Multiplex New Zealand Property Fund
Financial report
For the year ended
30 June 2016

Multiplex New Zealand Property Fund

ARSN 110 281 055

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For the year ended 30 June 2016

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Directory
Multiplex New Zealand Property Fund
For the year ended 30 June 2016

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
Shane Ross

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
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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:
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Sydney NSW 2001
Telephone: 1300 737 760
Facsimile: 1300 653 459
International
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664
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Auditor
Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000
Telephone: +61 2 9322 7000
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Directors' Report
Multiplex New Zealand Property Fund
For the year ended 30 June 2016

Introduction
The Directors of Brookfield Capital Management Limited (ABN 32 094 936 866), the Responsible Entity of Multiplex New Zealand Property Fund (ARSN 110 281 055) (Fund), present their report together with the financial statements of the Consolidated Entity, being the Fund and its subsidiaries, for the year ended 30 June 2016 and the Independent Auditor's Report thereon. The Fund was constituted on 28 July 2004.

All amounts quoted in this report are in Australian dollars, unless otherwise noted.

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
Shane Ross	Executive 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. 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 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. BFML is the Responsible Entity for the listed Multiplex SITES Trust. Barbara is a Director of Qantas Airways Limited and Caltex Australia Limited.

Shane Ross (BBus), Executive 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 Alternate Director for Russell on that date. Subsequently Shane resigned as Alternate Director on 6 May 2015 and appointed as an Executive Director on that date. Shane is also a director of BFML which is the Responsible Entity of Multiplex SITES Trust. Shane joined the organisation in 2003 following a background in banking and has over 20 years of experience in treasury and finance within the property industry.

Information on Company Secretary
Neil Olofsson
Neil has over 19 years of international company secretarial experience and has been with the Brookfield Australia group since 2005.

Directors' Report continued
Multiplex New Zealand Property Fund
For the year ended 30 June 2016

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 New Zealand Property Fund units held
F. Allan McDonald	26,000
Barbara Ward	–
Shane Ross	–

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

Policy on hedging equity incentive schemes
The Board of BCML do not receive any equity-based remuneration, and therefore will not be engaging in any hedge arrangements in relation to their remuneration.

A copy of the Security Trading Policy is available on the Brookfield Australia website at www.au.brookfield.com.

Directors' meetings

	Board Meetings		Audit Committee Meetings		Board Risk and Compliance Committee Meetings	
Director	A	B	A	B	A	B
F. Allan McDonald	4	4	2	2	2	2
Barbara Ward	4	4	2	2	2	2
Shane Ross	4	4	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.

Principal activities
The principal activity of the Consolidated Entity is the investment in properties in New Zealand.

Sale of properties
During June 2016 the Consolidated Entity sold and settled its remaining three properties for total gross sales proceeds of NZ$46,696,000 (A$44,654,000).

NZ$2,764,000 (A$2,638,000) of the sales proceeds from HP House was placed in escrow for the purposes of completion of seismic works for HP House. An additional NZ$250,000 (A$239,000) is being held as a warranty retention.

NZ$575,000 (A$550,000) of the sales proceeds from Conservation House and 143 Willis Street was placed in escrow for the purpose of completion of seismic works for Conservation House and 143 Willis Street.

Wind up of the Fund
Following the sale of the final three properties, the Responsible Entity continues with the wind up of the Fund. The completion of the wind up of the Fund will be conditional on a number of activities, including the completion of seismic works obligations and the release of any remaining escrow amounts.

There are grounds to expect that the Fund will not complete its wind up process within the next 12 months.

Review of operations
The Consolidated Entity has recorded a net loss after tax of $9,721,000 for the year ended 30 June 2016 (2015: net profit after tax of $3,215,000). The reported net loss includes $7,519,000 of unrealised losses on revaluations of investment properties (2015: $3,661,000 unrealised losses) and net loss on sale of investment properties for $4,272,000 (2015: nil).

Some of the significant events during the year are as follows:
- total revenue and other income of $4,868,000 (2015: $11,918,000);
- net assets attributable to unitholders of $48,260,000 (2015: $62,098,000) and net asset per unit of $0.22 (2015: $0.28);
- the sale and settlement of its three remaining properties for total gross proceeds of $44,645,000 (at the transaction day spot rate) or NZ$46,696,000.

Interests of the Responsible Entity

Fee payments

The Consolidated Entity incurred the following fees to the Responsible Entity during the financial year:

- management fees of $442,000 (2015: $573,000);
- there was no property sale fees (2015: nil); and
- no leasing fees were incurred during the year (2015: nil).

Investments held

The following interests were held by related parties in the Consolidated Entity during the year:

- BFML as responsible entity for Brookfield Australia Property Trust holds 47,461,298 units or 21.8% of the Fund at year end (2015: 47,461,298 units or 21.8% of the Fund);
- JP Morgan Chase Bank N.A. as custodian for BAO Trust holds 43,890,679 units or 20.1% of the Fund at year end (2015: 43,890,679 units or 20.1% of the Fund);
- Foundation Corporate Trust as trustee for Multiplex Tasman Property Fund holds 4,560,502 units or 2.1% of the Fund at year end (2015: 4,560,502 units or 2.1% of the Fund);
- JP Morgan Chase Bank N.A as custodian for Multiplex Property Income Fund holds 1,125,402 units or 0.5% of the Fund at year end (2015: 1,125,402 units or 0.5% of the Fund);
- BCML holds 17,266,146 units or 7.9% of the Fund at year end (2015: 17,266,146 units or 7.9% of the Fund);
- Multiplex APF Pty Ltd, as trustee for Multiplex APF Trust, holds 3,712,913 units or 1.7% of the Fund at year end (2015: 3,712,913 units or 1.7% of the Fund); and
- Brookfield Multiplex Capital Pty Ltd holds 220,793 units or 0.1% of the Fund at year end (2015: 220,793 units or 0.1% of the Fund).

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

Subsequent to 30 June 2016, the Fund declared cash distributions totalling $39,250,000 or 18.0 cpu. Payment was made on 6 July 2016.

Other than the matters noted 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.

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.

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

During the financial year, the Fund paid the following cash distributions (treated as a combination of income distributions and returns of capital in the financial statements) of:

- $8,722,000 or 4 cents per unit (cpu) paid on 29 June 2016.

In the prior year ended 30 June 2015, the Fund made the following distributions:

- $42,521,000 or 19.5 cpu paid on 24 December 2014.
- $4,361,000 or 2.0 cpu paid on 7 November 2014.

Directors' Report continued
Multiplex New Zealand Property Fund
For the year ended 30 June 2016

Indemnification and insurance of officers and auditors
Brookfield Australia Investments Limited (BAIL), a related entity, 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 BAIL 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).

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 an entity of the kind referred to in Corporations (Rounding in Financials/Directors' Report) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporate Instrument amounts in the Directors' Report and the financial statements are rounded to the nearest thousand dollars, unless otherwise indicated.

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 2016.

Dated at Sydney this 25th day of August 2016.

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

Shane Ross
Director
Brookfield Capital Management Limited

Deloitte.

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

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

25 August 2016

Dear Directors,

MULTIPLEX NEW ZEALAND PROPERTY 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 New Zealand Property Fund.

As lead audit partner for the audit of the financial statements of Multiplex New Zealand Property Fund for the year ended 30 June 2016, 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

A. COLEMAN

Andrew J Coleman
Partner
Chartered Accountants

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Multiplex New Zealand Property Fund

For the year ended 30 June 2016

	Note	Consolidated Year ended 30 June 2016 $'000	Year ended 30 June 2015 $'000
Revenue and other income			
Property rental income		4,673	11,456
Interest income		195	415
Net gain on sale of investment properties		–	47
Total revenue and other income		**4,868**	**11,918**
Expenses			
Property expenses		2,333	3,871
Net loss on sale of investment properties		4,272	–
Net loss on revaluation of investment properties	9	7,519	3,661
Management fees		442	573
Other expenses		194	163
Total expenses		**14,760**	**8,268**
Net (loss)/profit before income tax		**(9,892)**	**3,650**
Income tax benefit/(expense)	6	171	(435)
Net (loss)/profit after income tax for the year		**(9,721)**	**3,215**
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Changes in foreign currency translation reserve		4,605	**(2,522)**
Other comprehensive income/(loss) for the year, net of income tax		**4,605**	**(2,522)**
Total comprehensive (loss)/income for the year		**(5,116)**	**693**
Net (loss)/profit attributable to ordinary unitholders		**(9,721)**	**3,215**
Total comprehensive (loss)/income attributable to ordinary unitholders		**(5,116)**	**693**

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 New Zealand Property Fund

As at 30 June 2016

	Note	Consolidated 2016 $'000	2015 $'000
Assets			
Current assets			
Cash and cash equivalents		47,930	16,606
Trade and other receivables	8	3,921	1,061
Current tax receivable	6	–	261
Total current assets		**51,851**	**17,928**
Non-current assets			
Investment properties	9	–	50,115
Total non-current assets		**–**	**50,115**
Total assets		**51,851**	**68,043**
Liabilities			
Current liabilities			
Trade and other payables	11	3,286	4,541
Current tax liability	6	98	–
Total current liabilities		**3,384**	**4,541**
Non-current liabilities			
Accrued wind up costs		207	1,158
Deferred tax liabilities	6	–	246
Total non-current liabilities		**207**	**1,404**
Total liabilities		**3,591**	**5,945**
Net assets		**48,260**	**62,098**
Equity			
Units on issue	12	101,866	109,901
Reserves	13	(23,620)	(28,225)
Undistributed losses	14	(29,986)	(19,578)
Total equity		**48,260**	**62,098**

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 New Zealand Property Fund
For the year ended 30 June 2016

Consolidated entity	Note	Ordinary units $'000	Attributable to unitholders of the Fund Undistributed profits/(losses) $'000	Reserves $'000	Total $'000
Opening equity – 1 July 2015		**109,901**	**(19,578)**	**(28,225)**	**62,098**
Changes in foreign currency translation reserve		–	–	4,605	**4,605**
Other comprehensive income for the year, net of income tax		–	–	4,605	**4,605**
Net loss for the year		–	(9,721)	-	**(9,721)**
Total comprehensive income for the year		–	(9,721)	4,605	**(5,116)**
Transactions with unitholders in their capacity as unitholders:					
Distributions declared	14	–	(687)	–	**(687)**
Return of capital	12	(8,035)	–	–	**(8,035)**
Total transactions with unitholders in their capacity as unitholders		**(8,035)**	**(687)**	**–**	**(8,722)**
Closing equity – 30 June 2016		**101,866**	**(29,986)**	**(23,620)**	**48,260**

Consolidated entity	Note	Ordinary units $'000	Attributable to unitholders of the Fund Undistributed profits/(losses) $'000	Reserves $'000	Total $'000
Opening equity – 1 July 2014		**155,551**	**(21,561)**	**(25,703)**	**108,287**
Changes in foreign currency translation reserve		–	–	(2,522)	**(2,522)**
Other comprehensive loss for the year, net of income tax		–	–	(2,522)	**(2,522)**
Net profit for the year		–	3,215	–	**3,215**
Total comprehensive income for the year		–	3,215	(2,522)	**693**
Transactions with unitholders in their capacity as unitholders:					
Distributions declared	14	–	(1,232)	–	(1,232)
Return of capital	12	(45,650)	–	–	(45,650)
Total transactions with unitholders in their capacity as unitholders		**(45,650)**	**(1,232)**	**–**	**(46,882)**
Closing equity – 30 June 2015		**109,901**	**(19,578)**	**(28,225)**	**62,098**

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

Consolidated Statement of Cash Flows

Multiplex New Zealand Property Fund

For the year ended 30 June 2016

	Note	Consolidated Year ended 30 June 2016 $'000	 Year ended 30 June 2015 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		4,455	13,026
Cash payments in the course of operations		(4,159)	(7,270)
Interest received		192	361
Net income tax received		263	105
Net cash flows (used in)/from operating activities	15	**751**	**6,222**
Cash flows from investing activities			
Net proceeds from sale of investment properties		41,641	44,749
Payments for additions to investment properties		(3,817)	(2,081)
Net cash flows from investing activities		**37,824**	**42,668**
Cash flows from financing activities			
Distributions paid		(687)	(1,232)
Returns of capital paid		(8,035)	(45,650)
Net cash flows used in financing activities		**(8,722)**	**(46,882)**
Net increase in cash and cash equivalents		29,853	2,008
Impact of foreign exchange		1,471	(976)
Cash and cash equivalents at beginning of year		16,606	15,574
Cash and cash equivalents at 30 June		**47,930**	**16,606**

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

1 Reporting entity
Multiplex New Zealand Property 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 2016 comprise the Fund and its subsidiaries (together referred to as the Consolidated Entity).

2 Basis of preparation
a Statement of compliance
The consolidated 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 consolidated financial statements were authorised for issue by the Directors on this 25th day of August 2016.

b Basis of measurement
The consolidated financial statements have been prepared on the basis of historical cost, except for investment properties which are measured at fair value and interest bearing liabilities which are measured at amortised cost.

The methods used to measure the above are discussed further in Note 3.

The consolidated financial statements are presented in Australian dollars, which is the Fund's presentation currency. The Fund's functional currency is Australian dollars. However, the Consolidated Entity is predominantly comprised of operations that are located in New Zealand. The functional currency of the controlled entity that holds these operations is the New Zealand dollar.

The Consolidated Entity is an entitiy of the kind referred to in Corporations (Rounding in Financials/Directors' Report) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporate Instrument amounts in the Directors' Report and the financial statements are rounded to the nearest thousand dollars, unless otherwise indicated.

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.

There are no critical estimates or judgements as at year end 30 June 2016.

d Going concern
The consolidated financial statements have been prepared on a going concern basis which assumes the Consolidated Entity will be able to realise its assets and discharge its liabilities in the normal course of business.

In September 2012, unitholders representing over 88% of the units on issue elected to exit the Fund. As the election results indicated that the majority of unitholders did not wish to remain invested in the Fund, the Responsible Entity carefully considered the options available to the Fund including the sale of units and the sale of all or some of the assets to facilitate the withdrawal of unitholders. It was decided that it is in the best interests of unitholders, and in particular will maximise the value that can be returned to all unitholders, for the Fund to be wound up. The Responsible Entity is currently proceeding with winding up the Fund, which consists of deducting costs and then distributing the balance to unitholders.

During the year the Fund sold its remaining properties. The date of the final wind up is dependent on a number of activities including completion of seismic works obligations, the release of any remaining escrow amounts and the final distribution.

There are grounds to expect that the Fund will not complete its wind up process within the next 12 months.

Based on the above, the Directors of the Responsible Entity believe it is appropriate to continue to adopt the going concern basis for this set of consolidated financial statements. The consolidated financial statements do not include adjustments relating to the recoverability and classification of asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Fund and Consolidated Entity not continue as a going concern.

2 Basis of preparation continued

e New and amended standards adopted

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2015 that have a material impact on 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

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. The assets and liabilities of foreign controlled entities are translated into Australian dollars at rates of exchange current at the period end date, while their income and expenditure are translated at the exchange rate at the date of the transactions.

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.

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.

b Foreign and cross currency transactions

Foreign and cross currency transactions of the Consolidated Entity are converted to Australian dollars at the rate of exchange prevailing at the date of the transaction or at hedge rates where applicable. Amounts receivable or payable by entities within the Consolidated Entity that are outstanding as at the period end date and are denominated in foreign currencies are converted to Australian dollars using rates of exchange at the end of the period. All resulting exchange differences arising on settlement are brought to account in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Foreign currency differences are recognised directly in equity in the foreign currency translation reserve (FCTR).

3 Significant accounting policies continued

c Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreements so as to reflect the risks and benefits incidental to ownership.

Operating leases

The fixed minimum rental revenues of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as income on a straight-line basis over the lease term, which is considered to best represent the time pattern in which benefits derived from the leased asset are diminished.

Contingent rents are recorded as income by the Consolidated Entity in the periods in which they are earned.

Leasing fees

Leasing fees in relation to the initial leasing of the property after a redevelopment are capitalised and amortised over the period to which the lease relates.

Costs that are directly associated with negotiating and executing the ongoing renewal of tenant lease agreements (including commissions, legal fees and costs of preparing and processing documentation for new leases) are also capitalised and amortised over the lease term in proportion to the rental revenue recognised in each financial year.

Leasing incentives

Lease incentives which may take the form of up-front payments, contributions to certain lease costs, relocation costs and fit-outs and improvements are recognised as a reduction of rental income over the lease term.

d Expense recognition

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

A performance fee of 2% of the gross value of assets to the extent the net asset value exceeds the capital subscribed (less any capital returns other than amounts returned as a distribution of operating cash flow) is payable to the Responsible Entity. An additional fee of 2% of the gross value of assets is payable provided unitholders have achieved a 50% premium on capital subscribed (less capital returns).

The performance fee is calculated each time there is a rollover of the Consolidated Entity or on sale of the Consolidated Entity's assets prior to termination of the Consolidated Entity.

e Income tax - funds

Under current income tax legislation, the Fund is not liable for Australian income tax as unitholders are presently entitled at year end to the income of the trust estate calculated in accordance with the Fund's Constitution and applicable tax law.

The wholly-owned sub-trust of the Fund which owns properties in New Zealand is liable to pay tax under New Zealand tax legislation at the current corporate rate of 28% (2015: 28%).

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 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.

3 Significant accounting policies continued

g 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. Non-current receivables are measured at amortised cost using the effective interest rate method.

h Investment property

An investment property is a property that is held to earn long-term rental yields and/or for capital appreciation.

An investment property acquired is initially recorded at its cost at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. An investment property is subsequently carried at fair value based on the principles outlined below.

The costs of assets constructed/redeveloped internally include the costs of materials, direct labour, directly attributable overheads, finance costs and other incidental costs.

Where the contracts of purchase include a deferred payment arrangement, amounts payable are recorded at their present value, discounted at the rate applicable to the Consolidated Entity if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

Valuations

Investment property is stated at fair value at the reporting date.

The investment properties of the Consolidated Entity are internally valued at each reporting date. The Consolidated Entity's policy is to obtain external valuations when internal valuations performed indicate the property value has changed by more than 5%, or whenever it is believed that the fair value of a property differs significantly from its carrying value, based on a material change to the assumptions and market conditions underlying the valuation. An external valuation is obtained at least every 3 years. All external valuations are adopted as the fair value of the investment property at the relevant reporting date. When internal valuations indicate a change from the carrying value between 2% and 5% the internal valuation will be adopted.

The fair value of an investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction, and is determined:
- without any deduction for transaction costs the entity may incur on sale or other disposal;
- reflecting market conditions at the reporting date;
- reflecting rental income from current leases and reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental income from future leases in the light of current conditions. It also reflects, on a similar basis, any cash outflows that could be expected in respect of the property;
- assuming simultaneous exchange and completion of the contract for sale without any variation in price that might be made in an arm's length transaction between knowledgeable, willing parties if exchange and completion are not simultaneous;
- ensuring that there is no double-counting of assets or liabilities that are recognised as separate assets or liabilities; and
- without inclusion of future capital expenditure that will improve or enhance the property. The valuation does not reflect the related future benefits from this future expenditure.

Any gains or losses arising from a change in the fair value of an investment property are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

i New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Consolidated Entity in the period of initial application. They are available for early adoption at 30 June 2016 but have not been applied in preparing this financial report:

AASB 9 *Financial Instruments* (and applicable amendments), (effective from 1 January 2018) addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption.

AASB 15 *Revenue from Contracts with Customers* (and applicable amendments), (effective from 1 January 2018) is a new standard for the recognition of revenue. This will replace AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards.

3 Significant accounting policies continued

i New standards and interpretations not yet adopted continued

AASB 2015-2 *Amendments to AASB 101*, (effective from 1 January 2016) provides clarification to the existing disclosure requirements in AASB 101 *Presentation of Financial Statements* and ensures that entities are able to use judgements when applying the standard in determining what information to disclose in their financial statements.

During the year AASB 1031 *Materiality* has been effectively withdrawn from 1 July 2015.

The Consolidated Entity does not intend to early adopt the above new standards and amendments and management continues to assess their impacts.

There are no other standards that are not yet effective and that would be 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

	Fund 2016 $'000	2015 $'000
Assets		
Current assets	4,588	1,921
Non-current assets	43,863	56,775
Total assets	**48,451**	**58,696**
Liabilities		
Current liabilities	191	138
Total liabilities	**191**	**138**
Equity		
Units on issue	101,866	109,901
Undistributed losses	(53,606)	(51,343)
Total equity	**48,260**	**58,558**

	Fund Year ended 30 June 2016 $'000	Year ended 30 June 2015 $'000
Net (loss)/profit for the year	(1,576)	7,237
Other comprehensive income for the year	–	–
Total comprehensive (loss)/income for the year	**(1,576)**	**7,237**

5 Auditor's remuneration

	Consolidated Year ended 30 June 2016 $	Year ended 30 June 2015 $
Auditors of the Fund:		
Audit and review of the financial report	46,400	45,000
Total auditor's remuneration	**46,400**	**45,000**

Fees paid to the auditors of the Fund in relation to compliance plan audits are borne by the Responsible Entity.

6 Income tax

	Consolidated Year ended 30 June 2016 $'000	Consolidated Year ended 30 June 2015 $'000
Major components of income tax expense		
Current income tax expense	(98)	(185)
Total current income tax expense	**(98)**	**(185)**
Deferred income tax		
Relating to origination and reversal of temporary differences	269	(250)
Total deferred income tax benefit/(expense)	**269**	**(250)**
Total income tax benefit/(expense) reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	**171**	**(435)**
Income tax (expense)/benefit		
Numerical reconciliation between tax expense and pre-tax net profit		
Profit/(loss) before income tax	(9,892)	3,650
Prima facie income tax (expense)/benefit on profit/(loss) using the domestic corporate tax rate of 30% (2015: 30%)	2,968	(1,095)
Effect of tax rates in foreign jurisdiction using New Zealand tax rate of 28% (2015: 28%)	(198)	73
Non-assessable income [1]	(187)	(165)
Deferred tax not previously brought to account	(2,412)	846
Prior year true up of tax return	–	(94)
Total income tax benefit/(expense) reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	**171**	**(435)**

[1] Under current income tax legislation, the Fund is not liable for Australian income tax as unitholders are presently entitled at year end to the income of the trust estate calculated in accordance with the Fund's Constitution and applicable tax law.

Recognised deferred tax assets and liabilities

	Consolidated 2016 $'000	Consolidated 2015 $'000
Tax assets and liabilities		
Current tax (liability)/receivable	(98)	261
Deferred tax liability	–	(246)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2016 $'000	Assets 2015 $'000	Liabilities 2016 $'000	Liabilities 2015 $'000	Net 2016 $'000	Net 2015 $'000
Consolidated						
Deferred tax differences	–	451	–	(697)	–	(246)
Total	**–**	**451**	**–**	**(697)**	**–**	**(246)**

Deferred tax assets are stated at the rate of 28% (2015: 28%). There are no tax amounts recognised directly in equity for the current or prior year.

In accordance with AASB 112 *Income Taxes*, there are no deferred tax assets for 30 June 2016 not recognised.

7 Distributions and return of capital

The following distributions and returns of capital were declared by the Fund to its unitholders during the current and prior years.

	Cents per unit	Total amount $'000	Date of payment
Ordinary unitholders			
June 2016 distributions and returns of capital	4.0	8,722	29 June 2016
Total distributions and returns of capital for the year ended 30 June 2016	**4.0**	**8,722**	
Ordinary unitholders			
November 2014 distribution	2.00	4,361	7 November 2014
December 2014 distribution	19.50	42,521	24 December 2014
Total distributions and returns of capital for the year ended 30 June 2015	**21.50**	**46,882**	

8 Trade and other receivables

	Consolidated 2016 $'000	2015 $'000
Trade receivables	56	27
Prepayments and accrued income	–	151
GST receivable	227	–
Other receivables	3,638	883
Total trade and other receivables	**3,921**	**1,061**

9 Investment properties

	Consolidated Book value 2016 $'000	Book value 2015 $'000
Total investment properties[1]	**–**	**50,115**

[1]Investment properties held for sale

During June 2016 the Consolidated Entity sold and settled its remaining three properties for total gross sales proceeds of NZ$46,696,000 (AU$44,654,000).

NZ$2,764,000 (A$2,638,000) of the sales proceeds from HP House was placed in escrow for the purposes of completion of seismic works for HP House. An additional NZ$250,000 (A$239,000) is being held as a warranty retention.

NZ$575,000 (A$550,000) of the sales proceeds from Conservation House and 143 Willis Street was placed in escrow for the purpose of completion of seismic works for Conservation House and 143 Willis Street.

Independent valuations

The Consolidated Entity did not hold any investment properties at 30 June 2016.

9 Investment properties continued

Reconciliation of the carrying amount of investment properties is set out below:

	Consolidated Year ended 30 June 2016 $'000	Consolidated Year ended 30 June 2015 $'000
Investment properties		
Carrying amount at beginning of year	50,115	96,924
Sale of investment properties	(44,644)	(44,283)
Capital expenditure and incentives	1,675	2,788
Net loss from fair value adjustments to investment properties	(7,519)	(3,661)
Impact of straight-lining	–	12
Foreign currency translation exchange adjustment	373	(1,665)
Carrying amount at year end	**–**	**50,115**

Foreign currency translation exchange adjustments arise due to changes in opening and closing foreign exchange rates. NZ$ balances at 30 June 2016 have been translated at a rate of A$1 = NZ$1.0489. NZ$ balances at 30 June 2015 have been translated at a rate of A$1 = NZ$1.1294.

Leasing arrangements

Completed investment properties are leased to tenants under long-term operating leases with rentals receivable monthly. Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the consolidated financial statements are receivable as follows:

	Consolidated 2016 $'000	Consolidated 2015 $'000
Within one year	–	4,003
Later than one year but not later than five years	–	10,313
Later than five years	–	591
Total minimum lease payments	**–**	**14,907**

Minimum lease payments in NZ$ has been converted at the 30 June 2016 exchange rate of A$1 = NZ$1.0489 (2015: A$1 = NZ$1.1294)

10 Investment in controlled entities

	Principal place of business / country of incorporation	Ownership and voting rights 2016	Ownership and voting rights 2015
Directly held subsidiaries			
Investment in Brookfield Albert Street Investment Trust (BASIT)	Australia	99%	99%
Investment in Brookfield Albert Street Landowning Trust (BASLT)	Australia	1%	1%
Investment in Multiplex Tasman Holding Trust (MTHT)	Australia	100%	100%

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

The Fund ultimately owns 100% of BASIT and BASLT through its ownership in the other controlled entities.

11 Trade and other payables

	Consolidated 2016 $'000	Consolidated 2015 $'000
Trade payables	362	–
Management fee payable	98	110
Payments received in advance and other property accruals	163	3,588
Other payables and accruals	2,663	843
Total trade and other payables	**3,286**	**4,541**

12 Units on issue

	Year ended 30 June 2016 $'000	Year ended 30 June 2016 Units	Year ended 30 June 2015 $'000	Year ended 30 June 2015 Units
Ordinary units				
Opening balance	109,901	218,056,451	155,551	218,056,451
Return of capital	(8,035)	–	(45,650)	–
Closing balance	**101,866**	**218,056,451**	**109,901**	**218,056,451**

In accordance with the Fund's constitution, each unitholder is entitled to receive distributions as declared from time to time and are entitled to one vote at unitholder meetings. In accordance with the Fund's constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund.

13 Reserves

Foreign currency translation reserve

	Consolidated	
	Year ended 30 June 2016 $'000	Year ended 30 June 2015 $'000
Opening balance	(28,225)	(25,703)
Movement in reserves due to changes in foreign exchange rates	4,605	(2,522)
Closing balance	**(23,620)**	**(28,225)**

14 Undistributed losses

	Consolidated	
	Year ended 30 June 2016 $'000	Year ended 30 June 2015 $'000
Opening balance	(19,578)	(21,561)
Net (loss)/profit for the year	(9,721)	3,215
Distributions declared	(687)	(1,232)
Closing balance	**(29,986)**	**(19,578)**

15 Reconciliation of cash flows from operating activities

	Consolidated	
	Year ended 30 June 2016 $'000	Year ended 30 June 2015 $'000
Net profit after income tax for the year	**(9,721)**	**3,215**
Adjustments for:		
Non-cash items		
Net loss on revaluation of investment properties	7,519	3,661
Net loss/(gain) on sale of investment properties	4,272	(47)
Deferred income tax (benefit)/expense	(269)	250
Other	(1,186)	(1,209)
Operating profit before changes in working capital	**615**	**5,870**
Changes in assets and liabilities during the year		
(Increase)/decrease in trade and other receivables	562	1,445
Increase/(decrease) in trade and other payables and current tax receivable/liability	(426)	(1,093)
Net cash flows (used in)/from operating activities	**751**	**6,222**

16 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
Shane Ross

No compensation is paid to any of the Key Management Personnel of the Responsible Entity directly by the Fund or Consolidated Entity.

Directors' interests

Allan McDonald, a Director of the Responsible Entity, holds 26,000 units in the Fund. No other Director has interests in the unit capital of the Fund at the date of this report. No options are held by/have been issued to any Directors.

Responsible Entity's fees and other transactions

In accordance with the Fund Constitution, BCML is entitled to receive:

Performance fee

The performance fee is calculated in accordance with the Constitution, which requires a fee to be paid equivalent of up to 2.0% of the gross value of the assets of the Fund, to the extent that the net assets exceed the capital subscribed, as at the end of the first period (September 2014). The performance fee expense for the year ended 30 June 2016 was nil (2015: nil). As at 30 June 2016, the performance fee payable to the Responsible Entity was nil (2015: nil).

Management fee

A management fee based on the gross value of assets is payable to the Responsible Entity, less a fee of NZ$6,500 per month payable to Multiplex Tasman Management (NZ) Limited. The fee is payable by the Fund monthly in arrears. The management fee expense for the year ended 30 June 2016 was $442,000 (2015: $573,000). As at 30 June 2016, the management fee payable to the Responsible Entity was $98,000 (2015: $110,000).

Establishment fee

An establishment fee up to 5% of the gross value of assets acquired which compensates the Responsible Entity from the risks and expenses associated with raising equity acquiring assets and establishing the Fund is payable to the Responsible Entity. From this fee, the Responsible Entity will pay commissions in relation to subscriptions. This fee is payable by the Fund on the completion or purchase of assets. No establishment fees have been incurred or paid to the Responsible Entity in 2016 or 2015.

Expense reimbursements

The Responsible Entity is reimbursed by the Consolidated Entity for all expenses incurred on behalf of the Consolidated Entity.

Leasing fees

Leasing fees are payable to the Responsible Entity for an amount not more than 8.5% of the gross proceeds for the first year of the new or extended term of a lease of premises that form part of the property. The leasing fees incurred by the Consolidated Entity to the Responsible Entity in the year ended 30 June 2016 was nil (2015: nil). As at 30 June 2016, the leasing fees payable to the Responsible Entity are nil (2015: nil).

Property sales fees

Property sales fees are payable to the Responsible Entity at a rate of 2% of the gross sales price, only to the extent this fee will not cause the net sales proceeds to fall below the purchase price plus all acquisition costs, capex and other associated costs for the asset sold. An additional fee of 2% is payable to the extent the net sales proceeds represent more than a 50% premium on the purchase price plus acquisition costs, capex and other associated costs. No property sales fees were incurred by the Consolidated Entity in the year ended 30 June 2016 (2015: nil).

Parent entities

The ultimate Australian parent of the Consolidated Entity is BHCA 1 Pty Limited (previously BHCA Pty Limited). The ultimate parent of the Consolidated Entity is Brookfield Asset Management Inc.

16 Related parties continued

Related party unitholders

The following interests were held by related parties in the Consolidated Entity during the year:

- Brookfield Funds Management Limited as responsible entity for Brookfield Australia Property Trust holds 47,461,298 units or 21.8% of the Fund at year end (2015: 47,461,298 units or 21.8% of the Fund);
- JP Morgan Chase Bank N.A. as custodian for BAO Trust holds 43,890,679 units or 20.1% of the Fund at year end (2015: 43,890,679 units or 20.1% of the Fund);
- Foundation Corporate Trust as trustee for Multiplex Tasman Property Fund holds 4,560,502 units or 2.1% of the Fund at year end (2015: 4,560,502 units or 2.1% of the Fund);
- JP Morgan Chase Bank N.A as custodian for Multiplex Property Income Fund holds 1,125,402 units or 0.5% of the Fund at year end (2015: 1,125,402 units or 0.5% of the Fund);
- BCML holds 17,266,146 units or 7.9% of the Fund at year end (2015: 17,266,146 units or 7.9% of the Fund);
- Multiplex APF Pty Ltd, as trustee for Multiplex APF Trust, holds 3,712,913 units or 1.7% of the Fund at year end (2015: 3,712,913 units or 1.7% of the Fund); and
- Brookfield Multiplex Capital Pty Ltd holds 220,793 units or 0.1% of the Fund at year end (2015: 220,793 units or 0.1% of the Fund).

	Consolidated 2016 $'000	2015 $'000
Transactions with the Responsible Entity		
Management fees	442	573
Cost reimbursements	–	1
Management fees payable	98	110
Transactions with related parties of the Responsible Entity		
Agency fees	72	73
Custodian fees	14	14
Capital co-ordination works fees	–	36
Leasing fees	–	4
Property service fees	436	1,037
Agency fees payable	–	12
Custodian fees payable	3	3
Property service fees payable	–	12

Transactions with related parties are conducted on normal commercial terms and conditions. Distributions paid by the Consolidated Entity to related parties are made on the same terms and conditions applicable to all unitholders.Contingent liabilities and assets

17 Contingent liabilities and assets

No contingent liabilities or assets exist at 30 June 2016 (2015: nil).

18 Capital and other commitments

No capital or other commitments exist at 30 June 2016 (2015: nil).

19 Events subsequent to the reporting date

Subsequent to 30 June 2016, the Fund declared cash distributions totalling $39,250,000 or 18.0 cpu. Payment was made on 6 July 2016.

Other than the matters noted 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 New Zealand Property Fund

For the year ended 30 June 2016

In the opinion of the Directors of Brookfield Capital Management Limited, as Responsible Entity of Multiplex New Zealand Property Fund:

a The consolidated financial statements and notes, set out in pages 9 to 23, 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 2016 and of its performance for the financial year ended on that date;

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

  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 2016.

Shane Ross
Director
Brookfield Capital Management Limited

Deloitte.

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Independent Auditor's Report to the Unitholders of Multiplex New Zealand Property Fund

We have audited the accompanying financial report of Multiplex New Zealand Property Fund ("the Fund"), which comprises the consolidated statement of financial position as at 30 June 2016, 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 24.

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 gives a true and fair view and 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 consolidated 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.

Deloitte.

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 the Responsible Entity, 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 New Zealand Property 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 2016 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 consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountants
Sydney, 25 August 2016