Multiplex Tasman Property Fund
Financial report
For the year ended
30 June 2012

Multiplex Tasman Property Fund

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Directors of Brookfield Multiplex Capital New Zealand Limited
Kym Bunting
John McStay
Russell Proutt

Manager – Brookfield Multiplex Capital New Zealand Limited
Level 8, 66 Wyndham Street
Auckland
New Zealand

Location of Unit Registry
Link Market Services
Level 16, Brookfields House
PO Box 91976
Auckland 1142
New Zealand

Trustee
Perpetual Trust Limited
305 Lincoln Road
Addington
Christchurch 8024
New Zealand
Telephone: +64 3 379 8611
Facsimile: +64 3 379 8608

Auditor
Deloitte Touche Tohmatsu
The Barrington
Level 10, 10 Smith Street
Parramatta NSW 2150
Telephone: +61 2 9840 7000
Facsimile: +61 2 9840 7001

Directors' Report
Multiplex Tasman Property Fund

For the year ended 30 June 2012

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 year ended 30 June 2012 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 66 Wyndham Street, Auckland New Zealand.

Directors

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

Name	Capacity
Kym Bunting (appointed 21 May 2009)	Executive Director
John McStay (appointed 18 October 2005)	Executive Director
Russell Proutt (appointed 1 January 2010)	Executive Director

Principal activities

The Fund is a unit trust domiciled in New Zealand investing in property investments.

The investment activities of the Fund are in accordance with the investment policy as outlined in the original investment statement and prospectus for the Fund dated 17 September 2004. The Fund holds investments in Multiplex New Zealand Property Fund (MNZPF) and cash.

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

There have been no significant changes in the nature of the Fund's activities during the year.

Review of operations

Results

At the end of the 2012 financial year, the Fund owned 4,560,502 units in MNZPF valued at $3,321,551 (2011: 4,560,502 units valued at $3,481,124).

	Year ended 30 June 2012 $	Year ended 30 June 2011 $
Net loss attributable to unitholders	(159,927)	(342,256)
Closing undistributed losses	(1,767,746)	(1,607,819)
Distributions (cpu)	0.00	0.00

Units on issue

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

	Year ended 30 June 2012 Units	Year ended 30 June 2011 Units
Opening balance	**4,984,319**	**5,059,227**
Units redeemed	-	(74,908)
Closing balance	**4,984,319**	**4,984,319**

	2012 $	2011 $
Value of total fund assets as at 30 June	**3,328,659**	**3,488,586**

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

Redemption offer

As noted in the investor letters dated 6 June 2012, 16 July 2012 and 14 August 2012, the Manager is currently offering investors the opportunity to redeem some or all of their units in the Fund. The redemption offer will occur concurrently with a rollover of MNZPF, in which the Fund is an investor. MNZPF has provided its unitholders with a choice to remain invested for three years or to dispose of their units. As the Fund is a unitholder, it is able to participate in the process.

The strategy for the Fund will therefore be determined by the outcome of the Fund's redemption offer and also the upcoming vote for MNZPF, whereby all unitholders in MNZPF will be asked to vote by 17 September 2012 on whether to continue to

For the year ended 30 June 2012

Redemption offer continued
hold or redeem their units in MNZPF. Subsequent to this vote, the responsible entity of MNZPF will determine the most appropriate strategy to meet the requirements of those unitholders wishing to exit MNZPF. There is a possibility that in certain circumstances, including if sufficient investors in the Fund request that their units be redeemed, MNZPF may be wound up. If this were to occur, the Manager of the Fund would, in accordance with the Trust Deed, wind up the Fund as well.

Interests of the Manager
The Manager has not held any units in the Fund during the year.

Directors' interests
The Directors of BMCNZL have not held any units in the Fund during the year 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
In the opinion of the Directors there were no significant changes in the state of affairs of the Fund that occurred during the financial year other than those disclosed in this report or in the financial statements.

Likely developments
Further information about likely developments in the operations of the Fund and the expected results of those operations in future periods has not been included in this report because the Directors believe disclosure of the information would be likely to result in unreasonable prejudice to the Fund.

Matters subsequent to the end of the financial year
The Fund holds a 2.09% investment in MNZPF. At 30 June 2012, MNZPF's investment in ASB Bank Centre has been classified as held for sale and the sale of the building was settled post financial year end, on 27 July 2012, for gross consideration of NZ$104,000,000. The net proceeds from the sale was used by MNZPF to repay debt. Subsequent to the year end, on 17 August 2012, MNZPF also entered into a revised term facility with ANZ.

Post current financial year end, additional information to assist investors with their decisions to dispose of some or all of their current investment or remain invested in the Fund was provided in an investor letter dated 14 August 2012.

Other than the above, there are no matters or circumstances which have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in subsequent financial years.

Dated at Sydney this 12th day of September 2012.

Signed in accordance with a resolution of the Directors.

Russell Proutt
Director
Brookfield Multiplex Capital New Zealand Limited

John McStay
Director
Brookfield Multiplex Capital New Zealand Limited

Statement of Comprehensive Income
Multiplex Tasman Property Fund

For the year ended 30 June 2012

	Note	Fund Year ended 30 June 2012 $	 Year ended 30 June 2011 $
Revenue and other income			
Interest revenue		106	145
Total revenue and other income		**106**	**145**
Expenses			
Loss on sale of available for sale investments		–	5,061
Impairment loss	7	159,573	337,322
Bank charges		460	368
Total expenses		**160,033**	**342,751**
Net loss before tax for the year		**(159,927)**	**(342,606)**
Income tax benefit		–	350
Net loss after tax for the year		**(159,927)**	**(342,256)**
Other comprehensive income / (loss)			
Change in available for sales reserve		–	–
Other comprehensive income / (loss) for the year		–	–
Total comprehensive loss for the year		**(159,927)**	**(342,256)**
Net loss attributable to ordinary unit holders		**(159,927)**	**(342,256)**
Total comprehensive loss attributable to ordinary unitholders		**(159,927)**	**(342,256)**

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

Statement of Financial Position

Multiplex Tasman Property Fund

As at 30 June 2012

	Note	Fund 2012 $	2011 $
Assets			
Current assets			
Cash and cash equivalents		7,032	7,417
Other receivables	6	76	45
Total current assets		**7,108**	**7,462**
Non-current assets			
Investment – available for sale	7	3,321,551	3,481,124
Total non-current assets		**3,321,551**	**3,481,124**
Total assets		**3,328,659**	**3,488,586**
Liabilities			
Total liabilities		**–**	**–**
Net assets		**3,328,659**	**3,488,586**
Equity			
Units on issue	8	5,096,405	5,096,405
Reserves		–	–
Undistributed losses	9	(1,767,746)	(1,607,819)
Total equity		**3,328,659**	**3,488,586**

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

For the year ended 30 June 2012

	Ordinary units $	Attributable to unitholders of the Fund Undistributed profits/(losses) $	Available for sale reserves $	Total $
Opening equity – 1 July 2011	**5,096,405**	**(1,607,819)**	–	**3,488,586**
Net loss for the year	–	(159,927)	–	**(159,927)**
Other comprehensive income for the year				
Change in available for sale reserve	–	–	–	**–**
Total comprehensive loss for the year	**–**	**(159,927)**	**–**	**(159,927)**
Transactions with unitholders in their capacity as unitholders:				
Units redeemed during the year	–	–	–	**–**
Distributions paid/payable	–	–	–	**–**
Total transactions with unitholders in their capacity as unitholders	**–**	**–**	**–**	**–**
Closing equity – 30 June 2012	**5,096,405**	**(1,767,746)**	**–**	**3,328,659**

	Ordinary units $	Attributable to unitholders of the Fund Undistributed profits/(losses) $	Available for sale reserves $	Total $
Opening equity – 1 July 2010	**5,152,379**	**(1,265,563)**	–	**3,886,816**
Net loss for the year	–	(342,256)	–	**(342,256)**
Other comprehensive income for the year				
Change in available for sale reserve	–	–	–	**–**
Total comprehensive loss for the year	**–**	**(342,256)**	**–**	**(342,256)**
Transactions with unitholders in their capacity as unitholders:				
Units redeemed during the year	(55,974)	–	–	**(55,974)**
Distributions paid/payable	–	–	–	**–**
Total transactions with unitholders in their capacity as unitholders	**(55,974)**	**–**	–	**(55,974)**
Closing equity – 30 June 2011	**5,096,405**	**(1,607,819)**	**–**	**3,488,586**

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 year ended 30 June 2012

	Note	Fund Year ended 30 June 2012 $	Year ended 30 June 2011 $
Cash flows from operating activities			
Cash receipts in the course of operations		–	536
Cash payments in the course of operations		(491)	(413)
Interest received		106	146
Net cash flows (used in)/from operating activities	11	**(385)**	**269**
Cash flows from investing activities			
Proceeds from sale of investments		–	55,974
Net cash flows from investing activities		**–**	**55,974**
Cash flow from financing activities			
Payments for redemption of units	8	–	(55,974)
Net cash used in financing activities		**–**	**(55,974)**
Net (decrease)/increase in cash and cash equivalents		(385)	269
Cash and cash equivalents at the beginning of the financial year		7,417	7,148
Cash and cash equivalents at the end of the financial year		**7,032**	**7,417**

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

For the year ended 30 June 2012

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 are in accordance with the investment policy as outlined in the original investment statement and prospectus for the Fund dated 17 September 2004. The Fund holds investments in Multiplex New Zealand Property Fund (MNZPF) and cash and cash equivalents and is a profit-oriented entity. The Fund is an issuer in terms of the *Financial Reporting Act 1993*.

2 Basis of preparation

a Statement of compliance

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the *Financial Reporting Act 1993* and *Unit Trust Act 1960.* They comply with New Zealand equivalents to International Financial Reporting Standards and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The financial statements comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the Directors on this 12th day of September 2012.

b Basis of measurement

The financial statements have been prepared on the basis of historical cost, except for available for sale financial assets, which are measured at fair value. The methods used to measure fair value are discussed further in Note 3.

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

c Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements is provided in Note 3(g), Available for sale financial assets, and Note 7, Investments – available for sale.

d Going concern

The financial statements have been prepared on the going concern basis which assumes the Fund will be able to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding that the Directors of the Manager believe it is appropriate to adopt the going concern basis, the following factor creates uncertainty regarding the going concern assumption. As outlined in the Directors Report, the Manager is currently offering investors the opportunity to redeem some or all of their units in the Fund. The redemption offer will occur concurrently with a rollover of MNZPF, in which the Fund is an investor. MNZPF has provided its unitholders with a choice to remain invested for three years or to dispose of their units. As the Fund is a unitholder, it is able to participate in the process. All unitholders of MNZPF will be asked to vote, by 17 September 2012, on whether to continue to hold or redeem their units in MNZPF. Subsequent to this vote, the responsible entity of MNZPF will determine the most appropriate strategy to meet the requirements of those unitholders wishing to exit MNZPF. There is a possibility that in certain circumstances, including if sufficient investors in the Fund request that their units be redeemed, MNZPF may be wound up. If this were to occur, the Manager of the Fund would, in accordance with the Trust Deed, wind up the Fund as well. The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Fund not continue as a going concern.

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

Distributions

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

Interest revenue

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

b Expense recognition

Expenses are recognised by the Fund on an accruals basis.

3 Significant accounting policies continued

c 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.

d 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% (2011: 30%) on its net income with the exception of income in the nature of foreign dividends.

e 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.

f Other receivables

Other receivables are stated at their amortised cost using the effective interest rate method less any identified impairment losses. Impairment charges are brought to account as described in Note 3h.

g 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 other comprehensive income 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 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 the income statement as a reclassification adjustment.

The fair value of unlisted investments is the published net tangible asset (NTA) at the year end date.

h Impairment

Financial assets

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

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

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

All impairment losses are recognised in the income statement. Any cumulative loss in respect of an available for sale financial asset recognised previously in equity is reclassified to the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the income statement.

For available for sale financial assets that are equity securities, the impairment losses previously recognised through the income statement are not reversed through the income statement. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated as a separate component of equity in the available for sale revaluation reserve.

i 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.

3 Significant accounting policies continued

j 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.

k New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2012 but have not been applied in preparing this financial report:

NZ IFRS 9 Financial Instruments (effective for annual reporting periods beginning on or after 1 January 2015)
NZ IFRS 9 is the first standard issued as part of a wider project to replace NZ IAS 39. NZ IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. For financial liabilities, the NZ IAS 39 classification categories of amortised cost and fair value through profit or loss are retained. The Fund does not expect to adopt NZ IFRS 9 before its operative date and therefore will apply the new standard for the annual reporting period ending 30 June 2016.

NZ IFRS 13 Fair Value Measurement (effective for annual reporting periods beginning on or after 1 January 2013)
This standard establishes a single framework for measuring fair value where that is required by other standards, and applies to both financial and non-financial items measured at fair value. A number of new disclosures are also introduced. The Fund does not expect to adopt NZ IFRS 13 before its operative date and therefore will apply the new standard for the annual reporting period ending 30 June 2014.

Amendments to FRS 43 Summary Financial Statements (effective for annual reporting periods beginning on or after 1 January 2012)
This amended NZ specific Standard sets out the requirements when preparing summary financial statements, whether a single period summary (with one comparative period) or a multi period summary. The amendments extend the scope of FRS 43 to summary financial statements included in the same document as full financial statements if required by regulation (e.g. in a prospectus), simplifies disclosures for multi period summaries, clarifies that where an entity has restated or reclassified comparative information the summary must be drawn from the restated or re-classified information and removes the disclosure requirement of subsequent events that occur after the approval of full financial statements. The Fund does not expect to adopt the amendments to FRS 43 before its operative date and therefore will apply the new standard for the annual reporting period ending 30 June 2013.

Amendments to NZ IAS 1 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income (effective for annual reporting periods beginning on or after 1 July 2012):
The amendments retain the option to present profit or loss and other comprehensive income in either a single continuous statement or in two separate but consecutive statements. Items of other comprehensive income are required to be grouped into those that will and will not subsequently be reclassified to profit or loss. Tax on items of other comprehensive income is required to be allocated on the same basis. The measurement and recognition of items of profit or loss and other comprehensive income are not affected by the amendments. The Fund does not expect to adopt the amendments to NZ IAS 1 before its operative date and therefore will apply the new standard for the annual reporting period ending 30 June 2013.

The Fund is still assessing the consequential impact of the above amendments and standards.

4 Auditor's remuneration

All expenses related to remuneration of auditors are borne by the Manager of the Fund.

5 Distributions to unitholders

No Distributions were paid or declared to unitholders during the current year or prior year.

	Fund	
	2012	2011
	$	$
6 Other receivables		
New Zealand resident withholding tax	76	45
Total other receivables	**76**	**45**

	Fund 2012 $	Fund 2011 $
7 Investment – available for sale		
Unlisted registered managed investment scheme	3,321,551	3,481,124
Total investment – available for sale	**3,321,551**	**3,481,124**

The carrying value of investments is represented by the holding in Multiplex New Zealand Property Fund (MZNPF) of 2.09% at 30 June 2012 (2011: 2.09%). A review of the carrying value at 30 June 2012 indicated that the investment is impaired. An impairment loss of $159,573 (2011: $337,322) was therefore recorded in the current year to reflect the value of the investments at a value equivalent to the value of the Fund's share of net assets of MNZPF.

	2012		2011	
	Year ended 30 June 2012 $	Year ended 30 June 2012 Units	Year ended 30 June 2011 $	Year ended 30 June 2011 Units
8 Units on issue				
Ordinary units				
Opening balance	5,096,405	4,984,319	5,152,379	5,059,227
Units redeemed during the year	–	–	(55,974)	(74,908)
Closing balance	**5,096,405**	**4,984,319**	**5,096,405**	**4,984,319**

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.

9 Undistributed losses

	Fund Year ended 30 June 2012 $	Fund Year ended 30 June 2011 $
Opening balance	(1,607,819)	(1,265,563)
Net loss for the year	(159,927)	(342,256)
Closing balance	**(1,767,746)**	**(1,607,819)**

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

The Board's intention is to maintain a strong capital base so as to maintain investor confidence and the sustainable future development of the Fund. The capital structure of the Fund consists of cash and cash equivalents and equity attributable to unit holders of the Fund, comprising issued capital, reserves and undistributed losses. The Board reviews the cash balances on a quarterly basis. The Fund's overall strategy of capital risk management remains unchanged from 2011.

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).

10 Financial instruments continued

b Financial risk management

Overview continued

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.

Investment mandate

The Fund's investment mandate, as disclosed in the Trust Deed, is to invest in property investments.

c Credit risk

Sources of credit risk and risk management strategies

Credit risk is the risk of financial loss to the Fund if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from the Fund's cash and cash equivalents, receivables and investments balances held. Credit exposure is monitored in accordance with the sections below. The Fund's overall strategy of credit risk management remains unchanged from 2011.

Investments

Credit risk arising from investments 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.

	Fund 2012 $	2011 $
Cash and cash equivalents	7,032	7,417
Other receivables	76	45
Investments – available for sale	3,321,551	3,481,124
Total exposure to credit risks	**3,328,659**	**3,488,586**

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 year end date.

Collateral obtained/held

The Fund does not hold any collateral in respect of its financial assets (2011: nil). During the year ended 30 June 2012 the Fund did not call on any collateral provided (2011: nil).

Financial assets past due but not impaired

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

	Fund 2012 $	2011 $
Current	76	45
Total other receivables	**76**	**45**

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. However, as noted in the investor letters dated 6 June 2012, 16 July 2012 and 14 August 2012, the Manager is currently offering investors the opportunity to redeem some or all of their units in the Fund. The redemption offer will occur concurrently with a rollover of MNZPF, in which the Fund is an investor. MNZPF has provided its unitholders with a choice to remain invested for three years or to dispose of their units. As the Fund is a unitholder, it is able to participate in the process. Therefore, liquidity in the Fund is linked to the liquidity of MNZPF.

For the year ended 30 June 2012

10 Financial instruments continued

d Liquidity risk continued

Maturity analysis of financial liabilities

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

The Fund's overall strategy of liquidity risk management remains unchanged from 2011.

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 2011.

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 investment 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. The table below shows the Fund's direct exposure to interest rate risk at year end.

	Floating rate $	Non-interest bearing $	Total $
Fund 2012			
Financial assets			
Cash and cash equivalents	7,032	–	7,032
Other receivables	–	76	76
Investments available for sale	–	3,321,551	3,321,551
Total financial assets	**7,032**	**3,321,627**	**3,328,659**
Fund 2011			
Financial assets			
Cash and cash equivalents	7,417	–	7,417
Other receivables	–	45	45
Investments available for sale	–	3,481,124	3,481,124
Total financial assets	**7,417**	**3,481,169**	**3,488,586**

Fair value sensitivity analysis for variable rate instruments

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

	2012				2011			
	+ 1% Profit or loss $	+ 1% Equity $	- 1% Profit or loss $	- 1% Equity $	+ 1% Profit or loss $	+ 1% Equity $	- 1% Profit or loss $	- 1% Equity $
Fund								
Interest on cash	70	70	(70)	(70)	74	74	(74)	(74)
Total increase/(decrease)	**70**	**70**	**(70)**	**(70)**	**74**	**74**	**(74)**	**(74)**

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.

Sources of risk and risk management strategies

The Fund is exposed to foreign currency risk as its investment in MNZPF is an investment in an Australian registered managed investment scheme. Other than the above, the Fund has no direct or indirect foreign currency exposures at 30 June 2012 (2011: nil).

10 Financial instruments continued

e Market risk continued

Sources of risk and risk management strategies continued

The following exchange rates were applied to the Fund's investment in MNZPF during the year.

	New Zealand Dollar 2012 Reporting date spot rate	2011 Reporting date spot rate
1 Australian Dollar	1.2771	1.2953

Sensitivity analysis

At year end, a 5% strengthening/(weakening) of the New Zealand dollar against the Australian dollar would have increased/(decreased) profit or loss and equity available to unitholders, as a result of the Fund's investment in MNZPF, by amounts shown below. This analysis assumes all other variables remain constant.

	2012				2011			
	+ 5% Profit or loss $	+ 5% Equity $	- 5% Profit or loss $	- 5% Equity $	+ 5% Profit or loss $	+ 5% Equity $	- 5% Profit or loss $	- 5% Equity $
Fund								
Investment – available for sale	(166,078)	(166,078)	166,078	166,078	(174,056)	(174,056)	174,056	174,056
Total (decrease)/increase	**(166,078)**	**(166,078)**	**166,078**	**166,078**	**(174,056)**	**(174,056)**	**174,056**	**174,056**

Equity price sensitivity

The Fund holds an equity investment in MNZPF pursuant to the original Fund mandate. This is classified as a non-current available-for-sale financial asset. For further information see Note 7.

At 30 June 2012, it is estimated that an increase of 10% in the underlying NTA of MNZPF would result in an immediate credit to other comprehensive income of $332,155 (2011: $348,112 credit to other comprehensive income), whilst a decrease of 10% in the underlying NTA of the MNZPF fund would result in an immediate charge to profit or loss of $332,155 (2011: $348,112 charge to profit or loss). 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 investments is determined by reference to the Fund's share of the latest available assets of the unlisted investment. Refer to Note 7 and policy 3(g) 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:

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

The 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. investments – available for sale) has been classified as level 3.The following table presents the Fund's assets and liabilities measured and recognised at fair value at 30 June 2012.

10 Financial instruments continued

f Fair values continued

Fund at 30 June 2012	Level 3 $	Total $
Assets		
Investments – available for sale		
Unlisted investments	3,321,551	3,321,551
Total assets – 30 June 2012	**3,321,551**	**3,321,551**

Fund at 30 June 2011	Level 3 $	Total $
Assets		
Investments – available for sale		
Unlisted investments	3,481,124	3,481,124
Total assets – 30 June 2011	**3,481,124**	**3,481,124**

Reconciliation of level 3 fair value measurement:

Fund for the year ended 30 June 2012	Investments available for sale $	Total $
Opening balance – 1 July 2011	3,481,124	3,481,124
Impairment losses recognised in the income statement	(159,573)	(159,573)
Closing balance – 30 June 2012	**3,321,551**	**3,321,551**
Total losses for the year included in the income statement attributable to losses relating to assets held at the end of year	**(159,573)**	**(159,573)**

Fund for the year ended 30 June 2011	Investments available for sale $	Total $
Opening balance – 1 July 2010	3,879,481	3,879,481
Impairment losses recognised in the income statement	(337,322)	(337,322)
Sales	(61,035)	(61,035)
Closing balance – 30 June 2011	**3,481,124**	**3,481,124**
Total losses for the year included in the income statement attributable to losses relating to assets held at the end of year	**(337,322)**	**(337,322)**

As at 30 June 2012 and 30 June 2011, there were no financial assets or liabilities in levels 1 and 2. During the current and prior year, there were no financial assets or liabilities which transferred between levels 1, 2 or 3.

	Fund Year ended 30 June 2012 $	Fund Year ended 30 June 2011 $
11 Reconciliation of cash flows from operating activities		
Net loss for the year	(159,927)	(342,256)
Adjustments for:		
Items classified as investing activities:		
Loss on sale of available for sale investments	–	5,061
Non cash items		
Impairment loss	159,573	337,322
Operating (loss)/profit before changes in working capital	**(354)**	**127**
Changes in assets and liabilities during the year:		
(Decrease)/increase in receivables	(31)	142
Net cash flows (used in)/from operating activites	**(385)**	**269**

12 Related parties

Manager

The Manager of the Multiplex Tasman Property Fund is Brookfield Multiplex Capital New Zealand Limited (NZBN 15 34 298) whose immediate and ultimate holding companies are Brookfield Capital Management Limited (ABN 32 094 936 866) and Brookfield Asset Management Inc (CBN 16 44 037) respectively.

Key management personnel

The Directors of the Manager are key management personnel of that entity.

Name	Capacity
Kym Bunting (appointed 21 May 2009)	Executive Director
John McStay (appointed 18 October 2005)	Executive Director
Russell Proutt (appointed 1 January 2010)	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.

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 paid. 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), that party is entitled to fees, at prevailing market rates, for those services. Where the sole investment of the Fund (other than any cash held) is in MNZPF, the Manager will not seek reimbursement for, and will meet personally, all expenses of the Fund which it reasonably considers expenses of the Fund. Given that the sole investment of the Fund during the year ended 30 June 2012 was MNZPF, the management fee for the year ended 30 June 2012 is nil (2011: nil).

	Fund 2012 $	Fund 2011 $
Transactions with related parties		
Distributions received from Multiplex New Zealand Property Fund	–	–

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

Related party investments held by the Fund

The Fund had the following investments in related parties of the Manager at the end of the year:

	Fund 2012 $	Fund 2011 $
Multiplex New Zealand Property Fund	3,321,551	3,481,124

13 Contingent liabilities and assets

No contingent liabilities or assets existed at 30 June 2012 (2011: nil).

14 Capital and other commitments

The Fund had no capital or other commitments at 30 June 2012 (2011: nil).

15 Events subsequent to the reporting date

The Fund holds a 2.09% investment in MNZPF. At 30 June 2012, MNZPF's investment in ASB Bank Centre has been classified as held for sale and the sale of the building was settled post financial year end, on 27 July 2012, for gross consideration of NZ$104,000,000. The net proceeds from the sale was used by MNZPF to repay debt. Subsequent to the year end, on 17 August 2012, MNZPF also entered into a revised term facility with ANZ.

Post current financial year end, additional information to assist investors with their decisions to dispose of some or all of their current investment or remain invested in the fund was provided in an investor letter dated 14 August 2012.

Other than the above, there are no matters or circumstances which have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in subsequent financial years.

Deloitte.

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

Report on the Financial Statements

We have audited the accompanying financial statements of Multiplex Tasman Property Fund which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information as set out on pages 6 to 19.

Directors' Responsibility for the Financial Statements

The directors of Brookfield Multiplex Capital New Zealand Limited (BMCNZL) are responsible for the preparation of the financial statements that give a true and fair view in accordance with generally accepted accounting practice in New Zealand and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with New Zealand 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements that give a true and fair view of the matters to which they relate, 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 statements.

Other than in our capacity as auditor, we have no relationship with or interests in Multiplex Tasman Property Fund.

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

Opinion

In our opinion the financial statements of Multiplex Tasman Property Fund:

a. give a true and fair view of the fund's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

b. comply with generally accepted accounting practice in New Zealand; and

c. comply with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

We also report in accordance with section 16 of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 30 June 2012:

- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by Multiplex Tasman Property Fund, as far as appears from our examination of those records.

Yours faithfully,

DELOITTE TOUCHE TOHMATSU

Helen Hamilton-James
Partner
Chartered Accountants
Parramatta, 12 September 2012