

Multiplex New Zealand Property Fund
Financial report
For the period 1 July 2017 to 12 June 2018

Multiplex New Zealand Property Fund

ARSN 110 281 055

Table of Contents

Multiplex New Zealand Property Fund

For the period 1 July 2017 to 12 June 2018

2

	Page
Directory	3
Directors' Report	4
Auditor's Independence Declaration.....	6
Consolidated Financial Statements.....	7
Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity.....	9
Consolidated Statement of Cash Flows	10
Notes to the Consolidated Financial Statements.....	11
1 Reporting entity	11
2 Basis of preparation	11
3 Significant accounting policies.....	12
4 Parent entity disclosures.....	14
5 Auditor's remuneration	14
6 Income tax.....	15
7 Returns of capital	15
8 Trade and other receivables	16
9 Investment in controlled entities.....	16
10 Trade and other payables	16
11 Units on issue	16
12 Reserves	16
13 Undistributed losses	17
14 Reconciliation of cash flows from operating activities	17
15 Related parties	17
16 Contingent liabilities and assets.....	18
17 Capital and other commitments	18
18 Events subsequent to the reporting date.....	18
Directors' Declaration.....	19
Independent Auditor's Report	20

Directory

3

Multiplex New Zealand Property Fund

For the period 1 July 2017 to 12 June 2018

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

Responsible Entity

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

Directors of Brookfield Capital Management Limited

F. Allan McDonald
Barbara Ward
Shane Ross

Company Secretary of Brookfield Capital Management Limited

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

Registered Office of Brookfield Capital Management Limited

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

Custodian

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:

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

Auditor

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

Directors' Report continued

Multiplex New Zealand Property Fund

4

For the period ended 1 July 2017 to 12 June 2018

Introduction

The Directors of Brookfield Capital Management Limited (ABN 32 094 936 866), the Responsible Entity of Multiplex New Zealand Property Fund (ARSN 110 281 055) (Fund), present their report together with the financial statements of the Consolidated Entity, being the Fund and its subsidiaries for the period 1 July 2017 to 12 June 2018 and the Independent Auditor's Report thereon. The Fund was constituted on 28 July 2004.

All amounts quoted in this report are in Australian dollars, unless otherwise noted.

Wind up of the Fund

Following the sale of the final three properties the Consolidated Entity has realised all of its investments, settled its outstanding liabilities and has distributed the net proceeds. The Consolidated Entity was terminated on 12 June 2018.

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

Cost reimbursements include actual invoices and estimates the Fund received from external advisors and service providers in relation to winding up the Fund. The Fund made a payment of \$100,412 to the Responsible Entity to assume liability for these costs. The Responsible Entity will pay the wind up costs on behalf of the Fund in order for the Fund to complete its wind up. To the extent that actual costs exceed estimated costs, the Responsible Entity will be responsible for the differential.

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 year:

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

Principal activities

Prior to the termination of the Fund, the principal activity was the investment in properties in New Zealand. The Fund sold the last of its remaining properties in June 2016.

Review of operations

The Consolidated Entity has recorded a net loss after tax of \$23,781,148 for the period ended 12 June 2018 (2017: net profit after tax of \$165,035).

Returns of capital

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

	Cents per unit	Total amount \$	Date of payment
Ordinary unitholders			
September 2017 returns of capital	2.0	4,361,129	8 September 2017
Final returns of capital	2.1	4,652,452	1 June 2018
Total returns of capital for the period ended 12 June 2018	4.1	9,013,581	
Ordinary unitholders			
July 2016 returns of capital	18.0	39,250,161	6 July 2016
Total returns of capital for the year ended 30 June 2017	18.0	39,250,161	

Significant changes in the state of affairs

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

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.

Directory

Multiplex New Zealand Property Fund

For the period 1 July 2017 to 12 June 2018

5

Likely developments

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

Indemnification and insurance of officers and auditors

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

- liabilities incurred as a director or company secretary of BCML, except for those liabilities incurred in relation to the matters set out in section 199A(2) of the Corporations Act 2001; and
- reasonable legal costs incurred in defending an action for a liability as director or company secretary of BCML, except for costs incurred in relation to matters set out in section 199A(3) of the Corporations Act 2001; (the “Indemnity”).

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

The global directors’ and officers’ insurance policy prohibits certain disclosures in relation to the nature of the liability covered and the amount of the premium, however, it can be disclosed that the policy does not insure against liabilities arising out of matters including, but not limited to:

- fraudulent, dishonest or criminal acts or omissions and improper personal profit or advantage;
- violation of *US Securities Act of 1993*;
- losses for which coverage under a different kind of insurance policy is readily available such as, liability insurance, employment practices liability and pollution liability (there can be limited coverage for some of these exposures); and
- claims made by a major shareholder (threshold is ownership of 10% or greater).

The obligation to effect, maintain and pay the premium of the global directors’ and officers’ insurance policy continues for a period of seven years after the director or company secretary of BCML has left office, to the extent such coverage is available with reasonable terms in the commercial insurance marketplace.

Contract of insurance

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

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

The lead auditor’s independence declaration is set out on page 7 and forms part of the Directors’ Report for the period ended 12 June 2018.

Dated at Sydney this 14 June 2018.

Signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the *Corporations Act 2001*.



Shane Ross

Director

Brookfield Capital Management Limited

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

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

14 June 2018

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

Dear Directors,

MULTIPLEX NEW ZEALAND PROPERTY 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 New Zealand Property Fund.

As lead audit partner for the audit of the financial statements of Multiplex New Zealand Property Fund for the period ended 12 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

DELOITTE TOUCHE TOHMATSU.

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountants

Consolidated Statement of Profit or Loss and Other Comprehensive Income

7

Multiplex New Zealand Property Fund

For the period ended 1 July 2017 to 12 June 2018

	Note	Consolidated Period ended 12 June 2018 \$	Year ended 30 June 2017 \$
Revenue and other income			
Interest income		67,918	154,021
Net gain on sale of investment properties		40,207	647,526
Total revenue and other income		108,125	801,547
Expenses			
Property expenses		116,563	300,336
Foreign currency losses previously recognised in other comprehensive income		23,633,649	–
Management fees		–	7,557
Other expenses		156,363	149,334
Total expenses		23,906,575	457,227
Net (loss)/profit before income tax		(23,798,450)	344,320
Income tax benefit/(expense)	6	17,302	(179,285)
Net (loss)/profit after income tax for the period/year		(23,781,148)	165,035
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Changes in foreign currency translation reserve		23,466,747	153,152
Other comprehensive income for the period/year, net of income tax		23,466,747	153,152
Total comprehensive (loss)/income for the period/year		(314,401)	318,187
Net (loss)/profit attributable to ordinary unitholders		(23,781,148)	165,035
Total comprehensive (loss)/income attributable to ordinary unitholders		(314,401)	318,187

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

Consolidated Statement of Financial Position

Multiplex New Zealand Property Fund

8

As at 12 June 2018

	Note	Consolidated	
		12 June 2018	30 June 2017
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		–	7,782,489
Trade and other receivables	8	–	1,756,267
Total current assets		–	9,538,756
Total assets		–	9,538,756
Liabilities			
Current liabilities			
Trade and other payables	10	–	125,933
Current tax liability	6	–	5,862
Accrued wind up costs		–	78,979
Total current liabilities		–	210,774
Total liabilities		–	210,774
Net assets		–	9,327,982
Equity			
Units on issue	11	–	62,615,877
Reserves	12	–	(23,466,747)
Undistributed losses	13	–	(29,821,148)
Total equity		–	9,327,982

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

Consolidated Statement of Changes in Equity

Multiplex New Zealand Property Fund

9

For the period ended 1 July 2017 to 12 June 2018

Consolidated entity	Note	Attributable to unitholders of the Fund			Total
		Ordinary units	Undistributed profits/(losses)	Reserves	
		\$	\$	\$	\$
Opening equity – 1 July 2017		62,615,877	(29,821,148)	(23,466,747)	9,327,982
Changes in foreign currency translation reserve	12	–	–	23,466,747	23,466,747
Other comprehensive income for the period, net of income tax		–	–	23,466,747	23,466,747
Net loss for the period		–	(23,781,148)	–	(23,781,148)
Total comprehensive (loss)/income for the period		–	(23,781,148)	23,466,747	(314,401)
Transactions with unitholders in their capacity as unitholders:					
Returns of capital	11	(9,013,581)	–	–	(9,013,581)
Cancellation of units	11	(53,602,296)	53,602,296	–	–
Total transactions with unitholders in their capacity as unitholders		(62,615,877)	53,602,296	–	(9,013,581)
Closing equity – 12 June 2018		–	–	–	–

Consolidated entity	Note	Attributable to unitholders of the Fund			Total
		Ordinary units	Undistributed profits/(losses)	Reserves	
		\$	\$	\$	\$
Opening equity – 1 July 2016		101,866,038	(29,986,183)	(23,619,899)	48,259,956
Changes in foreign currency translation reserve	12	–	–	153,152	153,152
Other comprehensive income for the year, net of income tax		–	–	153,152	153,152
Net profit for the year		–	165,035	–	165,035
Total comprehensive income for the year		–	165,035	153,152	318,187
Transactions with unitholders in their capacity as unitholders:					
Returns of capital	11	(39,250,161)	–	–	(39,250,161)
Total transactions with unitholders in their capacity as unitholders		(39,250,161)	–	–	(39,250,161)
Closing equity – 30 June 2017		62,615,877	(29,821,148)	(23,466,747)	9,327,982

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

Consolidated Statement of Cash Flows

Multiplex New Zealand Property Fund

10

For the period ended 1 July 2017 to 12 June 2018

	Note	Consolidated	
		Period ended 12 June 2018 \$	Year ended 30 June 2017 \$
Cash flows from operating activities			
Cash receipts in the course of operations		71,274	171,343
Cash payments in the course of operations		(379,390)	(924,681)
Interest received		73,501	135,679
Net income tax		26,633	(286,303)
Net cash flows used in operating activities	14	(207,982)	(903,962)
Cash flows from investing activities			
Net proceeds from sale of investment properties		1,623,510	(163,287)
Net cash flows from/(used in) investing activities		1,623,510	(163,287)
Cash flows from financing activities			
Returns of capital		(9,013,581)	(39,250,161)
Net cash flows used in financing activities		(9,013,581)	(39,250,161)
Net decrease in cash and cash equivalents		(7,598,053)	(40,317,410)
Impact of foreign exchange		(184,436)	170,164
Cash and cash equivalents at beginning of period/year		7,782,489	47,929,735
Cash and cash equivalents at period/year end		–	7,782,489

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

Notes to the Consolidated Financial Statements

Multiplex New Zealand Property Fund

11

For the period ended 1 July 2017 to 12 June 2018

1 Reporting entity

Multiplex New Zealand Property Fund (Fund) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Capital Management Limited (BCML), the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The consolidated financial statements of the Fund as at and for the period ended 12 June 2018 comprise the Fund and its subsidiaries (together referred to as the Consolidated Entity).

2 Basis of preparation

a Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASB) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements of the Consolidated Entity and the Fund comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Boards (IASB). For the purpose of preparing the consolidated financial statements the Fund is a for profit entity.

The consolidated financial statements were authorised for issue by the Directors on this 14 June 2018.

b Basis of measurement

Non-going concern

The Consolidated Entity has realised all of its investments and settled its liabilities during the period ended 12 June 2018. The Consolidated Entity was terminated on 12 June 2018.

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

The consolidated financial statements are presented in Australian dollars, which is the Fund's presentation currency. The Fund's functional currency is Australian dollars. The Consolidated Entity prior to wind up, predominantly comprised of operations that are located in New Zealand. The functional currency of the controlled entity that holds these operations is the New Zealand dollar.

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

c Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no critical estimates or judgements as at period ended 12 June 2018.

d New and amended standards adopted

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the period beginning 1 July 2017 that have a material impact on the Consolidated Entity.

Notes to the Consolidated Financial Statements

continued

12

Multiplex New Zealand Property Fund

For the period ended 1 July 2017 to 12 June 2018

3 Significant accounting policies

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

a Principles of consolidation

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

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Consolidated Entity. The assets and liabilities of foreign controlled entities are translated into Australian dollars at rates of exchange current at the period end date, while their income and expenditure are translated at the exchange rate at the date of the transactions.

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

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

Non-controlling interests in subsidiaries are identified separately from the Consolidated Entity's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Consolidated Entity's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Consolidated Entity's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to unitholders.

When the Consolidated Entity loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between the aggregate of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

b Foreign and cross currency transactions

Foreign and cross currency transactions of the Consolidated Entity are converted to Australian dollars at the rate of exchange prevailing at the date of the transaction or at hedge rates where applicable. Amounts receivable or payable by entities within the Consolidated Entity that are outstanding as at the period end date and are denominated in foreign currencies are converted to Australian dollars using rates of exchange at the end of the period. All resulting exchange differences arising on settlement are brought to account in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Foreign currency differences are recognised directly in equity in the foreign currency translation reserve (FCTR).

On the disposal of a foreign operation (i.e. the wind up of Brookfield Albert Street Landowning Trust), all of the exchange differences accumulated in equity (FCTR) in respect of that operation attributable to the owners of the Trust are reclassified to profit or loss.

Notes to the Consolidated Financial Statements

continued

13

Multiplex New Zealand Property Fund

For the period ended 1 July 2017 to 12 June 2018

3 Significant accounting policies continued

c Expense recognition

Management fees

A base management fee calculated on the gross value of assets is payable to the Responsible Entity. The fee is payable by the Consolidated Entity monthly in arrears.

Performance fee

A performance fee of 2% of the gross value of assets to the extent the net asset value exceeds the capital subscribed (less any capital returns other than amounts returned as a distribution of operating cash flow) is payable to the Responsible Entity. An additional fee of 2% of the gross value of assets is payable provided unitholders have achieved a 50% premium on capital subscribed (less capital returns).

The performance fee is calculated each time there is a rollover of the Consolidated Entity or on sale of the Consolidated Entity's assets prior to termination of the Consolidated Entity.

d Income tax - funds

Under current income tax legislation, the Fund is not liable for Australian income tax as unitholders are presently entitled the tax year end to the income of the trust estate calculated in accordance with the Fund's Constitution and applicable tax law.

The wholly-owned sub-trust of the Fund which owns properties in New Zealand is liable to pay tax under New Zealand tax legislation at the current corporate rate of 28% (2017: 28%).

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

e Cash and cash equivalents

For purposes of presentation in the Consolidated Statement of Cash Flows, cash includes cash balances, deposits at call with financial institutions and other highly liquid investments, with short periods to maturity, which are readily convertible to cash and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

f Trade and other receivables

Trade debtors and other receivables are stated at their net realisable value.

g New standards and interpretations not yet adopted

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

Notes to the Consolidated Financial Statements

continued

14

Multiplex New Zealand Property Fund

For the period ended 1 July 2017 to 12 June 2018

4 Parent entity disclosures

	Fund	
	Period ended 12 June 2018	Year ended 30 June 2017
	\$	\$
Assets		
Current assets	–	9,040,899
Total assets	–	9,040,899
Liabilities		
Current liabilities	–	72,505
Total liabilities	–	72,505
Equity		
Units on issue	–	62,615,877
Undistributed losses	–	(53,647,483)
Total equity	–	8,968,394

	Fund	
	Period ended 12 June 2018	Year ended 30 June 2017
	\$	\$
Net loss for the year	(45,187)	(41,400)
Other comprehensive loss for the year	–	–
Total comprehensive loss for the year	(45,187)	(41,400)

5 Auditor's remuneration

	Consolidated	
	Period ended 12 June 2018	Year ended 30 June 2017
	\$	\$
Auditors of the Fund:		
Audit and review of the financial report	23,200	20,000
Total auditor's remuneration	23,200	20,000

Fees paid to the auditors of the Fund in relation to compliance plan audits are borne by the Responsible Entity.

Notes to the Consolidated Financial Statements

continued

15

Multiplex New Zealand Property Fund

For the period ended 1 July 2017 to 12 June 2018

6 Income tax

	Consolidated	
	Period ended 12 June 2018	Year ended 30 June 2017
	\$	\$
Major components of income tax expense		
Current income tax expense	17,302	(179,285)
Total current income tax expense	17,302	(179,285)
Deferred income tax		
Relating to origination and reversal of temporary differences	–	–
Total deferred income tax benefit	–	–
Total income tax benefit/(expense) reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	17,302	(179,285)
Income tax (expense)/benefit		
Numerical reconciliation between tax expense and pre-tax net profit		
(Loss)/profit before income tax	(23,798,450)	344,320
Prima facie income tax benefit/(expense) on (loss)/profit using the domestic corporate tax rate of 30% (2017: 30%)	7,139,535	(103,296)
Effect of tax rates in foreign jurisdiction using New Zealand tax rate of 28% (2017: 28%)	(475,969)	6,886
Non-assessable income ¹	(6,617,422)	(11,592)
Deferred tax not previously brought to account	(46,144)	92,178
Prior year true up of tax return	17,302	(163,461)
Total income tax benefit/(expense) reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	17,302	(179,285)

¹ Under current income tax legislation, the Fund is not liable for Australian income tax as unitholders are presently entitled at year end to the income of the trust estate calculated in accordance with the Fund's Constitution and applicable tax law.

Recognised deferred tax assets and liabilities

	Consolidated	
	Period ended 12 June 2018	30 June 2017
	\$	\$
Tax assets and liabilities		
Current tax liability	–	(5,862)
Deferred tax liability	–	–

7 Returns of capital

The following returns of capital were declared by the Fund to its unitholders during the current period and prior year.

	Cents per unit	Total amount \$	Date of payment
Ordinary unitholders			
September 2017 returns of capital	2.0	4,361,129	8 September 2017
Final return of capital	2.1	4,652,452	1 June 2018
Total returns of capital for the period ended 12 June 2018	4.1	9,013,581	
Ordinary unitholders			
July 2016 returns of capital	18.0	39,250,161	6 July 2016
Total returns of capital for the year ended 30 June 2017	18.0	39,250,161	

Notes to the Consolidated Financial Statements

continued

16

Multiplex New Zealand Property Fund

For the period ended 1 July 2017 to 12 June 2018

8 Trade and other receivables

	Consolidated	
	Period Ended 12 June 2018	Year ended 30 June 2017
	\$	\$
GST receivable	–	18,092
Other receivables	–	1,738,175
Total trade and other receivables	–	1,756,267

9 Investment in controlled entities

	Principal place of business / country of incorporation	Ownership and voting rights	Ownership and voting rights
		Period ended 12 June 2018	Year ended 30 June 2017
Directly held subsidiaries			
Investment in Brookfield Albert Street Investment Trust (BASIT)	Australia	–	99%
Investment in Brookfield Albert Street Landowning Trust (BASLT)	Australia	–	1%
Investment in Multiplex Tasman Holding Trust (MHT)	Australia	–	100%

The principal activity of all of the above entities was direct and indirect property investment.

The Fund ultimately owned 100% of BASIT and BASLT through its ownership in the other controlled entities. During the period the above entities were terminated.

10 Trade and other payables

	Consolidated	
	Period ended 12 June 2018	Year ended 30 June 2017
	\$	\$
Trade payables	–	125,933
Total trade and other payables	–	125,933

11 Units on issue

	Period ended 12 June 2018	Period ended 12 June 2018	Year ended 30 June 2017	Year ended 30 June 2017
	\$	Units	\$	Units
Ordinary units				
Opening balance	62,615,877	218,056,451	101,866,038	218,056,451
Return of capital	(9,013,581)	–	(39,250,161)	–
Cancellation of units	(53,602,296)	(218,056,451)	–	–
Closing balance	–	–	62,615,877	218,056,451

In accordance with the Fund's constitution, each unitholder is entitled to receive distributions as declared from time to time and are entitled to one vote at unitholder meetings. In accordance with the Fund's constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund.

All units on issue in the Fund were terminated on 12 June 2018.

12 Reserves

Foreign currency translation reserve

	Consolidated	
	Year ended 12 June 2018	Year ended 30 June 2017
	\$	\$
Opening balance	(23,466,747)	(23,619,899)
Movement in reserves due to changes in foreign exchange rates	(166,902)	153,152
Foreign currency losses previously recognised in other comprehensive income ¹	23,633,649	–
Closing balance	–	(23,466,747)

1. transferred to profit or loss.

Notes to the Consolidated Financial Statements

continued

17

Multiplex New Zealand Property Fund

For the period ended 1 July 2017 to 12 June 2018

13 Undistributed losses

	Consolidated	
	Year ended 12 June 2018	Year ended 30 June 2017
	\$	\$
Opening balance	(29,821,148)	(29,986,183)
Net (loss)/profit for the period/year	(23,781,148)	165,035
Closing balance immediately prior to cancellation of units on issue	(53,602,296)	(29,821,148)
Cancellation of units on issue	53,602,296	-
Closing balance	-	(29,821,148)

14 Reconciliation of cash flows from operating activities	Consolidated	
	Year ended 12 June 2018	Year ended 30 June 2017
	\$	\$
Net (loss)/profit after income tax for the period/year	(23,781,148)	165,035
Adjustments for:		
<i>Non-cash items</i>		
Net gain on sale of investment properties	(40,207)	(647,526)
Foreign currency losses previously recognised in other comprehensive income	23,633,649	-
Operating (loss) before changes in working capital	(187,706)	(482,491)
Changes in assets and liabilities during the period/year		
Decrease in trade and other receivables	58,564	152,738
Decrease in trade and other payables and current tax receivable/liability	(78,840)	(574,209)
Net cash flows used in operating activities	(207,982)	(903,962)

15 Related parties

Responsible Entity

The Responsible Entity of the Fund is Brookfield Capital Management Limited.

Key management personnel

The Fund is required to have an incorporated Responsible Entity to manage the activities of the Fund and the Consolidated Entity. The Directors of the Responsible Entity are Key Management Personnel of that entity.

F. Allan McDonald
Barbara Ward
Shane Ross

No compensation is paid to any of the Key Management Personnel of the Responsible Entity directly by the Fund or Consolidated Entity.

Directors' interests

Allan McDonald, a Director of the Responsible Entity, held 26,000 units in the Fund. On 12 June 2018 as part of the Fund's wind up the 26,000 units in the Fund were cancelled. No other Director has or had interests in the unit capital of the Fund at the date of this report. No options are held by/have been issued to any Directors.

Responsible Entity's fees and other transactions

In accordance with the Fund Constitution, BCML is entitled to receive:

Management fee

A management fee based on the gross value of assets is payable to the Responsible Entity, less a fee of NZ\$6,500 per month payable to Multiplex Tasman Management (NZ) Limited. The fee is payable by the Fund monthly in arrears. The management fee expense for the period ended 12 June 2018 was \$nil (2017: \$7,557). As at 12 June 2018, the management fee payable to the Responsible Entity was \$nil (2017: \$nil).

Other fee

During the period and the prior year no; performance fees, establishment fees, expense reimbursements, leasing fees or property sales fees were paid or payable to the Responsible Entity.

Notes to the Consolidated Financial Statements

continued

18

Multiplex New Zealand Property Fund

For the period ended 1 July 2017 to 12 June 2018

15 Related parties *continued*

Parent entities

The ultimate Australian parent of the Consolidated Entity is BHCA 1 Pty Limited (previously BHCA Pty Limited). The ultimate parent of the Consolidated Entity is Brookfield Asset Management Inc.

Related party unitholders

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

- BFML as responsible entity for Brookfield Australia Property Trust holds nil units of the Fund at 12 June 2018 (2017: 47,461,298 units or 21.8% of the Fund);
- JP Morgan Chase Bank N.A. as custodian for BAO Trust holds nil units of the Fund at 12 June 2018 (2017: 43,890,679 units or 20.1% of the Fund);
- Covenant Trustees (formerly Foundation Corporate Trust) as trustee for Multiplex Tasman Property Fund holds nil units of the Fund at 12 June 2018 (2017: 4,560,502 units or 2.1% of the Fund);
- JP Morgan Chase Bank N.A. as custodian for Multiplex Property Income Fund holds nil units of the Fund at 12 June 2018 (2017: 1,125,402 units or 0.5% of the Fund);
- BCML holds nil units of the Fund at 12 June 2018 (2017: 17,266,146 units or 7.9% of the Fund);
- Multiplex APF Pty Ltd, as trustee for Multiplex APF Trust, holds nil units of the Fund at 12 June 2018 (2017: 3,712,913 units or 1.7% of the Fund); and
- Brookfield Multiplex Capital Pty Ltd holds nil units of the Fund at 12 June 2018 (2017: 220,793 units or 0.1% of the Fund).

	Consolidated	
	Period ended 12 June 2018	Year ended 30 June 2017
	\$	\$
Transactions with the Responsible Entity		
Management fees	–	7,557
Cost reimbursements ¹	103,761	4,000
Transactions with related parties of the Responsible Entity		
Custodian fees	14,304	13,872
Property service fees	85,749	156,549
Cost reimbursements	25,173	–

¹Cost reimbursements include actual invoices and estimates the Fund received from external advisors and service providers in relation to winding up the Fund. The Fund made a payment of \$100,412 to the Responsible Entity to assume liability for these costs. The Responsible Entity will pay the wind up costs on behalf of the Fund in order for the Fund to complete its wind up. To the extent that actual costs exceed estimated costs, the Responsible Entity will be responsible for the differential.

Transactions with related parties are conducted on normal commercial terms and conditions. Returns of capital paid by the Consolidated Entity to related parties are made on the same terms and conditions applicable to all unitholders.

16 Contingent liabilities and assets

No contingent liabilities or assets exist at 12 June 2018 (2017: nil).

17 Capital and other commitments

No capital or other commitments exist at 12 June 2018 (2017: nil).

18 Events subsequent to the reporting date

There are no other matters or circumstances which have arisen since the end of the 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 years.

Directors' Declaration

Multiplex New Zealand Property Fund

19

For the period ended 1 July 2017 to 12 June 2018

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

- a The consolidated financial statements and notes, set out in pages 7 to 18, are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of the Consolidated Entity as at 12 June 2018 and of its performance for the period ended on that date;
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
 - iii complying with International Financial Reporting Standards, as stated in Note 2 to the consolidated financial statements.
- b There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Brookfield Capital Management Limited required by Section 295(5) of the *Corporations Act 2001*.

Dated at Sydney this 14 June 2018.



Shane Ross

Director

Brookfield Capital Management Limited

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

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

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

Opinion

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

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 12 June 2018 and of its financial performance for the period then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Other Information

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, as they apply on a non-going concern basis as disclosed in Note 2 to the financial statements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern. As disclosed in Note 2, the financial report has been prepared on a non-going concern basis due to the termination of the Group on 12 June 2018.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountants
Sydney, 14 June 2018