

Multiplex Tasman Property Fund  
Financial report  
For the period 1 July 2017 to 29 June 2018

# Multiplex Tasman Property Fund

# Table of Contents

## Multiplex Tasman Property Fund

For the period 1 July 2017 to 29 June 2018

	Page
<b>Directory .....</b>	<b>3</b>
<b>Directors' report.....</b>	<b>4</b>
<b>Financial statements .....</b>	<b>6</b>
Statement of Profit or Loss and Other Comprehensive Income .....	6
Statement of Financial Position .....	7
Statement of Changes in Equity .....	8
Statement of Cash Flows .....	9
<b>Notes to the financial statements.....</b>	<b>10</b>
1 Corporate information.....	10
2 Basis of preparation .....	10
3 Summary of significant accounting policies .....	10
4 Auditor's remuneration .....	11
5 Distributions and returns of capital .....	11
6 Income tax expense .....	12
7 Investment – available for sale .....	12
8 Units on issue .....	12
9 Undistributed losses .....	13
10 Financial instruments .....	13
11 Reconciliation of cash flows from operating activities .....	16
12 Related parties .....	16
13 Contingent liabilities and assets.....	17
14 Capital and other commitments .....	17
15 Events subsequent to the reporting date.....	17
<b>Independent auditor's report.....</b>	<b>18</b>

# Directory

## Multiplex Tasman Property Fund

For the period 1 July 2017 to 29 June 2018

Prior to the termination of the Fund on 29 June, the following appointments were in place:

### **Directors of Brookfield Multiplex Capital New Zealand Limited**

Shane Ross

Stephen Doherty (appointed 25 August 2017)

Regan Simpson (resigned 25 August 2017)

### **Manager – Brookfield Multiplex Capital New Zealand Limited**

Level 15, 120 Albert Street

Auckland Central

Auckland 1010

New Zealand

### **Location of Unit Registry**

Link Market Services Limited

Level 11, Deloitte Centre

80 Queen Street

PO Box 91976

Auckland 1142

New Zealand

### **Supervisor**

Covenant Trustee Services Limited (formerly Foundation Corporate Trust)

Level 6, Crombie Lockwood Tower

191 Queen Street, Auckland 1010

PO Box 4243

Shortland St, Auckland 1140

Telephone: +64 9 302 0638

Facsimile: +64 9 302 1037

### **Auditor**

Deloitte Touche Tohmatsu

Grosvenor Place

225 George Street

Sydney NSW 2000

Telephone: +61 2 9322 7000

# Directors' Report

## Multiplex Tasman Property Fund

4

For the period 1 July 2017 to 29 June 2018

### Introduction

The Directors of Brookfield Multiplex Capital New Zealand Limited (BMCNZL) (NZBN 15 34 298) present their report together with the financial statements of Multiplex Tasman Property Fund (Fund) for the period 1 July 2017 to 29 June 2018 and the Independent Auditor's Report thereon. The Manager of Multiplex Tasman Property Fund is Brookfield Multiplex Capital New Zealand Limited, which has been the Manager since inception.

The registered office and principal place of business of the Manager and the Fund is Level 15, 120 Albert Street, Auckland Central, Auckland, New Zealand.

### Wind up of the Fund

Following receipt of the final distribution from the Fund's investment in the Multiplex New Zealand Property Fund (MNZPF) and the termination of MNZPF on 12 June 2018 the Fund has realised all of its investments, settled its outstanding liabilities and distributed the net proceeds. The Fund was terminated on 29 June 2018. Accordingly, these are the final financial statements and have been prepared on a non-going concern basis.

### Directors

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

Name	Capacity
Shane Ross	Executive Director
Stephen Doherty (appointed 25 August 2017)	Executive Director
Regan Simpson (resigned 25 August 2017)	Executive Director

### Principal activities

The principal activity of the Fund was property investment in New Zealand in accordance with the investment policy as outlined in the original investment statement and prospectus for the Fund dated 17 September 2004. Prior to termination, the Fund held an investment in MNZPF and cash. The Fund was a unit trust domiciled in New Zealand.

The Fund did not have any employees during the current period or prior year.

### Review of operations

#### Results

As at 29 June 2018, the Fund owned nil units in MNZPF (2017: 4,560,502 units valued at \$204,949).

	Period ended 29 June 2018 \$	Year ended 30 June 2017 \$
Net income/(loss) attributable to unitholders	22,240	(564)
Closing undistributed losses	–	(1,709,947)
Net assets per unit (\$ per unit)	–	0.04

During the financial period, the Fund made returns of capital of \$215,322 or \$0.0433 per unit paid on 25 June 2018 (2017: \$1,040,302 or \$0.0287 per unit).

#### Units on issue

The movement in units on issue for the period/year were as follows:

	Period ended 29 June 2018 Units	Year ended 30 June 2017 Units
Opening balance	4,984,319	4,984,319
Cancellation of units	(4,984,319)	–
<b>Closing balance</b>	<b>–</b>	<b>4,984,319</b>

For further disclosures on units on issue refer to Note 8 of the financial statements.

	29 June 2018 \$	30 June 2017 \$
<b>Value of total Fund assets as at 29 June</b>	<b>–</b>	<b>218,413</b>

The basis for valuation of the Fund's assets is disclosed in Note 3 to the financial statements.

# Directors' Report continued

## Multiplex Tasman Property Fund

For the period 1 July 2017 to 29 June 2018

### Interests of the Manager

Prior to termination of the Fund the Manager has not held any units in the Fund during the period.

### Directors' interests

Prior to the termination of the Fund the Directors of BMCNZL has not held any units in the Fund during the period or up to the date of this report.

### Remuneration of Directors of the Manager

No amounts have been paid either by the Fund directly to the Directors of the Manager or by the Trustee and its related parties to the Directors of the Manager in connection with their responsibilities for the Fund.

### Significant changes in the state of affairs

The Fund has terminated and cancelled its units on issue. In the opinion of the Directors there were no significant changes in the state of affairs of the Fund that occurred during the financial period other than those disclosed in this report or in the financial statements.

### Likely developments

Information on likely developments in the operations of the Fund is not applicable as the Fund was terminated on 29 June 2018.

### Matters subsequent to the end of the financial period

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

Dated at Sydney and Auckland this 12<sup>th</sup> day of September 2018.

Signed in accordance with a resolution of the Directors.



**Shane Ross**

Director

Brookfield Multiplex Capital New Zealand Limited



**Stephen Doherty**

Director

Brookfield Multiplex Capital New Zealand Limited

# Statement of Profit or Loss and Other Comprehensive Income

## Multiplex Tasman Property Fund

For the period 1 July 2017 to 29 June 2018

	Note	Period ended 29 June 2018 \$	Year ended 30 June 2017 \$
<b>Revenue and other income</b>			
Interest revenue		1	37
Realised gain on disposal of unlisted property trust		23,249	–
<b>Total revenue and other income</b>		<b>23,250</b>	<b>37</b>
<b>Expenses</b>			
Bank charges		461	486
Other expenses		369	115
<b>Total expenses</b>		<b>830</b>	<b>601</b>
<b>Net profit/(loss) before tax for the period/year</b>		<b>22,420</b>	<b>(564)</b>
Income tax expense	6	–	–
<b>Net profit/(loss) after tax for the period/year</b>		<b>22,420</b>	<b>(564)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss			
Change in available for sale reserve		(25,511)	(3,799)
<b>Other comprehensive loss for the period/year</b>		<b>(25,511)</b>	<b>(3,799)</b>
<b>Total comprehensive loss for the period/year</b>		<b>(3,091)</b>	<b>(4,363)</b>
<b>Net profit/(loss) attributable to ordinary unitholders</b>		<b>22,420</b>	<b>(564)</b>
<b>Total comprehensive loss attributable to ordinary unitholders</b>		<b>(3,091)</b>	<b>(4,363)</b>

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

# Statement of Financial Position

## Multiplex Tasman Property Fund

As at 29 June 2018

	Note	29 June 2018 \$	30 June 2017 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		–	13,453
Investment – available for sale	7	–	204,949
Other receivables		–	11
<b>Total current assets</b>		<b>–</b>	<b>218,413</b>
<b>Total assets</b>		<b>–</b>	<b>218,413</b>
<b>Liabilities</b>			
<b>Total liabilities</b>		<b>–</b>	<b>–</b>
<b>Net assets</b>		<b>–</b>	<b>218,413</b>
<b>Equity</b>			
Units on issue	8	–	1,902,849
Reserves		–	25,511
Undistributed losses	9	–	(1,709,947)
<b>Total equity</b>		<b>–</b>	<b>218,413</b>

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

# Statement of Changes in Equity

## Multiplex Tasman Property Fund

8

For the period 1 July 2017 to 29 June 2018

		Attributable to unitholders of the Fund			
	Note	Ordinary units \$	Undistributed profits/(losses) \$	Available for sale reserves \$	Total \$
<b>Opening equity – 1 July 2017</b>		<b>1,902,849</b>	<b>(1,709,947)</b>	<b>25,511</b>	<b>218,413</b>
Net profit for the period		–	22,420	–	22,420
<b>Other comprehensive profit/(loss) for the period</b>					
Change in available for sale reserve		–	–	(25,511)	(25,511)
<b>Total comprehensive profit/(loss) for the period</b>		<b>–</b>	<b>22,420</b>	<b>(25,511)</b>	<b>(3,091)</b>
<b>Transactions with unitholders in their capacity as unitholders:</b>					
Returns of capital	5	(215,322)	–	–	(215,322)
Cancellation of units		(1,687,527)	1,687,527	–	–
<b>Total transactions with unitholders in their capacity as unitholders</b>		<b>(1,902,849)</b>	<b>1,687,527</b>	<b>–</b>	<b>(215,322)</b>
<b>Closing equity – 29 June 2018</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

		Attributable to unitholders of the Fund			
	Note	Ordinary units \$	Undistributed profits/(losses) \$	Available for sale reserves \$	Total \$
<b>Opening equity – 1 July 2016</b>		<b>2,943,151</b>	<b>(1,709,383)</b>	<b>29,310</b>	<b>1,263,078</b>
Net loss for the year		–	(564)	–	(564)
<b>Other comprehensive loss for the year</b>					
Change in available for sale reserve		–	–	(3,799)	(3,799)
<b>Total comprehensive loss for the year</b>		<b>–</b>	<b>(564)</b>	<b>(3,799)</b>	<b>(4,363)</b>
<b>Transactions with unitholders in their capacity as unitholders:</b>					
Returns of capital	5	(1,040,302)	–	–	(1,040,302)
<b>Total transactions with unitholders in their capacity as unitholders</b>		<b>(1,040,302)</b>	<b>–</b>	<b>–</b>	<b>(1,040,302)</b>
<b>Closing equity – 30 June 2017</b>		<b>1,902,849</b>	<b>(1,709,947)</b>	<b>25,511</b>	<b>218,413</b>

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



# Statement of Cash Flows

## Multiplex Tasman Property Fund

For the period 1 July 2017 to 29 June 2018

	Note	Period ended 29 June 2018 \$	Year ended 30 June 2017 \$
<b>Cash flows from operating activities</b>			
Cash payments in the course of operations		(819)	(150)
Interest received		1	37
<b>Net cash flows used in operating activities</b>	11	<b>(818)</b>	<b>(113)</b>
<b>Cash flows from investing activities</b>			
Distribution income from MNZPF Investment		–	14,893
Return of capital from MNZPF Investment		202,687	1,025,409
<b>Net cash flows from investing activities</b>		<b>202,687</b>	<b>1,040,302</b>
<b>Cash flows from financing activities</b>			
Payment for return of capital to unitholders	5,8	(215,322)	(1,040,302)
<b>Net cash used in financing activities</b>		<b>(215,322)</b>	<b>(1,040,302)</b>
Net decrease in cash and cash equivalents		(13,453)	(113)
Cash and cash equivalents at the beginning of the financial period/year		13,453	13,566
<b>Cash and cash equivalents at the end of the financial period/year</b>		<b>–</b>	<b>13,453</b>

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

# Notes to the Financial Statements

## Multiplex Tasman Property Fund

10

For the period 1 July 2017 to 29 June 2018

### 1 Corporate information

Multiplex Tasman Property Fund (Fund) is domiciled in New Zealand. Brookfield Multiplex Capital New Zealand Limited (BMCNZL), the Manager of the Fund, is incorporated and domiciled in New Zealand. The investment activities of the Fund were in accordance with the investment policy as outlined in the original investment statement and prospectus for the Fund dated 17 September 2004. The Fund held investment in Multiplex New Zealand Property Fund (MNZPF) and cash and cash equivalents and is a for profit entity. The Fund was an issuer in terms of the *Financial Markets Conduct Act (FMCA) 2013*.

### 2 Basis of preparation

#### a Statement of compliance

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). For the purpose of complying with NZ GAAP, the Fund is a for-profit entity. These financial statements comply with International Financial Reporting Standards and New Zealand International Financial Reporting Standards.

The financial statements were authorised for issue by the Directors on this 28th day of August 2018.

#### b Basis of measurement

##### Non going concern

A notice from Corporate Trust Limited (Trustee), as trustee of the Fund, dated 4 December 2012 was previously sent to unitholders. The notice confirmed that BMCNZL, as Manager of the Fund, has certified in writing that it is the opinion of the Manager that it is in the interests of unitholders of the Fund that the Fund be wound up and as such the wind-up was effective 4 December 2012. In accordance with clause 26.1(a) of the Trust Deed, the Manager has certified and advised the Trustee that, in its opinion as Manager, it is in the interests of Fund unitholders that the Fund wind up.

Following receipt of the final distribution and subsequent cancellation of units by MNZPF on 12 June 2018, the Fund has realised all of its investments, settled its outstanding liabilities and has distributed the net proceeds. On 29 June 2018 the Fund cancelled all of its units on issue. As such the financial statements have been prepared on a non going concern basis.

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

The comparative period is for the year ended 30 June 2017.

#### 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.

For the period ended 29 June 2018 there were no judgements, estimates and assumptions that affected the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. For the comparative period, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements is provided in Note 3(e) available for sale financial assets and Note 7 investment – available for sale.

#### d New and amended standards adopted

During the period no new or amended accounting standards which have a material effect on the financial statements were adopted.

### 3 Summary of significant accounting policies

The significant accounting policies which have been adopted in the preparation of these financial statements are:

#### a Revenue recognition

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

#### b Goods and services tax (GST)

Revenues, expenses, liabilities and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the New Zealand Inland Revenue (IRD). 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 IRD is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the 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 IRD are classified as operating cash flows.

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

11

For the period 1 July 2017 to 29 June 2018

### 3 Significant accounting policies continued

#### c Income tax – Funds

Under current income tax legislation, the Fund is subject to income tax as if it were a company. The Fund will be liable for New Zealand income tax at 28% (2017: 28%) on its net income with the exception of income in the nature of foreign dividends.

#### d Cash and cash equivalents

For purposes of the Statement of Cash Flows, cash includes cash balances and deposits at call with financial institutions and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

#### e Available for sale financial assets

Unlisted investments are classified as being available for sale. Available for sale financial assets are initially recognised at fair value plus directly attributable transaction costs. Subsequent to initial recognition they are measured at fair value, with any resulting gain or loss other than foreign exchange recognised in other comprehensive income and accumulated as a separate component of equity being “available for sale reserve”. Where there is evidence of impairment in the value of the investment, usually through adverse market conditions, the impairment loss will be recognised directly in the Statement of Profit or Loss and Other Comprehensive Income. Where unlisted investments are derecognised, the cumulative gain or loss previously recognised in the available for sale reserve is reclassified from equity to profit or loss as a reclassification adjustment.

The fair value of the unlisted investment in MNZPF is based on the published net assets of the underlying investment as at the year-end date. The fair value is considered to be reflective of the net realisable value of the Fund’s investment.

#### f Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probably that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### g Distributions

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

#### h Units on issue

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

#### i New standards and interpretations not yet adopted

As the Fund was terminated on 29 June 2018, no new standards, amendments to standards or interpretations which may have been available for early adoption during the current period have been adopted.

### 4 Auditor’s remuneration

All expenses related to remuneration of auditors are borne by the Manager of the Fund. Audit fees borne by the Manager for the period ended 29 June 2018 is \$17,640 (2017: \$17,200).

### 5 Distributions and returns of capital

During the period ended 29 June 2018, the Fund paid cash distribution of \$215,322 or \$0.0433 per unit on the 25 June 2018 (2017: \$1,040,302 or \$0.0287 per unit).

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

12

For the period 1 July 2017 to 29 June 2018

### 6 Income tax expense

	Period ended 29 June 2018 \$	Year ended 30 June 2017 \$
<b>Current tax benefit</b>		
Current period tax expense	–	–
<b>Total current tax expense</b>	–	–
<b>Deferred tax expense</b>		
Current period deferred tax expense	–	–
<b>Total deferred tax expense</b>	–	–
<b>Total income tax expense reported in the Statement of Profit or Loss and Other Comprehensive Income</b>	–	–
<b>Income tax expense</b>		
Numerical reconciliation between tax expense and pre-tax net profit		
Net profit/(loss) after tax	22,420	(564)
Total income tax expense	–	–
<b>Net profit/(loss) before income tax</b>	<b>22,420</b>	<b>(564)</b>
Prima facie income tax (expense)/benefit on profit/(loss) using the Fund's tax rate of 28% (2017: 28%)	(6,277)	158
Non-assessable income	6,510	–
Attributable foreign investment fund (FIF) income adjustment	(2,869)	(14,852)
Tax losses utilised	2,636	14,694
<b>Total income tax expense reported in the Statement of Profit or Loss and Other Comprehensive Income</b>	<b>–</b>	<b>–</b>

Under current income tax legislation, the Fund is subject to income taxes as if it were a company. No tax expenses have been recognised in the financial statements for the current and prior years as the Fund had sufficient carried forward tax losses of \$138,805 (2017: \$148,224). No deferred tax assets have been recognised for any unutilised carried forward tax losses.

### 7 Investment – available for sale

	29 June 2018 \$	30 June 2017 \$
Unlisted registered managed investment scheme – current asset	–	204,949
<b>Total investment – available for sale</b>	<b>–</b>	<b>204,949</b>

The carrying value of investment is represented by the holding in Multiplex New Zealand Property Fund (MNZPF) of nil at 29 June 2018 (2017: 2.09%). At 30 June 2017 the investment was carried at fair value which is considered to be reflective of net realisable value. No impairment to the investment has been recognised for the period (2017: nil).

MNZPF was terminated on 12 June 2018, the Fund ceased to hold any units in MNZPF on this date.

### 8 Units on issue

	Period ended 29 June 2018 \$	Period ended 29 June 2018 Units	Year ended 30 June 2017 \$	Year ended 30 June 2017 Units
<b>Ordinary units</b>				
Opening balance	1,902,849	4,984,319	2,943,151	4,984,319
Return of capital to unitholders	(215,322)	–	(1,040,302)	–
Cancellation of units	(1,687,527)	(4,984,319)	–	–
<b>Closing balance</b>	<b>–</b>	<b>–</b>	<b>1,902,849</b>	<b>4,984,319</b>

Ordinary units entitle the holder to participate in distributions and the proceeds on winding up of the Fund in proportion to the number of units held. On a show of hands every holder of units present at a meeting of unitholders in person or by proxy is entitled to one vote, and upon a poll each unit is entitled to one vote.

All units in the Fund are of the same class and carry equal rights.

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

13

For the period 1 July 2017 to 29 June 2018

### 9 Undistributed losses

	Period ended 29 June 2018 \$	Year ended 30 June 2017 \$
Opening balance	(1,709,947)	(1,709,383)
Net profit/(loss) for the period/year	22,420	(564)
<b>Closing balance immediately prior to cancellation of units on issue</b>	<b>(1,687,527)</b>	<b>(1,709,947)</b>
Cancellation of units on issue	1,687,527	–
<b>Closing balance</b>	<b>–</b>	<b>(1,709,947)</b>

### 10 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 are disclosed in Note 3 to the financial statements.

#### a Capital risk management

Prior to the windup of the Fund, the capital structure of the Fund consists of cash and cash equivalents and equity attributable to unitholders of the Fund, comprising issued capital, reserves and undistributed losses. The Board reviews the cash balances on a quarterly basis.

#### b Financial risk management

##### Overview

The Fund is exposed to financial risks in the course of its operations. These risks can be summarised as follows:

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

The Manager has responsibility for the establishment and monitoring of a risk management framework. This framework seeks to minimise the potential adverse impact of the above risks on the Fund's financial performance. The Board of Directors of the Manager is responsible for the risk management monitoring of the Fund.

##### Investments mandate

The Fund's investments mandate, as disclosed in the Trust Deed, is to invest in property investments. The Manager is now proceeding with the wind up of the Fund.

#### c Credit risk

##### Sources of credit risk and risk management strategies

Credit risk is the risk of financial loss to the Fund if counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from the Fund's cash and cash equivalents, receivables and investment balances held. Credit exposure is monitored in accordance with the sections below. The Fund's overall strategy of credit risk management remains unchanged from 2017.

##### Investment

Credit risk arising from investment is dictated by investing in accordance with the Fund's prospectus into MNZPF.

##### Exposure to credit risk

The table below shows the maximum exposure to credit risk at the reporting date. The carrying amounts of these financial assets represent the maximum credit risk exposure at the reporting date.

	29 June 2018 \$	30 June 2017 \$
Cash and cash equivalents	–	13,453
Other receivables	–	11
Investment – available for sale	–	204,949
<b>Total exposure to credit risks</b>	<b>–</b>	<b>218,413</b>

##### Concentrations of credit risk exposure

The Fund invests in MNZPF and receives distribution income from MNZPF. Therefore, there is a concentration of credit risk with this entity. In assessing this risk, the Fund has taken into account MNZPF's financial position, reputation and previous experience. In considering these factors, the Fund does not consider there to be a significant risk of default by the counterparty as at the period-end date.

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

14

For the period 1 July 2017 to 29 June 2018

### 10 Financial instruments continued

#### c Credit risk continued

##### Collateral obtained/held

The Fund did not call on or hold any collateral in respect of its financial assets during the period (2017: nil).

##### Financial assets past due but not impaired

The ageing of the Fund's receivables at the reporting date are detailed below:

	29 June 2018 \$	30 June 2017 \$
Current	–	11
<b>Total other receivables</b>	<b>–</b>	<b>11</b>

Other receivables are not deemed to be impaired. There are no financial assets that have had their terms renegotiated that would otherwise have rendered the financial assets past due or impaired.

#### d Liquidity risk

##### Unitholders

The Fund is not currently exposed to liquidity risk associated with unitholder redemptions. Distributions will now be paid to unitholders in accordance with the terms of the Trust Deed governing the Fund wind up.

##### Maturity analysis of financial liabilities

The Fund did not hold any financial liabilities during the current period and prior financial year.

#### 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 Fund's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns. The Fund's overall strategy of market risk management remains unchanged from 2017.

##### Sources of market risk and risk management strategies

The Fund is exposed to direct market risk in the form of changes in interest rates on its cash and cash equivalents balances. The Fund is exposed to indirect market risk in the form of investments in unlisted registered managed investments schemes.

##### Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows that are 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 risk is not significant for the Fund, as at 29 June 2018 the Fund has been terminated. The table below shows the Fund's direct exposure to interest rate risk for the comparative year ended 30 June 2017.

	Floating rate \$	Non-interest bearing \$	Total \$
<b>30 June 2017</b>			
<b>Financial assets</b>			
Cash and cash equivalents	13,453	–	<b>13,453</b>
Other receivables	–	11	<b>11</b>
Investment available for sale	–	204,949	<b>204,949</b>
<b>Total financial assets</b>	<b>13,453</b>	<b>204,960</b>	<b>218,413</b>

##### Fair value sensitivity analysis for variable rate instruments

At 29 June 2018 the Fund was not exposed to interest rate risk as it had realised all of its cash on termination. For the comparative period ended 30 June 2018 a 1% increase in interest rates would have increased both profit and loss and equity by \$135. Correspondingly a 1% decrease in interest rates would have decreased both profit and loss and equity by \$135. This analysis assumes that all other variables remain constant.

##### 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.

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

15

For the period 1 July 2017 to 29 June 2018

### 10 Financial instruments continued

#### e Market risk continued

##### Sources of risk and risk management strategies

Prior to the windup of MNZPF on 12 June 2018 the Fund was exposed to foreign currency risk as its investment in MNZPF was an investment in an Australian registered managed investment scheme. Other than the above, the Fund had no direct or indirect foreign currency exposures at 29 June 2018 (2017: nil). The following exchange rates were applied to the Fund's investment in MNZPF during the period.

	29 Jun 2018 Reporting date spot rate	New Zealand Dollar 30 June 2017 Reporting date spot rate	29 June 2018 Average rate	30 June 2017 Average rate
1 Australian Dollar	1.09030	1.0500	1.0853	1.0587

##### Sensitivity analysis

At 29 June 2018 the Fund was not exposed to foreign currency risk as it had realised its investment in MNZPF. For the comparative period ended 30 June 2017 a 5% strengthening/weakening of the New Zealand dollar against the Australian dollar would have (decreased)/increased equity by (\$10,247)/\$10,247, with no change to profit or loss. This analysis assumes all other variables remain constant.

##### Equity price sensitivity

At 29 June 2018, the Fund did not hold any equity investment as the Fund's investment in MNZPF was disposed of during the period.

In the comparative period the Fund held an equity investment in MNZPF pursuant to the original Fund mandate. This was classified as a current available-for-sale financial asset. For further information see Note 7. For the comparative period ended 30 June 2017, it was estimated that an increase/(decrease) of 10% in the underlying net assets of MNZPF would have result in an increase/(decrease) to the investment and available for sale reserve of \$20,494. This analysis assumes all other variables remain constant.

#### f Fair values

##### Methods for determining fair values

The Fund's accounting policies 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 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.

##### Investments – available for sale

The fair value of unlisted investment is calculated based on the latest available net asset values. Refer to Note 3(e) available for sale financial assets and Note 7 investment – available for sale for further details.

##### Fair values versus carrying amounts

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

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- 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
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The carrying amounts of cash and cash equivalents and other receivables are assumed to reasonably approximate their fair values due to their short-term nature. Accordingly, fair value disclosures are not provided for such assets. The Fund invests in MNZPF, whose principal activity is the investment in properties in New Zealand. The fair values of MNZPF's investment properties are arrived at based on a combination of market data, including inputs that are not based on observable market data. The Fund's investment in MNZPF (i.e. investment – available for sale) has been classified as level 3 prior to being realised. At 29 June 2018 the Fund held no financial assets as the Fund has been terminated. The following table presents the Fund's assets and liabilities measured and recognised at fair value for the comparative period ended 30 June 2017.

30 June 2017	Level 3 \$	Total \$
<b>Assets</b>		
Investment – available for sale		
Unlisted investment	204,949	204,949
<b>Total financial assets – 30 June 2017</b>	<b>204,949</b>	<b>204,949</b>

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

16

For the period 1 July 2017 to 29 June 2018

### 10 Financial instruments continued

#### f Fair values continued

#### Fair values versus carrying amounts continued

Reconciliation of level 3 fair value measurement:

	Investment available for sale \$	Total \$
<b>For the period ended 29 June 2018</b>		
Opening balance – 1 July 2017	204,949	204,949
Returns of capital to unitholders	(179,438)	(179,438)
Available for sale reserve	(25,511)	(25,511)
<b>Closing balance – 29 June 2018</b>	<b>–</b>	<b>–</b>
<b>Total losses for the year included in profit or loss attributable to losses relating to assets held at the end of period</b>	<b>–</b>	<b>–</b>

	Investment available for sale \$	Total \$
<b>For the year ended 30 June 2017</b>		
Opening balance – 1 July 2016	1,058,591	1,058,591
Return of capital to unitholders	(849,843)	(849,843)
Available for sale reserve	(3,799)	(3,799)
<b>Closing balance – 30 June 2017</b>	<b>204,949</b>	<b>204,949</b>
<b>Total losses for the year included in profit or loss attributable to losses relating to assets held at the end of year</b>	<b>–</b>	<b>–</b>

During the current period and prior year, there were no financial assets or liabilities which transferred between levels 1, 2 or 3.

### 11 Reconciliation of cash flows from operating activities

	Period ended 29 June 2018 \$	Year ended 30 June 2017 \$
Net profit/(loss) for the period/year	22,420	(564)
<i>Items classified as non cash or not included in operating activities</i>		
Distribution income from available for sale investment	–	115
Income from the sale of investments	(23,249)	–
<b>Operating loss before changes in working capital</b>	<b>(829)</b>	<b>(449)</b>
<i>Changes in assets and liabilities during the period/year:</i>		
Decrease in receivables	11	336
<b>Net cash flows used in operating activities</b>	<b>(818)</b>	<b>(113)</b>

### 12 Related parties

#### Manager

The Manager of Multiplex Tasman Property Fund is Brookfield Multiplex Capital New Zealand Limited (NZBN 15 34 298).

#### Key management personnel

The Directors of the Manager are key management personnel of that entity. The following persons were Directors of the Manager at any time during or since the end of the financial period:

Name	Capacity
Shane Ross	Executive Director
Stephen Doherty (appointed 25 August 2017)	Executive Director
Regan Simpson (resigned 25 August 2017)	Executive Director

Since registration of the Fund, no Director of the Manager has received or become entitled to receive any benefit because of a contract made by the Fund with a Director or with a firm of which a Director is a member, or with an entity in which the Director has a substantial interest, except at terms set out in the Trust Deed.

No compensation is paid to any of the key management personnel of the Trustee directly by the Fund.



# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

17

For the period 1 July 2017 to 29 June 2018

### 12 Related parties continued

#### Manager's remuneration

In accordance with the Trust Deed, the Manager is entitled to receive a management fee of 0.70% per annum (including GST) of the gross asset value of the Fund, payable monthly in arrears. However, where the sole investment of the Fund is MNZPF, no base management fee will be payable. If the Manager or an associated person of the Manager provides services to the Fund (for example, leasing, sales and acquisitions, and property management services), then that party is entitled to fees at the prevailing market rates for those services.

As the Fund's sole investment was MNZPF, no base management fee will be payable to the Manager (2017: nil), and the Manager will meet all reasonable and customary day-to-day expenses of the Fund.

#### Transactions with related parties

	Period ended 29 June 2018 \$	Year ended 30 June 2017 \$
Returns of capital and distribution income from Multiplex New Zealand Property Fund	202,687	849,728

As at 29 June 2018 no returns of capital and distributions were receivable from MNZPF (2017: nil).

Transactions with related parties are conducted on normal commercial terms and conditions. Returns of capital and distributions to related parties are made on the same terms and conditions applicable to all unitholders.

#### Related party investment held by the Fund

The Fund had the following investment in related parties of the Manager at the end of the period/year:

	Period ended 29 June 2018 \$	Year ended 30 June 2017 \$
Multiplex New Zealand Property Fund	–	204,949

### 13 Contingent liabilities and assets

No contingent liabilities or assets existed at 29 June 2018 (2017: nil).

### 14 Capital and other commitments

The Fund had no capital or other commitments at 29 June 2018 (2017: nil).

### 15 Events subsequent to the reporting date

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

## Independent Auditor's Report to the Shareholders of Multiplex Tasman Property Fund

### *Opinion*

We have audited the financial statements of Multiplex Tasman Property Fund (the "Fund") which comprise the statement of financial position as at 29 June 2018, and the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Fund financial position as at 29 June 2018 and its financial performance and its cash flows for the period then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Fund in accordance with the ethical requirements of Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board (the Code) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code.

Other than in our capacity as auditor, we have no relationship with or interests in the Fund, except that partners and employees of our firm deal with the Fund on normal terms within the ordinary course of trading activities of the business of the Fund.

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

### *Other Information*

- (a) The Manager on behalf of the Fund is responsible for the other information. The other information comprises the information included in the Fund's annual report for the period ended 29 June 2018, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the Manager for the Financial Statements*

The Manager of the Entity is responsible on behalf of the Fund for the preparation and fair presentation of the financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS), and for such internal control as the Manager determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible on behalf of the Fund for assessing the ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
DELOITTE TOUCHE TOHMATSU

  
Stuart Alexander  
Partner  
Chartered Accountants  
Sydney, 12 September 2018