

Multiplex Development and Opportunity Fund
Interim financial report
For the half year ended
31 December 2015

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 2015

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Directory

Multiplex Development and Opportunity Fund

For the half year ended 31 December 2015

Responsible Entity

Brookfield Capital Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9322 2000
Facsimile: +61 2 9322 2001

Directors of Brookfield Capital Management Limited

F. Allan McDonald
Barbara Ward
Shane Ross

Company Secretary of Brookfield Capital Management Limited

Neil Olofsson

Registered Office

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

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Facsimile: + 61 2 9322 7001

Directors' Report

Multiplex Development and Opportunity Fund

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For the half year ended 31 December 2015

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 2015 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
Shane Ross	Executive 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 \$84,127 for the half year ended 31 December 2015 (2014: \$3,899,693).

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


- total revenue and other income of \$287,344 (2014: \$4,349,828);
- net assets attributable to ordinary unitholders of \$4,732,224 (30 June 2014: \$35,763,763);
- share of profit from equity accounted investment in Little Bay South Developer Pty Limited of \$158,245 (2014: \$4,084,071); and
- capital return of \$31,115,666 or 19.05 cents per unit was paid on 15 September 2015 to unitholders (2014: \$17,967,050 or 11 cents per unit).

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 2015.

Dated at Sydney this 24th day of February 2016.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) 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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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

24 February 2016

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 2015, 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 2015

	Note	Consolidated Half year ended 31 December 2015 \$	Half year ended 31 December 2014 \$
Revenue and other income			
Share of net profit of investments accounted for using the equity method	5	158,245	4,084,071
Interest income		129,099	265,757
Total revenue and other income		287,344	4,349,828
Expenses			
Management fees		173,881	357,336
Write off of investment in Multiplex Acumen Vale Syndicate Limited		–	27,950
Other expenses		29,336	64,849
Total expenses		203,217	450,135
Profit before income tax		84,127	3,899,693
Income tax benefit		–	–
Net profit after tax		84,127	3,899,693
Finance costs attributable to unitholders:			
Increase in net assets attributable to ordinary unitholders	6	(84,127)	(3,899,693)
Net profit for the period		–	–
Total comprehensive profit attributable to:			
Ordinary unitholders		–	–
Total comprehensive profit 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 2015

	Note	Consolidated 31 December 2015 \$	30 June 2015 \$
Current assets			
Cash and cash equivalents		2,938,710	6,157,361
Trade and other receivables		16,416	1,895,910
Total current assets		2,955,126	8,053,271
Non-current assets			
Investments accounted for using the equity method	5	1,830,845	40,297,052
Total non-current assets		1,830,845	40,297,052
Total assets		4,785,971	48,350,323
Current liabilities			
Trade and other payables		53,747	182,175
Total current liabilities		53,747	182,175
Non-current liabilities			
Loans from associates		–	12,404,385
Total non-current liabilities		–	12,404,385
Total liabilities (excluding liability to unitholders)		53,747	12,586,560
Net assets attributable to unitholders - Liability	6	4,732,224	35,763,763

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 2015

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 2015

	Note	Consolidated	
		Half year ended 31 December 2015 \$	Half year ended 31 December 2014 \$
Cash flows from operating activities			
Cash payments in the course of operations		(220,802)	(320,417)
Interest received		139,796	268,767
Net cash flows used in operating activities		(81,006)	(51,650)
Cash flows from investing activities			
Net amounts from associate		27,978,021	6,320,000
Return of capital from Multiplex Acumen Vale Syndicate Limited		–	414,437
Net cash flows from investing activities		27,978,021	6,734,437
Cash flows from financing activities			
Return of capital	4,6	(31,115,666)	(17,967,050)
Net cash flows used in financing activities		(31,115,666)	(17,967,050)
Net decrease in cash and cash equivalents		(3,218,651)	(11,284,263)
Cash and cash equivalents at beginning of the period		6,157,361	17,813,792
Cash and cash equivalents at 31 December		2,938,710	6,529,529

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 2015

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 2015 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 2015. 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 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 2015.

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

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 5).

4 Distributions

The Consolidated Entity did not pay a distribution for the six months ended 31 December 2015 (2014: nil).

A capital return of \$31,115,666 or 19.05 cents per unit was paid to investors on 15 September 2015 (2014: \$17,967,050 or 11.00 cents per unit).

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 2015

5 Investment accounted for using the equity method

	Consolidated 31 December 2015 \$	30 June 2015 \$
Little Bay South Developer Pty Limited – 50% ownership	1,830,845	40,297,052

	Consolidated 31 December 2015 \$	30 June 2015 \$
Share of net profit of investments accounted for using the equity method	158,245	5,902,192

Little Bay South Developer Pty Limited's (LBS Developer) 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 2015 for LBS Developer and the comparative prior year, not adjusted for the percentage ownership held by the Consolidated Entity, is detailed below:

	31 December 2015 \$	30 June 2015 \$
Current assets	2,375,264	53,890,548
Total assets	2,375,264	53,890,548
Current liabilities	86,709	3,519,223
Total liabilities	86,709	3,519,223
Net assets	2,288,555	50,371,315

	31 December 2015 \$	30 June 2015 \$
Opening net assets 1 July	50,371,315	37,577,067
Net profit after tax for the period/year	197,806	7,377,740
Movement in reserves	–	8,469
Net amounts (from)/to LBS Developer	(48,280,566)	7,605,481
Dividends declared	–	(2,197,442)
Closing net assets	2,288,555	50,371,315
Consolidated Entity's share in (%)	80%	80%
Consolidated Entity's share in (\$)	1,830,845	40,297,052
Total investment accounted for using the equity method	1,830,845	40,297,052

	31 December 2015 \$	30 June 2015 \$
Revenues	209,902	102,183,317
Expenses	(12,096)	(93,908,744)
Income tax expense	–	(896,833)
Net profit after income tax for the period/year	197,806	7,377,740
Other comprehensive income for the period/year	–	8,469
Total comprehensive income for the period/year	197,806	7,386,209

The Consolidated Entity owns 50% of the ordinary shares and 80% of the Class A shares in LBS Developer. The Consolidated Entity is entitled to 80% of LBS Developer's profit or loss. The Consolidated Entity's share of net loss for the half year period ended 31 December 2015 was \$158,245 (30 June 2015: \$5,902,192 profit).

An assessment of the recoverability of the investment in LBS Developer was undertaken as at 31 December 2015. No adjustment to the carrying value has been made (30 June 2015: \$400,000 impairment write back).

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 2015

6 Net assets attributable to ordinary unitholders – liability

	Consolidated	
	31 December 2015 \$	30 June 2015 \$
Units on issue	24,892,328	56,007,994
Reserves	–	–
Undistributed losses	(20,160,104)	(20,244,231)
Net assets attributable to ordinary unitholders	4,732,224	35,763,763
Opening balance of net assets attributable to unitholders	35,763,763	49,938,200
Units on issue		
Return of capital	(31,115,666)	(17,967,050)
Undistributed income		
Net profit from operations before distributions to unitholders	84,127	3,785,838
Movement in reserves	–	6,775
Closing balance of net assets attributable to unitholders	4,732,224	35,763,763

Number of units during the year of 163,336,831 unchanged from 30 June 2015.

7 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 2015 there were no level 3 fair value instruments.

8 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 2015.

9 Contingent liabilities and assets

No contingent liabilities or assets existed at 31 December 2015 (30 June 2015: nil).

10 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 2015

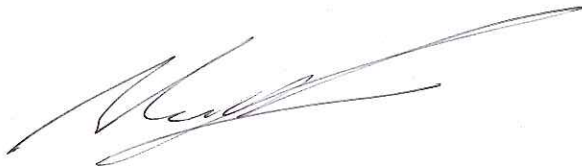
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In the opinion of the Directors of Brookfield Capital Management Limited, as Responsible Entity of Multiplex Development and Opportunity Fund:

- a The condensed consolidated interim financial statements and notes, set out in pages 6 to 12, 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 2015 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 24th day of February 2016



Shane Ross
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 statement of financial position as at 31 December 2015, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Fund and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 13.

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 2015 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 2015 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, 24 February 2016