

Multiplex Development and Opportunity Fund  
Interim financial report  
For the half year ended  
31 December 2017

# Multiplex Development and Opportunity Fund

ARSN 100 563 488

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# Directory

## Multiplex Development and Opportunity Fund

For the half year ended 31 December 2017

### 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

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

### Custodian

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

### Location of Share Registry

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

All correspondence to:

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Sydney NSW 2001  
Telephone: 1300 737 760  
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Telephone: +61 2 9290 9600  
Facsimile: +61 2 9279 0664  
[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

### 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 2017

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### 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 2017 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

In prior periods the Consolidated Entity fully settled its final development property project (Little Bay South). The principal activity of the Consolidated Entity during the period is to resolve the outstanding commercial issues in the Little Bay South Development.

### Review of operations

The Consolidated Entity has recorded a loss after income tax of \$56,218 for the half year ended 31 December 2017 (2016: \$64,569 loss).

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

- total revenue and other income of \$6,441 (2016: \$48,561);
- net assets attributable to ordinary unitholders of \$1,548,801 (30 June 2017: \$1,605,019); and
- share of loss from equity accounted investment in Little Bay South Developer Pty Limited of \$48,079 (2016: \$10,246 profit)

### Wind up of the Fund

The Consolidated Entity intends to cease business in the next 12 months and realise its assets and extinguish its liabilities in the ordinary course of business. As such the going concern basis has not been adopted in the preparation of these financial statements. Accordingly, the assets have been recorded at their net realisable value and the liabilities have been recorded at their contract and settlement amounts.

In addition, all assets and liabilities have been classified as current since assets will be consumed or converted into cash and liabilities will be settled within 12 months.

### 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 2017.

Dated at Sydney this 27th day of February 2018.

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.C.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

27 February 2018

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 2017, 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

*A. Coleman*

Andrew J Coleman  
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 2017

	Note	Consolidated Half year ended 31 December 2017 \$	Half year ended 31 December 2016 \$
<b>Revenue and other income</b>			
Share of net profit of investments accounted for using the equity method	5	–	10,246
Interest income		6,441	38,315
<b>Total revenue and other income</b>		<b>6,441</b>	<b>48,561</b>
<b>Expenses</b>			
Share of net loss of investment accounted for using the equity method	5	48,079	–
Management fees		11,946	93,656
Other expenses		2,634	19,474
<b>Total expenses</b>		<b>62,659</b>	<b>113,130</b>
<b>Loss before income tax</b>		<b>(56,218)</b>	<b>(64,569)</b>
Income tax benefit		–	–
<b>Net loss after tax</b>		<b>(56,218)</b>	<b>(64,569)</b>
<b>Finance costs attributable to unitholders:</b>			
Decrease in net assets attributable to ordinary unitholders	6	(56,218)	(64,569)
<b>Net profit for the period</b>		<b>–</b>	<b>–</b>
Total comprehensive profit attributable to:			
Ordinary unitholders		–	–
<b>Total comprehensive profit for the period</b>		<b>–</b>	<b>–</b>

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 2017

	Note	Consolidated 31 December 2017 \$	30 June 2017 \$
<b>Current assets</b>			
Cash and cash equivalents		927,631	932,526
Trade and other receivables		542	3,967
Investment accounted for using the equity method	5	627,580	675,660
<b>Total current assets</b>		<b>1,555,753</b>	<b>1,612,153</b>
<b>Total assets</b>		<b>1,555,753</b>	<b>1,612,153</b>
<b>Current liabilities</b>			
Trade and other payables		6,952	7,134
<b>Total current liabilities</b>		<b>6,952</b>	<b>7,134</b>
<b>Total liabilities (excluding liability to unitholders)</b>		<b>6,952</b>	<b>7,134</b>
<b>Net assets attributable to unitholders - Liability</b>	6	<b>1,548,801</b>	<b>1,605,019</b>

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 2017

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 2017

	Note	Consolidated Half year ended 31 December 2017 \$	Half year ended 31 December 2016 \$
<b>Cash flows from operating activities</b>			
Cash payments in the course of operations		(11,336)	(130,361)
Interest received		6,441	39,428
<b>Net cash flows used in operating activities</b>		<b>(4,895)</b>	<b>(90,933)</b>
<b>Cash flows from investing activities</b>			
<b>Net cash flows from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>-</b>
Net decrease in cash and cash equivalents		(4,895)	(90,933)
Cash and cash equivalents at beginning of the period		932,526	2,882,676
<b>Cash and cash equivalents at 31 December</b>		<b>927,631</b>	<b>2,791,743</b>

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 2017

### 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 2017 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* (AASB 134). 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 2017. 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 2017.

#### Non-going concern

The Consolidated Entity intends to cease business in the next 12 months and realise its assets and extinguish its liabilities in the ordinary course of business. As such the going concern basis has not been adopted in the preparation of these financial statements. Accordingly, the assets have been recorded at their net realisable value and the liabilities have been recorded at their contract and settlement amounts.

In addition, all assets and liabilities have been classified as current since assets will be consumed or converted into cash and liabilities will be settled within 12 months.

### 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.

There are no critical estimates or judgements as at 31 December 2017.

### 4 Distributions and capital returns

The Consolidated Entity did not pay a distribution or capital return for the six months ended 31 December 2017. (2016: capital return of \$3,021,731 or 1.85 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 2017

### 5 Investment accounted for using the equity method

	Consolidated 31 December 2017 \$	30 June 2017 \$
Little Bay South Developer Pty Limited – 50% ownership	627,580	675,660

	Consolidated 31 December 2017 \$	30 June 2017 \$
Share of net loss of investments accounted for using the equity method	(48,079)	(11,409)

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 2017 for LBS Developer and the comparative prior year, not adjusted for the percentage ownership held by the Consolidated Entity, is detailed below:

	31 December 2017 \$	30 June 2017 \$
Current assets	784,486	846,843
<b>Total assets</b>	<b>784,486</b>	<b>846,843</b>
Current liabilities	10	2,268
<b>Total liabilities</b>	<b>10</b>	<b>2,268</b>
<b>Net assets</b>	<b>784,476</b>	<b>844,575</b>

	31 December 2017 \$	30 June 2017 \$
Opening net assets 1 July	844,575	2,358,833
Net loss after tax for the period/year	(60,099)	(14,261)
Capital reduction and dividends paid by LBS	–	(1,499,997)
<b>Closing net assets</b>	<b>784,476</b>	<b>844,575</b>
Consolidated Entity's share in (%)	80%	80%
Consolidated Entity's share in (\$)	627,580	675,660
<b>Total investment accounted for using the equity method</b>	<b>627,580</b>	<b>675,660</b>

	31 December 2017 \$	30 June 2017 \$
Revenues	6,219	75,134
Expenses	(71,424)	(74,371)
Income tax expense	5,106	(15,024)
<b>Net loss after income tax for the period/year</b>	<b>(60,099)</b>	<b>(14,261)</b>
<b>Other comprehensive income for the period/year</b>	<b>–</b>	<b>–</b>
<b>Total comprehensive loss for the period/year</b>	<b>(60,099)</b>	<b>(14,261)</b>

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 2017 was \$48,079 (30 June 2017: \$11,409 loss).

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.

# 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 2017

### 6 Net assets attributable to ordinary unitholders – liability

	Consolidated	
	31 December 2017	30 June 2017
	\$	\$
Units on issue	21,870,597	21,870,597
Undistributed losses	(20,321,796)	(20,265,578)
<b>Net assets attributable to ordinary unitholders</b>	<b>1,548,801</b>	<b>1,605,019</b>
<b>Opening balance of net assets attributable to unitholders</b>	<b>1,605,019</b>	<b>4,725,503</b>
Units on issue		
Return of capital	–	(3,021,731)
Undistributed income		
Net loss from operations before distributions to unitholders	(56,218)	(98,753)
<b>Closing balance of net assets attributable to unitholders</b>	<b>1,548,801</b>	<b>1,605,019</b>

Number of units on issue during the year of 163,336,831 is unchanged from 30 June 2017.

### 7 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 2017.

### 8 Contingent liabilities and assets

No contingent liabilities or assets existed at 31 December 2017 (30 June 2017: nil).

### 9 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

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For the half year ended 31 December 2017

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 2017 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 27th day of February 2018



**Shane Ross**

Director

Brookfield Capital Management Limited

Deloitte Touche Tohmatsu  
A.C.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 2017, 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 as they apply on a non-going concern basis 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 2017 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 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* as it applies on a non-going concern basis and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

A. Coleman

Andrew J Coleman  
Partner  
Chartered Accountants  
Sydney, 27 February 2018