, for the half year ended on that date; and
 - ii complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* in Australia and the Corporations Regulations 2001;
- b There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors as required by section 303(5) of the *Corporations Act 2001*.

Dated at Sydney, this 22nd day of August 2011.

Ricky Tang
Executive Director
Brookfield Secured Bonds Series A Issuer Limited

Russell T Proutt
Executive Director
Brookfield Secured Bonds Series A Issuer Limited

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor
Place
Sydney NSW 1217
Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Independent Auditor's Review Report to the members of Brookfield Secured Bonds Series A Issuer Limited

We have reviewed the accompanying half-year financial report of Brookfield Secured Bonds Series A Issuer Limited, which comprises the condensed statement of financial position as at 30 June 2011, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration as set out on pages 7 to 13.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that 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 Brookfield Secured Bonds Series A Issuer Limited's financial position as at 30 June 2011 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 Brookfield Secured Bonds Series A Issuer Limited, 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 Secured Bonds Series A Issuer 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 Brookfield Secured Bonds Series A Issuer Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU



A G Collinson
Partner
Chartered Accountants
Sydney, 22 August 2011