

Multiplex Property Income Fund  
Interim financial report  
For the half year ended  
31 December 2010

# Multiplex Property Income Fund

ARSN 117 674 049

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For the half year ended 31 December 2010

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# Directory

## Multiplex Property Income Fund

For the half year ended 31 December 2010

### **Responsible Entity**

Brookfield Capital Management Limited (formerly Brookfield Multiplex 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  
Brian Motteram  
Barbara Ward  
Tim Harris  
Russell Proutt

### **Company Secretary of Brookfield Capital Management Limited**

Neil Olofsson

### **Registered Office**

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

### **Custodian**

JP Morgan Nominees Australia Limited  
Level 35, Suncorp Building  
259 George Street  
Sydney NSW 2000  
Telephone: +61 2 9256 5000  
Facsimile: +61 2 9256 4111

### **Location of Share Registry**

Registries (Victoria) Pty Limited  
Level 7, 207 Kent Street  
Sydney NSW 2000  
Telephone: +61 2 9290 9600  
Facsimile: +61 2 9279 0664

### **Auditor**

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

# Directors' Report

## Multiplex Property Income Fund

For the half year ended 31 December 2010

### Introduction

The Directors of Brookfield Capital Management Limited (BCML) (ABN 32 094 936 866), formerly Brookfield Multiplex Capital Management Limited, the Responsible Entity of Multiplex Property Income Fund (ARSN 117 674 049) (Fund), present their report together with the condensed consolidated interim financial statements of the Consolidated Entity, being the Fund and its subsidiaries, for the six months ended 31 December 2010 and the Independent Auditor's Review Report thereon.

### 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 (appointed 1 January 2010)	Non-Executive Independent Chairman
Brian Motteram (appointed 21 February 2007)	Non-Executive Independent Director
Barbara Ward (appointed 1 January 2010)	Non-Executive Independent Director
Tim Harris (appointed 1 January 2010)	Executive Director
Russell Proutt (appointed 1 January 2010)	Executive Director

### Principal activities

The principal activity of the Consolidated Entity is the investment in listed and unlisted property securities.

### Review of operations

The Consolidated Entity has recorded a net profit of \$775,000 for the six month period ended 31 December 2010 (2009: net loss of \$5,655,000). The reported net profit includes \$460,000 in impairment losses (2009: \$6,378,000).

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

- total revenue and other income of \$1,245,000 (2009: \$723,000);
- net profit \$775,000 (2009: net loss \$5,655,000);
- distributions to income unitholders of \$873,000 and distributions per unit (DPU) of 1.6531 cents per unit (2009: \$370,000 and 0.7004 cents per unit);
- net assets of \$40,863,000 (30 June 2010: \$39,246,000);
- A-REIT portfolio value of \$4,338,000 (30 June 2010: \$1,838,000);
- unlisted security portfolio value of \$34,593,000 (30 June 2010: \$33,621,000);
- net tangible assets (NTA) per income unit was \$0.77 (30 June 2010: \$0.74); and
- NTA per ordinary unit of nil (30 June 2010: nil).

The Fund and Consolidated Entity have 52,791,450 income units on issue at the reporting date. Under the terms of the Fund's Product Disclosure Statement, income unitholders have a targeted monthly priority distribution payment (PDP) which is calculated with reference to a margin of 2.5% per annum above the distribution yield on the S&P/ASX 200 Property Trust Index (with a minimum distribution of 7.5% per annum and a maximum of 8.5% per annum).

In circumstances where the Fund and Consolidated Entity does not meet the PDP to its income unitholders, Brookfield Australian Opportunities Fund (BAO), the Fund's and Consolidated Entity's ordinary unitholder, will be prevented from making distributions to its unitholders unless the shortfall has been met within 12 months of the end of the month in which the shortfall occurred.

As the Fund and Consolidated Entity distributed less than the PDP for the period December 2009 to December 2010, BAO will be prevented from making a distribution to its unitholders until the shortfall has been met. This distribution stopper will remain in place until any shortfall in the PDP for the preceding 12 months is, or has been, paid to income unitholders of the Fund. At 31 December 2010, the shortfall totalled \$2,104,000.

The issue and redemption price of income units is \$1.00 per unit and is not determined by reference to the value of the Fund's and Consolidated Entity's assets. In practical terms, any increase in value above \$1.00 will accrue to the ordinary unitholder as will any decrease in value, unless the value falls below the amount contributed by income unitholders. At 31 December 2010, the value of the Fund's assets is below the value contributed by income unitholders by \$12,097,000. At 31 December 2010 and at the date of this report, the fund remains closed to new applications and redemptions.

# Directors' Report continued

## Multiplex Property Income Fund

For the half year ended 31 December 2010

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### **Rounding of amounts**

The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), 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.

### **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.

### **Lead 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 half year ended 31 December 2010.

Dated at Sydney this 28th day of February 2011.

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



**Russell Proutt**

Director

Brookfield Capital Management Limited

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

28 February 2011

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 review of the financial statements of Multiplex Property Income Fund for the half year ended 31 December 2010, 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 faithfully



DELOITTE TOUCHE TOHMATSU



Helen Hamilton-James  
Partner  
Chartered Accountants

# Condensed Consolidated Interim Statement of Comprehensive Income

## Multiplex Property Income Fund

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For the half year ended 31 December 2010

	Note	Consolidated Half year ended 31 December 2010 \$'000	Half year ended 31 December 2009 \$'000
<b>Revenue and other income</b>			
Distribution income from listed and unlisted property trusts		1,078	574
Gain on disposal of listed and unlisted property trusts		52	113
Interest income		115	36
<b>Total revenue and other income</b>		<b>1,245</b>	<b>723</b>
<b>Expenses</b>			
Impairment expense	6	460	6,378
Other expenses		10	–
<b>Total expenses</b>		<b>470</b>	<b>6,378</b>
<b>Net profit/(loss) for the period</b>		<b>775</b>	<b>(5,655)</b>
<b>Other comprehensive income</b>			
Changes in fair value of available for sale financial assets		1,715	2,289
<b>Other comprehensive income for the period</b>		<b>1,715</b>	<b>2,289</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>2,490</b>	<b>(3,366)</b>
Net (loss)/profit attributable to:			
Ordinary unitholders		–	–
Income unitholders		775	(5,655)
<b>Net profit/(loss) for the period</b>		<b>775</b>	<b>(5,655)</b>
Total comprehensive income/(loss) attributable to:			
Ordinary unitholders		–	–
Income unitholders		2,490	(3,366)
<b>Total comprehensive income/(loss) for the period</b>		<b>2,490</b>	<b>(3,366)</b>

The Condensed Consolidated Interim Statement of 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 Property Income Fund

As at 31 December 2010

	Note	Consolidated 31 December 2010 \$'000	30 June 2010 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,196	3,590
Trade and other receivables		736	478
<b>Total current assets</b>		<b>1,932</b>	<b>4,068</b>
<b>Non-current assets</b>			
Investments – available for sale	6	38,931	35,459
<b>Total non-current assets</b>		<b>38,931</b>	<b>35,459</b>
<b>Total assets</b>		<b>40,863</b>	<b>39,527</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Distribution payable		–	281
<b>Total current liabilities</b>		<b>–</b>	<b>281</b>
<b>Total liabilities</b>		<b>–</b>	<b>281</b>
<b>Net assets</b>		<b>40,863</b>	<b>39,246</b>
<b>Equity</b>			
Units on issue – Ordinary units	7	30,076	30,076
Units on issue – Income units	7	52,960	52,960
Reserves		3,648	1,933
Undistributed losses		(45,821)	(45,723)
<b>Total equity</b>		<b>40,863</b>	<b>39,246</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

## Multiplex Property Income Fund

For the half year ended 31 December 2010

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Consolidated Entity	Attributable to Ordinary unitholders of the Fund				Attributable to Income unitholders of the Fund				Total equity \$'000
	Ordinary units \$'000	Undistributed profits/(losses) \$'000	Reserves \$'000	Total \$'000	Income units \$'000	Undistributed profits/(losses) \$'000	Reserves \$'000	Total \$'000	
<b>Opening equity - 1 July 2010</b>	<b>30,076</b>	<b>(30,076)</b>	–	–	<b>52,960</b>	<b>(15,647)</b>	<b>1,933</b>	<b>39,246</b>	<b>39,246</b>
Changes in fair value of available for sale financial assets	–	–	–	–	–	–	1,715	1,715	1,715
<b>Other comprehensive income for the period</b>	–	–	–	–	–	–	1,715	1,715	1,715
Net profit for the period	–	–	–	–	–	775	–	775	775
<b>Total comprehensive income for the period</b>	–	–	–	–	–	775	1,715	2,490	2,490
<b>Transactions with unitholders in their capacity as unitholders:</b>			–						
Distributions paid	–	–	–	–	–	(873)	–	(873)	(873)
<b>Total transactions with unitholders in their capacity as unitholders</b>	–	–	–	–	–	(873)	–	(873)	(873)
<b>Closing equity - 31 December 2010</b>	<b>30,076</b>	<b>(30,076)</b>	–	–	<b>52,960</b>	<b>(15,745)</b>	<b>3,648</b>	<b>40,863</b>	<b>40,863</b>

# Condensed Consolidated Interim Statement of Changes in Equity continued

## Multiplex Property Income Fund

For the half year ended 31 December 2010

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Consolidated Entity	Attributable to Ordinary unitholders of the Fund				Attributable to Income unitholders of the Fund				
	Ordinary units \$'000	Undistributed profits/(losses) \$'000	Reserves \$'000	Total \$'000	Income units \$'000	Undistributed profits/(losses) \$'000	Reserves \$'000	Total \$'000	Total equity \$'000
<b>Opening equity - 1 July 2009</b>	<b>30,076</b>	<b>(30,076)</b>	<b>–</b>	<b>–</b>	<b>52,960</b>	<b>(7,769)</b>	<b>–</b>	<b>45,191</b>	<b>45,191</b>
Changes in fair value of available for sale financial assets	–	–	–	–	–	–	2,289	2,289	2,289
<b>Other comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,289</b>	<b>2,289</b>	<b>2,289</b>
Net loss for the period	–	–	–	–	–	(5,655)	–	(5,655)	(5,655)
<b>Total comprehensive income/(loss) for the period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(5,655)</b>	<b>2,289</b>	<b>(3,366)</b>	<b>(3,366)</b>
<b>Transactions with unitholders in their capacity as unitholders:</b>									
Distributions paid	–	–	–	–	–	(370)	–	(370)	(370)
<b>Total transactions with unitholders in their capacity as unitholders</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(370)</b>	<b>–</b>	<b>(370)</b>	<b>(370)</b>
<b>Closing equity - 31 December 2009</b>	<b>30,076</b>	<b>(30,076)</b>	<b>–</b>	<b>–</b>	<b>52,960</b>	<b>(13,794)</b>	<b>2,289</b>	<b>41,455</b>	<b>41,455</b>

The Condensed Consolidated Interim Statement of Changes in Equity should be read in conjunction with the Notes to the condensed consolidated interim financial statements.

# Condensed Consolidated Interim Statement of Cash Flows

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## Multiplex Property Income Fund

For the half year ended 31 December 2010

	Consolidated Half year ended 31 December 2010 \$'000	Half year ended 31 December 2009 \$'000
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	1,024	946
Interest received	125	38
<b>Net cash flows from operating activities</b>	<b>1,149</b>	<b>984</b>
<b>Cash flows from investing activities</b>		
Payments for purchase of available for sale assets	(2,748)	(235)
Proceeds from sale of available for sale assets	359	1,808
<b>Net cash flows used in investing activities</b>	<b>(2,389)</b>	<b>1,573</b>
<b>Cash flows from financing activities</b>		
Distributions paid	(1,154)	(370)
<b>Net cash flows used in financing activities</b>	<b>(1,154)</b>	<b>(370)</b>
Net (decrease)/increase in cash and cash equivalents	(2,394)	2,187
Cash and cash equivalents at the beginning of the period	3,590	1,221
<b>Cash and cash equivalents at 31 December</b>	<b>1,196</b>	<b>3,408</b>

The Condensed Consolidated Interim Statement of Cash Flows should be read in conjunction with the Notes to the condensed consolidated interim financial statements.

# Condensed Notes to the Consolidated Interim Financial Statements

## Multiplex Property Income Fund

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For the half year ended 31 December 2010

### 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), formerly Brookfield Multiplex Capital Management Limited, 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 2010 comprise the Fund and its subsidiaries (together referred to as the Consolidated Entity).

### 2 Basis of preparation

#### Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting*. The consolidated interim financial report does not include all the information required for a full year report and should be read in conjunction with the annual financial statements of the Consolidated Entity as at and for the year ended 30 June 2010.

The financial statements are 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 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), 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.

### 3 Significant accounting policies

The accounting policies applied in this consolidated interim financial report are the same as those applied in the consolidated financial report as at and for the year ended 30 June 2010, except for the impact of the new or revised Standards and Interpretations that are first effective in the current reporting period, as described below.

#### AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process*

AASB 2009-5 introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. A number of the amendments are largely technical, clarifying particular terms, or eliminating unintended consequences. Other changes are more substantial, such as the current/non-current classification of convertible instruments, the classification of expenditures on unrecognised assets in the statement of cash flows and the classification of leases of land and buildings.

#### AASB 2010-3 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

AASB 2010-3 introduces amendments to a number of pronouncements as a result of the IASB's 2008-2010 cycle of annual improvements to provide clarification of certain matters. The key clarifications include the measurement of non-controlling interests in a business combination, transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised AASB 3 *Business Combinations (2008)*, and transition requirements for amendments arising as a result of AASB 127 *Consolidated and Separate Financial Statements*.

The adoption of the above amendments have not resulted in any material changes to the Consolidated Entity's accounting policies or adjustments to amounts reported in the current or prior periods.

### 4 Estimates

The preparation of the consolidated interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from those estimates.

# Condensed Notes to the Consolidated Interim Financial Statements continued

## Multiplex Property Income Fund

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For the half year ended 31 December 2010

### 5 Distributions

During the current and prior period, no distributions were paid by the Fund to ordinary unitholders.

Distributions paid/payable to income unitholders were as follows:

	Cents per unit	Total amount \$'000	Date of payment
<b>Income units</b>			
July 2010 distribution	0.2289	121	20 August 2010
August 2010 distribution	0.3119	165	20 September 2010
September 2010 distribution	0.6455	341	20 October 2010
October 2010 distribution	0.2678	141	22 November 2010
November 2010 distribution	0.1991	105	20 December 2010
<b>Total distribution for the six months ended 31 December 2010</b>	<b>1.6532</b>	<b>873</b>	
<b>Income units</b>			
September 2009 distribution	0.3552	188	22 October 2009
December 2009 distribution	0.3452	182	21 December 2009
<b>Total distribution for the six months ended 31 December 2009</b>	<b>0.7004</b>	<b>370</b>	

The Fund and Consolidated Entity have 52,791,450 income units on issue at the reporting date. Under the terms of the Fund's Product Disclosure Statement, income unitholders have a targeted monthly priority distribution payment (PDP) which is calculated with reference to a margin of 2.5% per annum above the distribution yield on the S&P/ASX 200 Property Trust Index (with a minimum distribution of 7.5% per annum and a maximum of 8.5% per annum).

In circumstances where the Fund and Consolidated Entity does not meet the PDP to its income unitholders, Brookfield Australian Opportunities Fund (BAO), formerly Multiplex Acumen Property Fund, the Fund's and Consolidated Entity's ordinary unitholder, will be prevented from making distributions to its unitholders unless the shortfall has been met within 12 months of the end of the month in which the shortfall occurred.

As the Fund distributed less than the PDP for the period from December 2009 to December 2010, BAO will be prevented from making a distribution to its unitholders until the shortfall has been met. This distribution stopper will remain in place until any shortfall in the PDP for the preceding 12 months is, or has been, paid to income unitholders of the Fund. At 31 December 2010, the shortfall totalled \$2,104,000.

	Consolidated 31 December 2010 \$'000	30 June 2010 \$'000
<b>6 Investments – available for sale</b>		
<b>Listed investments</b>		
Listed investments at cost	7,326	4,944
Fair value adjustment	356	339
Impairment	(3,344)	(3,445)
<b>Total listed investments</b>	<b>4,338</b>	<b>1,838</b>
<b>Unlisted investments</b>		
Unlisted investments at cost	58,257	58,632
Fair value adjustment	3,292	1,594
Impairment	(26,956)	(26,605)
<b>Total unlisted investments</b>	<b>34,593</b>	<b>33,621</b>
<b>Total investments – available for sale</b>	<b>38,931</b>	<b>35,459</b>

# Condensed Notes to the Consolidated Interim Financial Statements continued

## Multiplex Property Income Fund

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For the half year ended 31 December 2010

### 6 Investments – available for sale continued

	Consolidated Half year ended 31 December 2010 \$'000
Reconciliation of the carrying amount of impairment is set out below:	
<b>Investments – available for sale (listed property trusts)</b>	
Carrying amount as at beginning of period	(3,445)
Reduction of impairment balance due to disposal of investments	145
Impairment recognised in the current period	(44)
<b>Carrying amount at end of period</b>	<b>(3,344)</b>
<b>Investments – available for sale (unlisted property trusts)</b>	
Carrying amount as at beginning of period	(26,605)
Reduction of impairment balance due to disposal of investments	65
Impairment recognised in the current period	(416)
<b>Carrying amount at end of period</b>	<b>(26,956)</b>

#### Impairment

During the year, the Consolidated Entity recognised an impairment expense in accordance with accounting standards of \$460,000 in relation to its available for sale investments (2009: \$6,378,000).

The impairment expense recognised during the period in relation to available for sale investments represents the difference between the cost of the investments and their market value as at 31 December 2010, less any previously recorded impairment losses and reductions to accumulated reserves.

The Responsible Entity has determined there is objective evidence at the date of this report that the value of the Fund's and Consolidated Entity's listed and unlisted property trust portfolio is impaired. This determination has arisen due to the significant and prolonged decline in value of listed and unlisted property trusts during the year, their further subsequent decline in value after year end and market conditions within the property sector generally.

#### Investment in unlisted property securities

The Consolidated Entity invests directly in 28 unlisted property securities funds. Due to a lack of liquidity in the underlying investment portfolios, 6 have suspended redemptions, 17 have always been closed to redemptions due to the investment structure as outlined in their original constitutions, 3 investments were listed on the Australian Stock Exchange but are now deemed insolvent and 2 have limited liquidity features, meaning that the Consolidated Entity, should it want to, has limited ability to realise these investments due to limited or no redemption options available through these structures.

Consistent with 30 June 2010, the Consolidated Entity has valued its investments in each of the underlying unlisted property securities funds based on the net asset value provided as at 31 December 2010, or where this has not been provided, the latest available net asset value. In circumstances where the latest available net asset value has not been obtained, an assessment of the appropriateness of the value has been made based on knowledge of valuation and transactional movements in the underlying investment's structure as compared to similar portfolios. As the Consolidated Entity is not seeking to sell its assets in the near term, an additional discount would not normally be applied. However, further consideration was then given to each net asset value in the current environment to determine whether an additional discount should be applied by assessing other prevailing market evidence, including transactional evidence and an assessment of the ability of the underlying investments to continue as a going concern. This analysis included application of discounts to unaudited net asset values where certain funds' underlying property investments were all located in Europe.

Although the Directors of the Responsible Entity consider this value to represent fair value as at the reporting date, uncertainty exists as to the likely unit price of each of the unlisted property securities funds when these funds re-commence acceptance of redemptions.

# Condensed Notes to the Consolidated Interim Financial Statements continued

## Multiplex Property Income Fund

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For the half year ended 31 December 2010

	Half year ended 31 December 2010 \$'000	Half year ended 31 December 2010 units	Year ended 30 June 2010 \$'000	Year ended 30 June 2010 units
<b>7 Units on issue</b>				
Ordinary units				
Opening balance	30,076	30,075,871	30,076	30,075,871
<b>Closing balance</b>	<b>30,076</b>	<b>30,075,871</b>	<b>30,076</b>	<b>30,075,871</b>
Income units				
Opening balance	52,960	52,791,450	52,960	52,791,450
<b>Closing balance</b>	<b>52,960</b>	<b>52,791,450</b>	<b>52,960</b>	<b>52,791,450</b>

### 8 Related parties

The Consolidated Entity sold units in Multiplex New Zealand Property Fund (MNZPF) on an arm's length basis through the liquidity facility offered by BCML, the Responsible Entity of both the Consolidated Entity and MNZPF. The Consolidated Entity sold 6.35% of its investment for total consideration of \$50,000. Other than the above, there have been no significant changes to the related party transactions as disclosed in the annual report for the period ended 30 June 2010.

### 9 Contingent liabilities and assets

No contingent liabilities or assets existed at 31 December 2010 (30 June 2010: nil).

### 10 Capital and other commitments

There were no capital or other commitments at 31 December 2010 (30 June 2010: nil).

### 11 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 Property Income Fund

For the half year ended 31 December 2010

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

- a The condensed consolidated interim financial statements and notes, set out in pages 7 to 15, are in accordance with the *Corporations Act 2001*, including:
  - i giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2010 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 28th day of February 2011



**Russell Proutt**  
**Director**  
Brookfield Capital Management Limited



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

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Multiplex Property Income Fund ('the Fund'), which comprises the condensed statement of financial position as at 31 December 2010, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed 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 7 to 16.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of Brookfield Capital Management Limited, the responsible entity for 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 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 2010 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 the 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 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 Property Income 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 2010 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



Helen Hamilton-James  
Partner  
Chartered Accountants  
Parramatta, 28 February 2011