

Multiplex Development and Opportunity Fund
Interim financial report
For the half year ended
31 December 2014

Multiplex Development and Opportunity Fund

ARSN 100 563 488

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2014

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Directory

Multiplex Development and Opportunity Fund

For the half year ended 31 December 2014

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
Russell Proutt
Shane Ross (alternate)

Company Secretary of Brookfield Capital Management Limited

Neil Olofsson

Registered Office

Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9322 2000
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Custodian

Brookfield Funds Management Limited
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Location of Share Registry

Boardroom (Victoria) Pty Limited
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Auditor

Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000
Telephone: + 61 2 9322 7000
Facsimile: + 61 2 9322 7001

Directors' Report

Multiplex Development and Opportunity Fund

For the half year ended 31 December 2014

Introduction

The Directors of Brookfield Capital Management Limited (BCML) (ABN 32 094 936 866), the Responsible Entity of Multiplex Development and Opportunity Fund (ARSN 100 563 488) (Fund), present their report together with the condensed consolidated interim financial statements of the Consolidated Entity, being the Fund and its subsidiaries, and the Consolidated Entity's interest in associates for the six months ended 31 December 2014 and the Independent Auditor's Review Report thereon.

The Fund was constituted on 27 May 2002.

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
Russell Proutt	Executive Director
Shane Ross	Alternate Director

Principal activities

The principal activity of the Consolidated Entity during the period has been to provide investors with exposure to a range of property development projects at various stages of the development cycle, as well as other forms of direct and indirect property investments.

Review of operations

The Consolidated Entity has recorded a profit before income tax of \$3,900,000 for the six month period ended 31 December 2014 (2013: \$680,000).

Some of the significant events during the period are as follows:

- total revenue and other income of \$4,350,000 (2013: \$1,217,000);
- net assets attributable to ordinary unitholders of \$35,880,000 (30 June 2014: \$49,938,000);
- share of profit from equity accounted investment in Little Bay South Developer Pty Limited of \$4,084,000 (2013: \$922,000); and
- capital return of \$17,967,000 or 11.00 cents per unit was paid on 31 October 2014 (2013: \$17,967,051).

Rounding of amounts

The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

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

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' Report for the half year ended 31 December 2014.

Dated at Sydney this 20th day of February 2015.

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



F. Allan McDonald

Director

Brookfield Capital Management Limited

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

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The Board of Directors
Brookfield Capital Management Limited
(as Responsible Entity for Multiplex Development and Opportunity Fund)
Level 22, 135 King St
Sydney NSW 2000

20 February 2015

Dear Directors

Multiplex Development and Opportunity 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 of Multiplex Development and Opportunity Fund.

As lead audit partner for the review of the financial statements of Multiplex Development and Opportunity Fund for the half year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU



AG Collinson
Partner
Chartered Accountants

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2014

	Note	Consolidated	
		Half year ended 31 December 2014 \$'000	Half year ended 31 December 2013 \$'000
Revenue and other income			
Share of net profit of investments accounted for using the equity method	6	4,084	922
Interest income		266	295
Total revenue and other income		4,350	1,217
Expenses			
Management fees		357	446
Write off of investment in Multiplex Acumen Vale Syndicate Limited		28	–
Other expenses		65	91
Total expenses		450	537
Profit before income tax		3,900	680
Income tax benefit		–	–
Net profit after tax		3,900	680
Finance costs attributable to unitholders:			
Increase in net assets attributable to ordinary unitholders	8	(3,900)	(680)
Net profit for the period		–	–
Total comprehensive profit/(loss) attributable to:			
Non-controlling interest		–	–
Ordinary unitholders		–	–
Total comprehensive profit/(loss) for the period		–	–

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

Condensed Consolidated Interim Statement of Financial Position

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Multiplex Development and Opportunity Fund

As at 31 December 2014

	Note	31 December 2014 Consolidated \$'000	30 June 2014 \$'000
Current assets			
Cash and cash equivalents		6,530	17,814
Trade and other receivables		59	87
Other financial assets	5	–	442
Total current assets		6,589	18,343
Non-current assets			
Investments accounted for using the equity method	6	41,839	31,662
Total non-current assets		41,839	31,662
Total assets		48,428	50,005
Current liabilities			
Trade and other payables		144	67
Total current liabilities		144	67
Non-current liabilities			
Loans from associates		12,404	–
Total non-current liabilities		12,404	–
Total liabilities (excluding liability to ordinary unitholders)		12,548	67
Net assets attributable to ordinary unitholders - Liability	8	35,880	49,938

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

Condensed Consolidated Interim Statement of Changes in Equity

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2014

As the Consolidated Entity and the Fund have no equity, the financial statements do not include a Statement of Changes in Equity for the current or comparative period.

Condensed Consolidated Interim Statement of Cash Flows

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2014

	Consolidated	
	Half year ended 31 December 2014 \$'000	Half year ended 31 December 2013 \$'000
Cash flows from operating activities		
Cash payments in the course of operations	(320)	(546)
Interest received	269	346
Net cash flows used in operating activities	(51)	(200)
Cash flows from investing activities		
Net amounts from associate	6,320	4,700
Return of capital from Multiplex Acumen Vale Syndicate Limited	414	-
Net cash flows from investing activities	6,734	4,700
Cash flows from financing activities		
Return of capital	(17,967)	(17,967)
Net cash flows used in financing activities	(17,967)	(17,967)
Net decrease in cash and cash equivalents	(11,284)	(13,467)
Cash and cash equivalents at beginning of the period	17,814	20,022
Cash and cash equivalents at 31 December	6,530	6,555

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

Notes to the Condensed Consolidated Interim Financial Statements

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2014

1 Reporting entity

Multiplex Development and Opportunity 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 interim financial report of the Fund as at and for the six months ended 31 December 2014 comprise the Fund and its subsidiaries (together referred to as the Consolidated Entity) and the Consolidated Entity's interest in associates.

2 Significant accounting policies

Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The consolidated interim financial report does not include notes of the type normally included in annual financial statements and should be read in conjunction with the most recent annual financial statements of the Consolidated Entity as at and for the year ended 30 June 2014. For purpose of preparing the consolidated financial statements, the Fund is a for profit entity.

Basis of preparation

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

The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

The accounting policies and methods of computation adopted in the preparation of the consolidated interim financial report are consistent with those adopted and disclosed in the consolidated financial report as at and for the year ended 30 June 2014, except for the impact of the Standards and Interpretations described below.

AASB 1031 *Materiality (December 2013)* is an interim standard that cross references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contains guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed AASB 1031 will be withdrawn.

AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets* addresses the disclosure of information about the recoverable amount of impaired assets if that value is based on fair value less cost of disposal.

AASB 2013-5 *Amendments to Australian Accounting Standard – Investment Entities* provides an exemption from consolidation of subsidiaries under AASB 10 *Consolidated Financial Statements* for entities which meet the definition of an "investment entity". Such entities would measure their investment in particular subsidiaries at fair value through profit and loss in accordance with AASB 9 *Financial Instruments* or AASB 139 *Financial Instruments: Recognition and Measurement*.

AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments Part B* makes changes to particular Australian Accounting Standards to delete reference to AASB 1031.

3 Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those 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 the amount recognised in the financial statements is provided in investment accounted for using the equity accounted method (refer to note 6).

Notes to the Condensed Consolidated Interim Financial Statements continued

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2014

4 Distributions

The Consolidated Entity did not pay a distribution for the six months ended 31 December 2014 (2013: nil).

A capital return of \$17,967,000 or 11.00 cents per unit was paid to investors on 31 October 2014 (2013: \$17,967,000 or 11.00 cents per unit).

5 Other financial assets

	Consolidated	
	31 December 2014 \$'000	30 June 2014 \$'000
Investment – Multiplex Acumen Vale Syndicate Limited	–	442
Total current	–	442

During the half year ended 31 December 2014 Multiplex Acumen Vale Syndicate Limited (MAVSL) paid a final return of capital of which \$414,000 was received by the Consolidated Entity. The balance of the carrying amount of the investment was written off.

6 Investment accounted for using the equity method

	Consolidated	
	31 December 2014 \$'000	30 June 2014 \$'000
Little Bay South Developer Pty Limited – 50% ownership	41,839	31,662

	Consolidated	
	31 December 2014 \$'000	30 June 2014 \$'000
Share of net profit of investments accounted for using the equity method	4,084	3,739

Little Bay South Developer Pty Limited's (LBS) place of incorporation and principal place of business is Australia. Its principal activity is direct or indirect development of residential properties.

A summary of financial information for the half year ended 31 December 2014 for LBS and the comparative prior year, not adjusted for the percentage ownership held by the Consolidated Entity, is detailed below:

	31 December 2014 \$'000	30 June 2014 \$'000
Current assets	52,834	87,328
Total assets	52,834	87,328
Current liabilities	2,536	49,751
Total liabilities	2,536	49,751
Net assets	50,298	37,577

Notes to the Condensed Consolidated Interim Financial Statements continued

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2014

6 Investment accounted for using the equity method continued

	31 December 2014 \$'000	30 June 2014 \$'000
Opening net assets 1 July	37,577	50,612
Net profit for the period	5,105	4,674
Movement in reserves	11	(9)
Net amounts to/(from) LBS	7,605	(17,700)
Closing net assets	50,298	37,577
Consolidated Entity's share in (%)	80%	80.0%
Consolidated Entity's share in (\$)	40,239	30,062
Little Bay South – Stage 4 loan receivable	2,000	2,000
Impairment provision of investment accounted for using the equity method	(400)	(400)
Total investment accounted for using the equity method	41,839	31,662
	31 December 2014 \$'000	30 June 2014 \$'000
Revenues	98,013	48,302
Expenses	(92,908)	(43,628)
Net profit after income tax for the year	5,105	4,674
Other comprehensive income/(loss) for the year	11	(9)
Total comprehensive income for the year	5,116	4,665

The Consolidated Entity is entitled to 80% of the profit or loss of LBS. The Consolidated Entity's share of net profit/(loss) in its equity accounted investment for the period was \$4,084,000 profit (30 June 2014: \$3,739,000).

An assessment of the recoverability of the investment in LBS undertaken as at 31 December 2014 has resulted in no further impairment provision or write back (30 June 2014: \$229,000 impairment write back).

Any additional contributions are made on an 80/20 basis (the Fund 80% and Brookfield group 20%) in accordance with the terms of the shareholders agreement.

7 Units on issue

	31 December 2014 \$'000	31 December 2014 Units	30 June 2014 \$'000	30 June 2014 Units
Units on issue				
Opening balance	73,975	163,336,831	91,942	163,336,831
Return of capital	(17,967)	–	(17,967)	–
Closing balance	56,008	163,336,831	73,975	163,336,831

Notes to the Condensed Consolidated Interim Financial Statements continued

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2014

8 Net assets attributable to ordinary unitholders – liability

	Consolidated	
	31 December 2014 \$'000	30 June 2014 \$'000
Units on issue	56,008	73,975
Reserves	2	(7)
Undistributed losses	(20,130)	(24,030)
Net assets attributable to ordinary unitholders	35,880	49,938
Opening balance of net assets attributable to unitholders	49,938	64,405
Units on issue		
Return of capital	(17,967)	(17,967)
Undistributed income		
Net profit from operations before distributions to unitholders	3,900	3,507
Movement in reserves	9	(7)
Closing balance of net assets attributable to unitholders	35,880	49,938

9 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.

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).

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.

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

As at 31 December 2014 MAVSL (level 3 fair value financial instrument) was carried at fair value of \$nil (June 2014: \$442,000). Refer to other financial assets, note 5, for further details.

Reconciliation of level 3 fair value measurements:

	31 December 2014 \$'000	30 June 2014 \$'000
Consolidated Entity		
Opening balance – 1 July	442	2,674
Return of capital	(414)	(2,232)
Write off investment in MAVSL	(28)	–
Closing balance	–	442
Total losses for the period included in the profit or loss attributable to losses relating to assets held at the end of period	(28)	–

Notes to the Condensed Consolidated Interim Financial Statements continued

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2014

10 Related parties

There have been no significant changes to the related party transactions as disclosed in the annual report for the year ended 30 June 2014.

11 Contingent liabilities and assets

No contingent liabilities or assets existed at 31 December 2014 (30 June 2014: nil).

12 Events subsequent to the reporting date

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 in subsequent financial periods.

Directors' Declaration

Multiplex Development and Opportunity Fund

For the half year ended 31 December 2014

In the opinion of the Directors of Brookfield Capital Management Limited, as Responsible Entity of Multiplex Development and Opportunity Fund:

- a The condensed consolidated interim financial statements and notes, set out in pages 6 to 14, 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 31 December 2014 and of its performance, for the six month period ended on that date; and
 - ii complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- 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.

Dated at Sydney this 20th day of February 2015



F. Allan McDonald
Director
Brookfield Capital Management Limited

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

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Independent Auditor's Review Report to the Unitholders of Multiplex Development and Opportunity Fund

We have reviewed the accompanying half-year financial report of Multiplex Development and Opportunity Fund ("the Fund"), which comprises the condensed consolidated interim statement of financial position as at 31 December 2014, and the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of cash flows and the condensed consolidated interim statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the Fund and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 15.

Directors' Responsibility for the Half-Year Financial Report

The directors of Brookfield Capital Management Limited, the Responsible Entity of the Fund, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Brookfield Capital Management Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Multiplex Development and Opportunity Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU



AG Collinson
Partner
Chartered Accountants
Sydney, 20 February 2015