

Multiplex Property Income Fund
Financial report
For the period 1 July 2017 to 12 March 2018

Multiplex Property Income Fund

ARSN 117 674 049

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Multiplex Property Income Fund

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Directory

Multiplex Property Income Fund

For the period 1 July 2017 to 12 March 2018

Prior to the termination of the Fund on 12 March 2018, the following appointments were in place:

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

Men (Mandy) Chiang
Neil Olofsson (Resigned 9 February 2018)

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

JP Morgan Chase Bank N.A. (Sydney Branch)
Level 18, JPMorgan House
85 Castlereagh Street
Sydney NSW 2000

Location of Share Registry

Boardroom Pty Limited
Level 7, 333 Collins Street
Melbourne, VIC 3000

All correspondence to:

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

Auditor

Deloitte Touche Tohmatsu
225 George Street
Grosvenor Place
Sydney NSW 2000
Telephone: +61 2 9322 7000

Directors' Report

Multiplex Property Income Fund

For the period 1 July 2017 to 12 March 2018

Introduction

The Directors of Brookfield Capital Management Limited (ABN 32 094 936 866), the Responsible Entity of Multiplex Property Income Fund (ARSN 117 674 049) (Fund), present their report together with the financial statements of the Consolidated Entity, being the Fund and its subsidiaries for the period 1 July 2017 to 12 March 2018 and the Independent Auditor's Report thereon. Comparative information in this financial report is presented for the financial year ended 30 June 2017.

The Fund was constituted on 21 December 2005.

Wind-up of the Fund

On 18 December 2012, two resolutions were passed at a meeting of Fund unitholders which resulted in the Fund entering into wind up. The Consolidated Entity has realised all of its investments and has distributed the net proceeds. The Consolidated Entity was terminated on 12 March 2018.

Accordingly, the consolidated financial statements have been prepared on a non-going concern basis.

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 period:

Name	Capacity
F. Allan McDonald	Non-Executive Independent Chairman
Barbara Ward	Non-Executive Independent Director
Shane Ross	Executive Director

Principal activities

Prior to the termination of the Consolidated Entity, the principal activity of the Consolidated Entity was the investment in Australian Securities Exchange (ASX) listed and unlisted property securities.

Review of operations

The Consolidated Entity recorded a net profit of \$290,798 for the period ended 12 March 2018 (2017: profit of \$662,802).

Significant changes in the state of affairs

The Fund has ceased operations and cancelled its units on issue. In the opinion of the Directors, there were no other significant changes in the state of affairs of the Consolidated Entity that occurred during the financial period, 1 July 2017 to 12 March 2018, other than those disclosed in this report or in the consolidated financial statements.

Events subsequent to the reporting date

Other than the wind up of the Consolidated Entity, there are no matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity.

Likely developments

Information on likely developments in the operations of the Consolidated Entity is not applicable as the Consolidated Entity was terminated on 12 March 2018.

Returns of capital

As part of the wind-up process, the Fund declared the following returns of capital:

2018	Cents per unit	Total amount \$	Date of payment
Income units			
February 2018	1.5000	791,872	16 February 2018
Final	0.4277	225,793	8 March 2018
Total returns of capital to income unitholders for the period ended 12 March 2018	1.9277	1,017,665	
2017	Cents per unit	Total amount \$	Date of payment
Income units			
July 2016	0.3837	202,562	15 July 2016
Total returns of capital to income unitholders for the year ended 30 June 2017	0.3837	202,562	

Directors' Report continued

Multiplex Property Income Fund

For the period 1 July 2017 to 12 March 2018

Indemnification and insurance of directors and company secretary

Under deeds of access and indemnity, Brookfield Australia Investments Limited (BAIL) or Brookfield Australia Pty Limited has agreed to indemnify the directors and company secretary of BCML to the extent permitted by law against:

- liabilities incurred as a director or company secretary of BCML, 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 as director or company secretary of BCML, except for costs incurred in relation to matters set out in section 199A(3) of the Corporations Act 2001;
- (the "Indemnity").

The Indemnity is satisfied by Brookfield Asset Management Inc. (the ultimate parent of BCML) maintaining a global directors' and officers' insurance policy with BAIL (a related body corporate of BCML) paying the portion of the premium attributable to the Indemnity.

The global directors' and officers' insurance policy prohibits certain disclosures in relation to the nature of the liability covered and the amount of the premium, however, it can be disclosed that the policy 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 1993*;
- losses for which coverage under a different kind of insurance policy is readily available such as, 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 of the global directors' and officers' insurance policy continues for a period of seven years after the director or company secretary of BCML has left office, to the extent such coverage is available with reasonable terms in the commercial insurance marketplace.

Contract of insurance

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

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

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the period ended 12 March 2018.

Dated at Sydney this 22nd day of March 2018.

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

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225 George Street
Sydney NSW 2000
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22 March 2018

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

Dear Directors,

MULTIPLEX PROPERTY INCOME 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 Property Income Fund.

As lead audit partner for the audit of the financial statements of Multiplex Property Income Fund for the period ended 12 March 2018, 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

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Multiplex Property Income Fund

For the period 1 July 2017 to 12 March 2018

	Note	Consolidated Period ended 12 March 2018 \$	Year ended 30 June 2017 \$
Revenue and other income			
Distribution income from ASX listed and unlisted property trusts		11,139	111,020
Net gain on disposal of ASX listed and unlisted property trusts		438,342	720,379
Interest income		2,173	2,533
Total revenue and other income		451,654	833,932
Expenses			
Custody fees		73,800	98,800
Share registry fees		39,405	32,444
Other expenses		47,651	39,886
Total expenses		160,856	171,130
Net profit for the period/year		290,798	662,802
Other comprehensive income			
Change in fair value of available for sale financial assets		(443,698)	(788,783)
Other comprehensive loss for the period/year		(443,698)	(788,783)
Total comprehensive loss attributable to:			
Ordinary unitholders		—	—
Income unitholders		(152,900)	(125,981)
Total comprehensive loss for the period/year		(152,900)	(125,981)

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 Property Income Fund

As at 12 March 2018

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	Note	Consolidated 12 March 2018 \$	30 June 2017 \$
Assets			
Current assets			
Cash and cash equivalents		–	278,043
Trade and other receivables		–	43,177
Investments – available for sale	7	–	263,851
Total current assets		–	585,071
Non-current assets			
Investments – available for sale	7	–	617,257
Total non-current assets		–	617,257
Total assets		–	1,202,328
Liabilities			
Current liabilities			
Trade and other payables		–	31,763
Total current liabilities		–	31,763
Total liabilities		–	31,763
Net assets		–	1,170,565
Equity			
Units on issue – ordinary units	8	–	30,075,861
Units on issue – income units	8	–	21,462,902
Reserves	9	–	443,698
Undistributed losses	10	–	(50,811,896)
Total equity		–	1,170,565

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 Property Income Fund

For the period 1 July 2017 to 12 March 2018

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	Attributable to Ordinary unitholders of the Fund				Attributable to Income unitholders of the Fund				Total equity
	Ordinary units \$	Undistributed losses \$	Reserves \$	Total \$	Income units \$	Undistributed profits/(losses) \$	Reserves \$	Total \$	
Consolidated entity									
Opening equity - 1 July 2017	30,075,861	(30,075,861)	–	–	21,462,902	(20,736,035)	443,698	1,170,565	1,170,565
Change in fair value of available for sale financial assets	–	–	–	–	–	–	(443,698)	(443,698)	(443,698)
Other comprehensive loss for the period	–	–	–	–	–	–	(443,698)	(443,698)	(443,698)
Net profit for the period	–	–	–	–	–	290,798	–	290,798	290,798
Total comprehensive profit/(loss) for the period	–	–	–	–	–	290,798	(443,698)	(152,900)	(152,900)
Transactions with unitholders in their capacity as unitholders:									
Returns of capital	–	–	–	–	(1,017,665)	–	–	(1,017,665)	(1,017,665)
Cancellation of units	(30,075,861)	30,075,861	–	–	(20,445,237)	20,445,237	–	–	–
Total transactions with unitholders in their capacity as unitholders	(30,075,861)	30,075,861	–	–	(21,462,902)	20,445,237	–	(1,017,665)	(1,017,665)
Closing equity – 12 March 2018	–	–	–	–	–	–	–	–	–

Consolidated Statement of Changes in Equity continued

Multiplex Property Income Fund

For the period 1 July 2017 to 12 March 2018

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	Attributable to Ordinary unitholders of the Fund				Attributable to Income unitholders of the Fund				Total equity
	Ordinary units \$	Undistributed losses \$	Reserves \$	Total \$	Income units \$	Undistributed profits/(losses) \$	Reserves \$	Total \$	
Consolidated entity									
Opening equity - 1 July 2016	30,075,861	(30,075,861)	–	–	21,665,464	(21,398,837)	1,232,481	1,499,108	1,499,108
Change in fair value of available for sale financial assets	–	–	–	–	–	–	(788,783)	(788,783)	(788,783)
Other comprehensive loss for the year	–	–	–	–	–	–	(788,783)	(788,783)	(788,783)
Net profit for the year	–	–	–	–	–	662,802	–	662,802	662,802
Total comprehensive profit/(loss) for the year	–	–	–	–	–	662,802	(788,783)	(125,981)	(125,981)
Transactions with unitholders in their capacity as unitholders:									
Returns of capital	–	–	–	–	(202,562)	–	–	(202,562)	(202,562)
Total transactions with unitholders in their capacity as unitholders	–	–	–	–	(202,562)	–	–	(202,562)	(202,562)
Closing equity – 30 June 2017	30,075,861	(30,075,861)	–	–	21,462,902	(20,736,035)	443,698	1,170,565	1,170,565

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 Property Income Fund

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For the period 1 July 2017 to 12 March 2018

	Note	Consolidated Period ended 12 March 2018 \$	Year ended 30 June 2017 \$
Cash flows from operating activities			
Cash receipts in the course of operations		27,432	109,169
Cash payments in the course of operations		(183,803)	(189,914)
Interest received		2,466	2,795
Net cash flows used in operating activities	11	(153,905)	(77,950)
Cash flows from investing activities			
Proceeds from sale of and returns of capital from available for sale assets		893,527	384,100
Net cash flows from investing activities		893,527	384,100
Cash flows from financing activities			
Returns of capital to Income unitholders		(1,017,665)	(1,224,235)
Net cash flows used in financing activities		(1,017,665)	(1,224,235)
Net decrease in cash and cash equivalents		(278,043)	(918,085)
Cash and cash equivalents at beginning of the period/year		278,043	1,196,128
Cash and cash equivalents at period/year end		–	278,043

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

Notes to the Consolidated Financial Statements

Multiplex Property Income Fund

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For the period 1 July 2017 to 12 March 2018

1 Reporting entity

Multiplex Property Income 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 period ended 12 March 2018 comprise of 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 22nd day of March 2018.

b Basis of measurement

On 18 December 2012, two resolutions were passed at a meeting of Fund unitholders which resulted in the Fund entering into wind up. The Consolidated Entity has realised all of its investments and has distributed the net proceeds. The Consolidated Entity was terminated on 12 March 2018.

Consequently, the going concern basis of preparation is not appropriate and the consolidated financial statements have therefore been prepared on a non-going concern basis for the period ended 12 March 2018.

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

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

c 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 2017 that have a material impact on the Consolidated Entity.

d 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, prior to the termination of the Fund, significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements were in relation to investments – available for sale and financial instruments, refer to Note 7.

Notes to the Consolidated Financial Statements continued¹³

Multiplex Property Income Fund

For the period 1 July 2017 to 12 March 2018

3 Significant accounting policies

As a result of the termination of the Fund, the going concern basis of preparation is not appropriate and the consolidated financial statements have therefore been prepared on a non-going concern basis for the period ended 12 March 2018. The significant accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, with the exception of all assets and liabilities for the current financial period.

a Principles of consolidation

Subsidiaries

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

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

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

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

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

Non-controlling interests in subsidiaries are identified separately from the Consolidated Entity's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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 Revenue recognition

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

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

Notes to the Consolidated Financial Statements continued¹⁴

Multiplex Property Income Fund

For the period 1 July 2017 to 12 March 2018

3 Significant accounting policies continued

b Revenue recognition continued

Dividends and distributions

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

Gains or losses on available for sale financial assets

Listed and unlisted investments are classified as being available for sale and are stated at fair value, with any resulting gain or loss recognised directly in equity in the Consolidated Statement of Financial Position, except for impairment losses, which are recognised directly in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Where these investments are derecognised, the cumulative gain or loss previously recognised directly in equity in the Consolidated Statement of Financial Position is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The fair value of listed investments is the quoted bid price at the period end date.

c Available for sale financial assets

Listed and 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 recognised directly in equity. 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 Consolidated Statement of Profit or Loss and Other Comprehensive Income. Where listed and unlisted investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

d Trade and other payables

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

e Distributions

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

f 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.

g New standards and interpretations not yet adopted

As the Fund was terminated on 12 March 2018, no new standards, amendments to standards or interpretations which may have been available for early adoption during the current period have been adopted.

Notes to the Consolidated Financial Statements continued

Multiplex Property Income Fund

For the period 1 July 2017 to 12 March 2018

4 Parent entity disclosures

	12 March 2018	Fund 30 June 2017
	\$	\$
Assets		
Current assets	–	280,273
Non-current assets	–	15,468,024
Total assets	–	15,748,297
Liabilities		
Current liabilities	–	15,496,539
Total liabilities	–	15,496,539
Equity		
Units on issue – Ordinary units	–	30,075,861
Units on issue – Income units	–	21,462,902
Undistributed losses	–	(51,287,005)
Total equity	–	251,758
	Period ended 12 March 2018	Fund Year ended 30 June 2017
	\$	\$
Net profit/(loss) for the period/year	765,907	(146,597)
Other comprehensive income for the period/year	–	–
Total comprehensive profit/(loss) for the period/year	765,907	(146,597)

5 Auditors' remuneration

	Period ended 12 March 2018	Consolidated Year ended 30 June 2017
	\$	\$
Auditors of the Fund:		
Audit and review of financial reports	20,400	20,000
Total auditor's remuneration	20,400	20,000

Fees paid to the auditors of the Fund in relation to compliance plan audits are borne by the Responsible Entity. Audit fees paid include the wind-up audit fee totalling \$12,200 exclusive of GST.

6 Returns of capital

Returns of capital declared to income unitholders are detailed below:

2018	Cents per unit	Total amount \$	Date of payment
Income units			
February 2018	1.5000	791,872	16 February 2018
Final	0.4277	225,793	8 March 2018
Total returns of capital to income unitholders for the period ended 12 March 2018	1.9277	1,017,665	
2017	Cents per unit	Total amount \$	Date of payment
Income units			
July 2016	0.3837	202,562	15 July 2016
Total returns of capital to income unitholders for the year ended 30 June 2017	0.3837	202,562	

Notes to the Consolidated Financial Statements continued16

Multiplex Property Income Fund

For the period 1 July 2017 to 12 March 2018

7 Investments – available for sale

	Consolidated Period ended 12 March 2018 \$	Year ended 30 June 2017 \$
ASX listed investments		
Carrying amount as at beginning of period / year	263,851	458,525
Movement due to transfers, disposals and returns of capital	(206,173)	(200,720)
Changes in fair value recognised in reserves	(57,678)	6,046
Total investments – available for sale – ASX listed	–	263,851
Unlisted investments		
Carrying amount as at beginning of period / year	617,257	895,482
Movement due to transfers, disposals and returns of capital	(231,237)	516,605
Changes in fair value recognised in reserves	(386,020)	(794,830)
Total investments – available for sale - unlisted	–	617,257
Total investments – available for sale	–	881,108
Total investments – available for sale – Current	–	263,851
Total investments – available for sale – Non-current	–	617,257
Total investments – available for sale	–	881,108

Impairment expense

No additional impairment expense has been recognised by the Consolidated Entity in relation to its available for sale investments held during the current period or prior year.

8 Units on issue

	Period ended 12 March 2018 \$	Period ended 12 March 2018 units	Year ended 30 June 2017 \$	Year ended 30 June 2017 units
Ordinary units				
Opening balance	30,075,861	30,075,871	30,075,861	30,075,871
Cancellation of units	(30,075,861)	(30,075,871)	–	–
Closing balance – ordinary units	–	–	30,075,861	30,075,871
Income units				
Opening balance	21,462,902	52,791,450	21,665,464	52,791,450
Return of capital	(1,017,665)	–	(202,562)	–
Cancellation of units	(20,445,237)	(52,791,450)	–	–
Closing balance - income units	–	–	21,462,902	52,791,450

In accordance with the Fund's Constitution, each income unitholder is entitled to receive distributions as declared from time to time. Each ordinary unit represents a right to a share in the Fund's equity in excess of the value of the issued income units. All the units on issue were terminated on 12 March 2018.

9 Reserves

Available for sale reserve

	Consolidated Period ended 12 March 2018 \$	Year ended 30 June 2017 \$
Opening balance	443,698	1,232,481
Net movement in relation to unlisted investments	(386,020)	(794,829)
Net movement in relation to ASX listed investments	(57,678)	6,046
Closing balance	–	443,698

Notes to the Consolidated Financial Statements continued17

Multiplex Property Income Fund

For the period 1 July 2017 to 12 March 2018

10 Undistributed losses

	Consolidated Period ended 12 March 2018 \$	Year ended 30 June 2017 \$
Opening balance	(50,811,896)	(51,474,698)
Net profit	290,798	662,802
Closing balance immediately prior to cancellation of units on issue	(50,521,098)	(50,811,896)
Cancellation of units on issue	50,521,098	–
Closing balance	–	(50,811,896)

The units of the Fund were cancelled on the 12 March 2018.

11 Reconciliation of cash flows from operating activities

	Consolidated Period ended 12 March 2018 \$	Year ended 30 June 2017 \$
Net profit for the period / year	290,798	662,802
Adjustments for:		
<i>Items classified as investing activities</i>		
Net gain on disposal of ASX listed and unlisted property trusts	(438,342)	(720,379)
Other	2,159	460
Operating loss before changes in working capital	(145,385)	(57,117)
Changes in assets and liabilities during the year		
Decrease/(increase) in trade and other receivables	23,243	(1,591)
Decrease in trade and other payables	(31,763)	(19,242)
Net cash flows used in operating activities	(153,905)	(77,950)

12 Financial instruments

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

Cash and cash equivalents and trade and other receivables

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

Trade and other payables

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

Investments – available for sale

Fair value for ASX listed investments is calculated based on the quoted closing price of the security at the reporting date. Fair value for unlisted investments is calculated based on the latest available net asset values. Refer to investments – available for sale (Note 7) for further details.

Fair values versus carrying amounts

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

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

As at 12 March 2018 all investments - available for sale had been disposed of. The following table presents the Consolidated Entity's assets and liabilities measured and recognised at fair value. The carrying amounts of cash and cash equivalents, trade and other receivables, and trade and other payables are assumed to reasonably approximate their fair values due to their short-term nature. Accordingly, fair value disclosures are not provided for such assets and liabilities.

Notes to the Consolidated Financial Statements continued18

Multiplex Property Income Fund

For the period 1 July 2017 to 12 March 2018

12 Financial instruments continued

Consolidated Entity – at 12 March 2018	Level 1 \$	Level 3 \$	Total \$
Assets			
Investments – available for sale			
– ASX listed investments	–	–	–
– Unlisted investments	–	–	–
Total assets	–	–	–

Consolidated Entity – at 30 June 2017	Level 1 \$	Level 3 \$	Total \$
Assets			
Investments – available for sale			
– ASX listed investments	263,851	–	263,851
– Unlisted investments	–	617,257	617,257
Total assets	263,851	617,257	881,108

Reconciliation of level 3 fair value measurements:

Consolidated Entity – for the period ended 12 March 2018	Investments available for sale \$	Total \$
Opening balance – 1 July 2017	617,257	617,257
Transfers, disposals and returns of capital	(231,237)	(231,237)
Net gains recognised in other comprehensive income	(386,020)	(386,020)
Closing balance – 12 March 2018	–	–
Total losses for the period included in the profit or loss attributable to losses relating to assets held at period end	–	–

Consolidated Entity – for the period ended 30 June 2017	Investments available for sale \$	Total \$
Opening balance – 1 July 2016	895,482	895,482
Transfers, disposals and returns of capital	516,605	516,605
Net losses recognised in other comprehensive income	(794,830)	(794,830)
Closing balance – 30 June 2017	617,257	617,257
Total losses for the period included in the profit or loss attributable to losses relating to assets held at period end	–	–

During the current and prior periods there were no transfers between levels.

Notes to the Consolidated Financial Statements continued

Multiplex Property Income Fund

For the period 1 July 2017 to 12 March 2018

13 Related parties

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

During the period and as at 12 March 2018 no Director held or disposed of any units in the Fund (2017: nil).

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

Responsible Entity fees and other transactions

Management Fees

No management fees were paid or payable during the period ended 12 March 2018 (2017: nil).

Related party unitholders

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

JP Morgan Chase Bank N.A., as custodian for BAO Trust, holds no ordinary units of the Fund at period end (2017: 100% of the ordinary units of the Fund).

Transactions with related parties

	Consolidated 12 March 2018 \$	30 June 2017 \$
Transactions with the Responsible Entity		
Cost reimbursements	55,883	31,600
Cost reimbursements payable	–	163
Transactions with related parties of the Responsible Entity		
Investment in Multiplex New Zealand Property Fund (at fair value)	–	48,167
Capital returns and distributions received from Multiplex New Zealand Property Fund	22,508	202,562

The following interests were held by the Consolidated Entity in related entities during the period:

- JP Morgan Chase Bank N.A., as custodian for the Consolidated Entity, holds no investment in the Multiplex New Zealand Property Fund (MNZPF) at period end (2017: 1,125,402 units or 0.5%).

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

14 Contingent liabilities and assets

No contingent liabilities or assets existed at 12 March 2018 or 30 June 2017.

15 Capital and other commitments

The Fund had no capital or other commitments at 12 March 2018 or 30 June 2017.

16 Events subsequent to the reporting date

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

Directors' Declaration

Multiplex Property Income Fund

For the period 1 July 2017 to 12 March 2018

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

- a The consolidated financial statements and notes, set out in pages 7 to 19, 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 12 March 2018 and of its performance, for the financial period 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 pursuant to Section 295(5) of the *Corporations Act 2001*.

Dated at Sydney this 22nd day of March 2018.



Shane Ross

Director

Brookfield Capital Management Limited

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

Opinion

We have audited the financial report of Multiplex Property Income Fund (the "Fund") which comprises the consolidated statement of financial position as at 12 March 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the 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 12 March 2018 and of its financial performance for the period then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Fund, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report included in the Fund's financial report for the period ended 12 March 2018, but does not include the financial report and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Fund are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, as they apply on a non-going concern basis as disclosed in Note 2 to the financial statements 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 preparing the financial report, the directors are responsible for assessing the ability of the Fund to continue as a going concern. As disclosed in Note 2, the financial report has been prepared on a non-going concern basis due to the termination of the Fund on 12 March 2018.


Auditor's Responsibilities for the Audit of the Financial Report

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

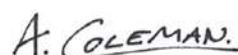
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the non-going concern basis of accounting. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



DELOITTE TOUCHE TOHMATSU



Andrew J Coleman
Partner
Chartered Accountants
Sydney, 22 March 2018