Multiplex Acumen Vale Syndicate Limited
Financial report
For the year ended
30 June 2012

Multiplex Acumen Vale Syndicate Limited

ABN 48 114 814 603

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Company
Multiplex Acumen Vale Syndicate Limited
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Directors of the Company
F. Allan McDonald
Brian Motteram
Barbara Ward
Russell Proutt
Shane Ross

Company Secretary of Multiplex Acumen Vale Syndicate Limited
Neil Olofsson

Principal Registered Office
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Location of Share Registry
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Directors' Report
Multiplex Acumen Vale Syndicate Limited
For the year ended 30 June 2012

Introduction
The Directors of Multiplex Acumen Vale Syndicate Limited (ABN 48 114 814 603) (Company) present their report together with the financial statements of the Consolidated Entity, being the Company and its subsidiary, for the year ended 30 June 2012 and the Independent Auditor's Report thereon.

The registered office and principal place of business of the Company is Level 22, 135 King Street, Sydney NSW 2000.

Directors
The following persons were Directors of the company at any time during or since the end of the financial year:

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
Russell Proutt (appointed 1 January 2010)	Executive Director
Shane Ross (appointed 16 May 2011)	Executive Director

Information on Directors

F. Allan McDonald (BEcon, FCPA, FAIM, FCIS), Non-Executive Independent Chairman
Allan was appointed the Non-Executive Independent Chairman of Multiplex Acumen Vale Syndicate Limited on 1 January 2010 and also performs that role for Brookfield Capital Management Limited (BCML) and Brookfield Funds Management Limited (BFML). Allan has had extensive experience in the role of Chairman and is presently associated with a number of companies as a consultant and Company Director. BCML is also the Responsible Entity for listed funds Brookfield Australian Opportunity Fund (BAO), Brookfield Prime Property Fund (BPA) and Multiplex European Property Fund (MUE). BFML is the Responsible Entity for the listed Multiplex SITES Trust. Allan's other directorships of listed entities are Astro Japan Property Management Limited (Responsible Entity of Astro Japan Property Trust) (appointed February 2005), Billabong International Limited (appointed July 2000), and Brookfield Office Properties Inc. (appointed May 2011). During the past 3 years, Allan has also served as a Director of the following listed company: Ross Human Directions Limited (April 2000 – February 2011).

Brian Motteram (BBus, CA), Non-Executive Independent Director
Brian has in excess of 40 years of experience working in the area of finance and accounting. He has worked with international accounting firms, in his own private practice, and during the last 21 years in private enterprise in both the mining and property industries. He spent 8 years (from 1996 to 2004) as an executive of a Perth-based property company in the position of Chief Financial Officer and, later, as Financial Director. BCML is also the Responsible Entity for listed funds BAO, BPPF and MUE. Brian is a fully qualified Chartered Accountant having trained with KPMG and Deloitte.

Barbara Ward, AM (BEcon, MPolEcon, MAICD), Non-Executive Independent Director
Barbara was appointed as a Non-Executive Independent Director of Multiplex Acumen Vale Syndicate Limited on 1 January 2010 and also performs that role for BCML and BFML. Barbara has gained extensive business and finance experience through her role as Chief Executive Officer of Ansett Worldwide Aviation Services, as General Manager Finance for the TNT Group and as a Senior Ministerial Advisor. BCML is also the Responsible Entity for listed funds BAO, BPA and MUE. BFML is the Responsible Entity for the listed Multiplex SITES Trust. Barbara is a Director of Essential Energy, Ausgrid, Endeavour Energy and Qantas Airways Limited. During the past 3 years Barbara has also served as a Director of Lion Nathan Limited (February 2003 to October 2009) and Chair of Essential Energy (June 2001 to June 2012).

Russell Proutt (BComm, CA, CBV), Executive Director
Russell Proutt is the Chief Financial Officer of Brookfield Australia Pty Limited and was appointed as an Executive Director of Multiplex Acumen Vale Syndicate Limited on 1 January 2010 and also performs that role for BCML and BFML. BCML is also the Responsible Entity for the listed funds BAO, BPA and MUE. BFML is the Responsible Entity for the listed Multiplex SITES Trust. Russell joined Brookfield Asset Management Inc, the ultimate parent company of BCML, in 2006 and has held various senior management positions within Brookfield.

Shane Ross (BBus), Executive Director
Shane is the Group General Manager of Treasury for Brookfield Australia Investments Limited and was appointed as an Executive Director of Multiplex Acumen Vale Syndicate Limited on 16 May 2011. Shane joined the organisation in 2003 following a background in banking and has over 17 years experience in treasury and finance within the property industry.

Information on Company Secretary

Neil Olofsson

Neil has over 16 years of international company secretarial experience and has been with the Brookfield Australia group since 2005.

Directors' interests

The following table sets out each Director's relevant interest in the units, debentures, rights or options over such instruments, interests in registered schemes and rights or options over such instruments issued by the entities within the Consolidated Entity and other related bodies corporate as at the date of this report:

Director	Multiplex Acumen Vale Syndicate Limited shares held
F. Allan McDonald	–
Brian Motteram	–
Barbara Ward	–
Russell Proutt	–
Shane Ross	–

No options are held by/have been issued to Directors.

Directors' meetings

	Board Meetings		Audit Committee Meetings		Board Risk and Compliance Committee Meetings	
Director	A	B	A	B	A	B
F. Allan McDonald	6	6	2	2	2	2
Brian Motteram	6	6	2	2	2	2
Barbara Ward	6	6	2	2	2	2
Russell Proutt	6	6	n/a	n/a	n/a	n/a
Shane Ross	6	6	n/a	n/a	n/a	n/a

A – Number of meetings attended.
B – Number of meetings held during the time the Director held office during the year.

Committee meetings

There were no Board committee meetings held during the year other than those stated above.

Principal activities

The principal activity of the Consolidated Entity is the development of land for resale in Australia.

Review of operations

The Consolidated Entity's underlying project is now 98.4% settled since the project commenced (2011: 96.4%). During the year, 34 lots have been sold (2011: 118 lots) providing an average sale per month of approximately 2.8 lots (2011: 10 lots). The project is estimated to be complete in late 2012.

The Consolidated Entity has recorded a net profit after tax of $121,000 for the year ended 30 June 2012 (2011: $2,485,000).

Some of the significant events during the period are as follows:
- total revenue and other income of $8,134,000 (2011: $22,670,000); and
- net assets of $10,125,000 (2011: $13,004,000); and
- capital distributed to shareholders of $3,000,010 (2011: $7,097,000); and
- no dividend paid to shareholders (2011: $7,641,000).

The strategy of the Company remains completion of the development program and sale of the remaining properties with the return of excess cash to investors as soon as practically possible.

The Company made no significant acquisitions or disposals during the year.

Significant changes in state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year other than those disclosed in this report or in the financial statements.

Events subsequent to reporting date

There are no matters or circumstances which have arisen since the end of the financial year 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.

Likely developments
Information on likely developments in the operations of the Consolidated Entity in future financial years and the expected results of those operations has not been included in this report because the Directors believe that to do so would be likely to result in unreasonable prejudice to the Consolidated Entity.

Environmental regulations
The Consolidated Entity has systems in place to manage its environmental obligations. Based upon the results of inquiries made, the Consolidated Entity is not aware of any significant breaches or non-compliance issues during the year covered by this report.

Dividends
No dividend was paid for the year ended 30 June 2012. A separate capital return of $3,000,010 or 10.00 cents per share was made to its investors on 30 November 2011. For the prior year ended 30 June 2011, the company paid a dividend of $4,497,000 or 15 cents per share on 1 September 2010 and a dividend of $3,144,000 or 10.48 cents per share on 23 February 2011. A separate capital return of $7,097,000 or 23.66 cents per share was made to investors on 30 November 2010.

Indemnification and insurance of officers and auditors
Under the Constitution, the Company's officers are indemnified out of the Company's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Company.

Neither the Company nor any controlled entity has indemnified any auditor of the Company.

During the year the Company has paid premiums in respect of their officers for liability and legal expenses insurance contracts for the year ended 30 June 2012. The Company has paid, or agreed to pay, in respect of the Company, premiums in respect of such insurance contracts for the year ending 30 June 2012.

Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been executive officers or employees of the Company.

Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the contracts.

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.

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 year ended 30 June 2012.

Dated at Sydney this 22nd day of August 2012.

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

Russell Proutt
Director
Multiplex Acumen Vale Syndicate Limited

Deloitte.

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The Board of Directors
Multiplex Acumen Vale Syndicate Limited
135 King Street
SYDNEY, NSW 2000

22 August 2012

Dear Directors

MULTIPLEX ACUMEN VALE SYNDICATE LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Multiplex Acumen Vale Syndicate Limited.

As lead audit partner for the audit of the financial statements of Multiplex Acumen Vale Syndicate Limited for the year ended 30 June 2012, 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

Helen Hamilton-James
Partner
Chartered Accountants

Statement of Comprehensive Income
Multiplex Acumen Vale Syndicate Limited
For the year ended 30 June 2012

	Note	Consolidated Year ended 30 June 2012 $'000	 Year ended 30 June 2011 $'000
Revenue and other income			
Revenue from the sale of land held for development		7,595	21,868
Interest income		279	595
Reversal of performance fee	6	260	200
Other revenue		–	7
Total revenue and other income		**8,134**	**22,670**
Expenses			
Cost of sale of land held for development		7,279	16,960
Marketing and selling costs		226	1,681
Management fees		109	312
Other expenses		150	203
Total expenses		**7,764**	**19,156**
Profit before income tax		**370**	**3,514**
Income tax expense	5	249	1,029
Net profit for the year		**121**	**2,485**
Other comprehensive income			
Other comprehensive income for the year		**–**	**–**
Total comprehensive income for the year		**121**	**2,485**
Net profit attributable to shareholders		**121**	**2,485**
Total comprehensive income attributable to shareholders		**121**	**2,485**

The Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

Statement of Financial Position
Multiplex Acumen Vale Syndicate Limited
As at 30 June 2012

	Note	Consolidated 2012 $'000	2011 $'000
Current assets			
Cash and cash equivalents	9	7,818	7,150
Trade and other receivables	10	352	304
Inventories – land held for development	11	5,412	7,776
Tax asset	5	479	483
Total current assets		**14,061**	**15,713**
Total assets		**14,061**	**15,713**
Current liabilities			
Trade and other payables	13	2,036	549
Performance fee	6	1,900	2,160
Total current liabilities		**3,936**	**2,709**
Total liabilities		**3,936**	**2,709**
Net assets		**10,125**	**13,004**
Equity			
Issued capital	14	10,234	13,234
Undistributed losses		(109)	(230)
Total equity		**10,125**	**13,004**

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

Statement of Changes in Equity
Multiplex Acumen Vale Syndicate Limited
For the year ended 30 June 2012

Consolidated Entity	Attributable to shareholders Issued capital $'000	 Retained earnings $'000	Total equity $'000
Opening equity - 1 July 2011	**13,234**	**(230)**	**13,004**
Net profit for the year	–	121	**121**
Total comprehensive income for the year	**–**	**121**	**121**
Transactions with shareholders in their capacity as members:			
Dividends paid/payable	–	–	**–**
Capital return	(3,000)	–	**(3,000)**
Total transactions with shareholders in their capacity as members	(3,000)	–	**(3,000)**
Closing equity – 30 June 2012	**10,234**	**(109)**	**10,125**

Consolidated Entity	Attributable to shareholders Issued capital $'000	 Retained earnings $'000	Total equity $'000
Opening equity - 1 July 2010	**20,331**	**4,926**	**25,257**
Net profit for the year	–	2,485	**2,485**
Total comprehensive income for the year	**–**	**2,485**	**2,485**
Transactions with shareholders in their capacity as members:			
Dividends paid/payable	–	(7,641)	**(7,641)**
Capital return	(7,097)	–	**(7,097)**
Total transactions with shareholders in their capacity as members	**(7,097)**	**(7,641)**	**(14,738)**
Closing equity – 30 June 2011	**13,234**	**(230)**	**13,004**

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

Statement of Cash Flows

Multiplex Acumen Vale Syndicate Limited

For the year ended 30 June 2012

		Consolidated	
	Note	Year ended 30 June 2012 $'000	Year ended 30 June 2011 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		8,113	21,614
Cash payments in the course of operations		(4,414)	(13,969)
Interest received		279	622
Income tax paid		(310)	(100)
Net cash flows from operating activities	16	**3,668**	**8,167**
Cash flows from financing activities			
Return of capital		(3,000)	(7,097)
Dividends paid		–	(7,641)
Net cash used in financing activities		**(3,000)**	**(14,738)**
Net increase/(decrease) in cash and cash equivalents		668	(6,571)
Cash and cash equivalents at beginning of year		7,150	13,721
Cash and cash equivalents at 30 June		**7,818**	**7,150**

The Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements
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1 Reporting entity

Multiplex Acumen Vale Syndicate Limited (Company) is an Australian incorporated and domiciled company. The consolidated financial statements of the Company as at and for the year ended 30 June 2012 comprise the Company and its subsidiary (together referred to as the Consolidated Entity).

2 Basis of preparation

a Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) (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 Company comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Boards (IASB).

The financial statements were authorised for issue by the Directors on this 22nd day of August 2012.

b Basis of measurement

The consolidated financial statements have been prepared on the basis of historical cost.

The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation 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.

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.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is provided in inventories – land held for development (Note 11).

3 Significant accounting policies

The significant policies set out below have been applied consistently to all periods presented in these financial statements.

a Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary. Control is achieved where the Company has the power to govern the financial and operational policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated Statement of 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.

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 Company, 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 Company'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.

3 Significant accounting policies continued

a Principles of consolidation continued

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 shareholders.

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 Revenue recognition

Revenues are recognised at the fair value of the consideration received for the sale of goods and services, net of the amount of Goods and Services Tax (GST), rebates and discounts.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific criteria for the major business activities must also be met before revenue is recognised. Where amounts do not meet these recognition criteria, they are deferred and recognised in the period in which the recognition criteria are met.

Sale of land held for development

Revenue from the sale of land held for development is recognised when the Consolidated Entity has transferred to the buyer the significant risks and rewards of the ownership of the property. This is generally deemed to occur upon settlement.

Dividends

Revenue from dividends is recognised when the right of the Consolidated Entity or the Company to receive payment is established, which is generally when they have been declared.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

c Expense recognition

Finance costs

Finance costs are recognised as expenses using the effective interest rate method, unless they relate to a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Where a qualifying asset exists, borrowing costs that are directly attributable to the acquisition, construction or production of the qualifying asset is capitalised as part of the cost of that asset.

Qualifying assets are assets that take more than 12 months to prepare for their intended use or sale. In these circumstances, borrowing costs are capitalised to the costs of the assets. Where funds are borrowed specifically for the acquisition or construction of a qualifying asset, the amount of borrowing costs capitalised are those incurred in relation to that borrowing. To the extent that funds are borrowed generally, the amount of borrowing costs capitalised is calculated by applying a capitalisation rate to the expenditures on that asset.

Finance costs include:
- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance lease charges.

Performance fee

Performance fees are recognised on an accrual basis. The performance fee payable to the development manager is calculated in accordance with the Development Management Agreement, which requires 20% of the amount by which the overall shareholder return exceeds a 20% annualised internal rate of return (before tax) to be paid to the development manager. The performance fee has been discounted to present value to reflect the life of the project. The performance fee will be remeasured at each reporting date.

Other expenditure

Expenses are recognised by the Consolidated Entity on an accruals basis.

3 Significant accounting policies continued

d Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an expense item.

Receivables and payables are stated with the amount of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

e Taxation

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The carrying amount of deferred tax assets is reviewed at each period end date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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.

f Tax consolidation

Tax consolidation

The Company and its wholly-owned Australian resident subsidiary have formed a tax-consolidated group with effect from 17 June 2005 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is the Company.

Current tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax-consolidated group and are recognised by the Company as amounts payable/(receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal to the amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the

3 Significant accounting policies continued

f Tax consolidation continued

Nature of tax funding arrangements and tax sharing arrangements continued

entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

g Cash and cash equivalents

For purposes of presentation in the 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.

h Trade and other receivables

Trade debtors and other receivables are stated at their amortised cost using the effective interest rate method less any identified impairment losses. Impairment charges are brought to account as described in Note 3k. Non-current receivables are measured at amortised cost using the effective interest rate method.

i Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, interest bearing liabilities, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at a fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Consolidated Entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Consolidated Entity's contractual rights to the cash flows from the financial assets expire or if the Consolidated Entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchase and sales of financial assets are accounted for at trade date, i.e. the date that the Consolidated Entity commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Consolidated Entity's obligations specified in the contract expire or are discharged or cancelled.

Accounting policies for cash and cash equivalents, trade and other receivables, trade and other payables and interest bearing liabilities are discussed elsewhere within the financial statements.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

j Inventories – land held for development

Inventories being developed or held for resale are stated at the lower of cost or realisable value. Included in costs are the costs of acquisition, development and holding costs such as finance costs, rates and taxes.

k Impairment

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available for sale financial asset is calculated by reference to its current fair value.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the Statement of Comprehensive Income. Any cumulative loss in respect of an available for sale financial asset recognised previously in equity is transferred to the Statement of Comprehensive Income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available for sale financial assets that are debt securities, the reversal is recognised in the Statement of Comprehensive Income. For available for sale financial assets that are equity securities, the reversal is recognised directly in equity.

Non-financial assets

The carrying amount of the Consolidated Entity's non-financial assets, other than investment property and deferred tax assets, is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists then the asset's recoverable amount is estimated.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the

3 Significant accounting policies continued

k Impairment continued

Non-financial assets continued

recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

l Trade and other payables

Payables are stated at amortised cost using the effective interest rate method and represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

m Interest bearing liabilities

Interest bearing liabilities are recognised initially at fair value less any attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Comprehensive Income over the period of the borrowings on an effective interest rate basis. Interest bearing loans and borrowings are classified as current liabilities unless the Consolidated Entity has an unconditional right to defer settlement of the liability to at least 12 months after the period end date.

n Dividends

A provision for dividends is recognised in the Statement of Financial Position if the dividend has been declared prior to period end date. Dividends paid and payable on shares are recognised as a reduction in equity. Dividends paid are included in cash flows from financing activities in the Statement of Cash Flows.

o Issued capital

Issued and paid up shares are recognised as changes in equity at the fair value of the consideration received by the Consolidated Entity, less any incremental costs directly attributable to the issue of new shares.

p New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2012 but have not been applied in preparing this financial report:

AASB 9 *Financial Instruments,* AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective for annual reporting periods beginning on or after 1 January 2013)
AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and liabilities and will replace the existing AASB 139 *Financial Instruments: Recognition and Measurement*. The standard is not applicable until 1 January 2013 but is available for early adoption. Under AASB 9, financial assets will be classified as subsequently measured at either amortised cost or fair value based on the objective of an entity's business model for managing financial assets and the characteristics of the contractual cash flows. This will replace the categories of financial assets under AASB 139, where each had its own classification criteria. For example, AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading and an irrevocable election is made upon initial recognition. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in the profit or loss of the Statement of Comprehensive Income. Financial assets may also be designated and measured at fair value through profit or loss if doing so eliminates or significantly reduces certain inconsistencies. For financial liabilities, the new requirements under AASB 9 only affect the accounting for financial liabilities designated at fair value through profit or loss. The Consolidated Entity does not expect to adopt AASB 9 before its operative date and therefore will apply the new standard for the annual reporting period ending 30 June 2014. The Consolidated Entity is still assessing the consequential impact of the amendments.

AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities*, revised AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (effective for annual reporting periods beginning on or after 1 January 2013)
In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 12 *Consolidation – Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities, whereby an investor

3 Significant accounting policies continued

p New standards and interpretations not yet adopted continued

controls an investee only if the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept.

The Consolidated Entity does not expect to adopt the new standards and amendments before their operative date and therefore will apply the amendments for the annual reporting period ending 30 June 2014. The Consolidated Entity is still assessing the consequential impact of the new standards and amendments.

AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* (effective for annual reporting periods beginning on or after 1 January 2013)
AASB 13 was released in September 2011 and sets out in a single standard a framework for measuring fair value, including related disclosure requirements in relation to fair value measurement. The Consolidated Entity does not expect to adopt AASB 13 before its operative date and therefore will apply the amendments for the annual reporting period ending 30 June 2014. The Consolidated Entity is still assessing the consequential impact of the new standard.

AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* (effective for annual reporting periods beginning on or after 1 July 2013)
The amendments from AASB 2011-4 remove the individual key management personnel disclosure requirements from AASB 124 *Related Party Disclosures*, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the *Corporations Act 2001.* The Consolidated Entity will adopt the amendments from AASB 2011-4 for the annual reporting period ending 30 June 2014. The Consolidated Entity is still assessing the consequential impact of the amendments.

AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income* (effective for annual reporting periods beginning on or after 1 July 2012)
The main change resulting from the amendments in AASB 2011-9 is a requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss in the future.
The Consolidated Entity does not expect to adopt AASB 2011-9 before its operative date and therefore will apply the amendments for the annual reporting period ending 30 June 2013. The Consolidated Entity is still assessing the consequential impact of the amendments.

4 Parent entity disclosures

	Company 2012 $'000	2011 $'000
Assets		
Current assets	6,621	9,345
Total assets	**6,621**	**9,345**
Liabilities		
Current liabilities	76	48
Total liabilities	**76**	**48**
Equity		
Share capital	10,234	13,234
Reserves	–	–
Undistributed losses	(3,689)	(3,937)
Total equity	**6,545**	**9,297**

	Company Year ended 30 June 2012 $'000	Year ended 30 June 2011 $'000
Net profit for the year	248	7,980
Other comprehensive profit for the year	–	–
Total comprehensive profit for the year	**248**	**7,980**

5 Income tax

	Consolidated Year ended 30 June 2012 $'000	Year ended 30 June 2011 $'000
Current tax benefit		
Current period tax benefit	(299)	(181)
Adjustments for prior year	(147)	–
Total current tax benefit	**(446)**	**(181)**
Deferred tax expense		
Origination and reversal of temporary differences	695	1,210
Total deferred tax (benefit)/expense	**695**	**1,210**
Total income tax expense reported in the Statement of Comprehensive Income	**249**	**1,029**
Income tax expense		
Numerical reconciliation between tax expense and pre-tax net profit		
Profit for the year	121	2,485
Total income tax expense	249	1,029
Profit before income tax	**370**	**3,514**
Prima facie income tax expense on profit using domestic corporate tax rate of 30% (2011: 30%)	111	1,054
Other	138	(25)
Total income tax expense reported in the Statement of Comprehensive Income	**249**	**1,029**
Tax assets and liabilities		
Tax liability	(715)	(64)
Tax asset	1,194	483
Net tax asset	**479**	**419**

5 Income tax continued

Recognised tax assets and liabilities

	Assets		Liabilities		Net	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Consolidated						
Inventories	–	–	(715)	(64)	(715)	(64)
Trade & other payables	21	52	–	–	21	52
Depreciable assets	110	123	–	–	110	123
Income tax receivable	436	127	–	–	436	127
Other timing differences (deferred)	627	181	–	–	627	181
Total	**1,194**	**483**	**(715)**	**(64)**	**479**	**419**

For purposes of income taxation, Multiplex Acumen Vale Syndicate Limited and its 100% owned entity formed a tax consolidation group on 17 June 2005.

6 Performance fee

	Consolidated Year ended 30 June 2012 $'000	Year ended 30 June 2011 $'000
Opening balance	2,160	2,360
Performance fee reversal for the year	(260)	(200)
Closing balance	**1,900**	**2,160**

The performance fee is payable by Brookfield Multiplex Vale Landowner Pty Limited to the development manager upon completion of the development project. The performance fee is calculated as 20% of the amount by which the overall shareholder return exceeds a 20% annualised interest rate of return on equity (before tax) to shareholders. The performance fee payable of $1,900,000 (2011: $2,160,000) is recorded in the Statement of Financial Position as a current liability. At year end, the gross estimated future performance fee payable upon project completion date is $1,900,000 (2011: $2,160,000).

7 Auditors' remuneration

	Consolidated Year ended 30 June 2012 $	Year ended 30 June 2011 $
Auditors of the Company		
Audit and review of financial reports	14,900	20,600
Total auditor's remuneration	**14,900**	**20,600**

8 Dividends

No dividend was paid for the year ended 30 June 2012. A separate capital return of $3,000,010 or 10.00 cents per share was made to its investors on 30 November 2011. For the prior year ended 30 June 2011, the company paid a dividend of $4,497,000 or 15 cents per share on 1 September 2010 and a dividend of $3,144,000 or 10.48 cents per share on 23 February 2011. A separate capital return of $7,097,000 or 23.66 cents per share was made to its investors on 30 November 2010.

9 Cash and cash equivalents

	Consolidated 2012 $'000	2011 $'000
Cash at bank	7,254	6,302
Restricted cash	564	848
Total cash and cash equivalents	**7,818**	**7,150**

Restricted cash

The Consolidated Entity issues bank guarantees as part of its development operation. The bank guarantees are supported by cash held in escrow.

10 Trade and other receivables

	Consolidated 2012 $'000	2011 $'000
Trade receivables	352	304
Total trade and other receivables	**352**	**304**

11 Inventories – land held for development

	Consolidated 2012 $'000	2011 $'000
Inventories at cost	5,412	7,776
Total inventories – land held for development	**5,412**	**7,776**

Land is held at the north-eastern Perth suburb of Aveley. This land is held through the subsidiary, Brookfield Multiplex Vale Landowner Pty Limited, which subdivides, develops and sells it as residential land.

12 Investment in controlled entities

	Percentage Ownership	Company 2012 $'000	2011 $'000
Investment in Brookfield Multiplex Vale Landowner Pty Limited	**100%**	–	–

On 17 June 2005, Multiplex Acumen Vale Syndicate Limited acquired 100% of the ordinary shares in Brookfield Multiplex Vale Landowner Pty Limited, an unlisted company specialising in the subdivision and development of land. There have been no changes in the activities of Brookfield Multiplex Vale Landowner Pty Limited since that date.

The total cost of the acquisition was $10 and comprised of an issue of equity.

13 Trade and other payables

	Consolidated 2012 $'000	2011 $'000
Trade payables	1,876	354
Management service fee payable	7	16
Sundry payables	153	179
Total trade and other payables	**2,036**	**549**

	2012 $'000	2011 $'000
Financing arrangements		
Facilities available		
Bank guarantee facility	564	3,000
Less: Guarantees utilised	(564)	(848)
Facilities not utilised	**–**	**2,152**

The bank guarantee component of the facility remains in place. The facility limit on the bank guarantee represents the $564,096 utilised at 30 June 2012. It is supported by cash held in escrow.

14 Issued capital

	Year ended 30 June 2012 Shares	Year ended 30 June 2012 $'000	Year ended 30 June 2011 Shares	Year ended 30 June 2011 $'000
Shares				
Opening balance	30,000,100	16,903	30,000,100	24,000
Return of capital	–	(3,000)	–	(7,097)
Closing balance	**30,000,100**	**13,903**	**30,000,100**	**16,903**
Share issue costs				
Opening balance	–	(3,669)	–	(3,669)
Closing balance	**–**	**(3,669)**	**–**	**(3,669)**
Total shares on issue	**30,000,100**	**10,234**	**30,000,100**	**13,234**

Ordinary shares
All ordinary shares are of the same class and carry equal rights. Any transaction costs arising on the issue or sale of shares are recognised in equity as a reduction of the share proceeds received.

15 Financial instruments
Significant accounting policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability, are disclosed in Note 3 to the financial statements.

a Capital risk management
The Board's policy is to maintain a strong capital base so as to maintain investor confidence and the sustainable future development of the Consolidated Entity. The Board monitors the net tangible assets (NTA) of the Consolidated Entity, along with earnings per share invested and dividends paid per share.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the security afforded by a sound capital position.

b Financial risk management
Overview
The Consolidated Entity is exposed to financial risks in the course of their operations. These risks can be summarised as follows:
- credit risk;
- liquidity risk; and
- market risk (including interest rate risk, foreign currency risk and equity price risk).

The Consolidated Entity has responsibility for the establishment and monitoring of a risk management framework. This framework seeks to minimise the potential adverse impact of the above risks on the Consolidated Entity's financial performance. The Board is responsible for developing risk management policies and for ensuring compliance with those risk management policies.

Compliance with the Consolidated Entity's policies is reviewed by the Board on a regular basis. The results of these reviews are reported to the Board quarterly.

Investment mandate
The Company's investment mandate, as disclosed in its Constitution and Prospectus, is to invest in the development of land for resale in Australia.

Derivative financial instruments
Whilst the Consolidated Entity may utilise derivative financial instruments, it will not enter into or trade derivative financial instruments for speculative purposes. The use of derivatives is governed by the Consolidated Entity's investment policies, which provide written principles on the use of financial derivatives. These principles permit the use of derivatives to mitigate financial risks associated with financial instruments utilised by the Consolidated Entity. The entity has no derivatives at 30 June 2012 (2011 nil).

15 Financial instruments continued

c Credit risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Sources of credit risk and risk management strategies

Credit risk arises principally from the Consolidated Entity's customers and related parties. Other credit risk also arises for the Consolidated Entity related to cash and cash equivalents balances held.

Trade and other receivables

The Consolidated Entity's exposure to credit risk is influenced mainly by the individual characteristics of each customer and counterparty. The Consolidated Entity manages and minimises exposure to credit risk by:

- managing and minimising exposures to individual purchasers;
- monitoring receivables balances on an ongoing basis; and
- obtaining other collateral as security (where appropriate).

Exposure to credit risk

The table below shows the maximum exposure to credit risk at the reporting date. It is the opinion of the Board that the carrying amounts of these financial assets represent the maximum credit risk exposure at the reporting date.

	Consolidated 2012 $'000	2011 $'000
Cash and cash equivalents	7,818	7,150
Trade and other receivables	352	304
Total exposure to credit risk	**8,170**	**7,454**

Concentrations of credit risk exposure

Other than cash, the majority of which is held on deposit with ANZ Bank, there were no significant concentrations of credit risk at the reporting date for the Consolidated Entity.

Collateral obtained / held

Where applicable, the Consolidated Entity obtains collateral from counterparties to minimise the risk of default on their contractual obligations.

At the reporting date the Consolidated Entity did not hold any other collateral in respect of its financial assets.

During the year ended 30 June 2012 the Consolidated Entity did not call on any collateral provided (2011: nil).

Financial assets past due but not impaired

No financial assets of the Consolidated Entity were past due at the reporting date (2011: nil).

d Liquidity risk

Liquidity risk is the risk the Consolidated Entity will not be able to meet its financial obligations as and when they fall due.

Sources of liquidity risk and risk management strategies

The Consolidated Entity also manages liquidity risk by maintaining adequate banking facilities, through continuous monitoring of forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

Maturity analysis of financial liabilities

The following are the contractual maturities of financial liabilities, including estimated interest payments. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Consolidated Entity can be required to pay.

	Carrying amount $'000	Contractual cash flows $'000	0 to 1 years $'000	1 to 2 years $'000	2 to 5 years $'000	5+ years $'000
Consolidated 2012						
Provision for performance fee	1,900	1,900	1,900	–	–	–
Trade and other payables	2,036	2,036	2,036	–	–	–
Total	**3,936**	**3,936**	**3,936**	–	**–**	**–**
Consolidated 2011						
Provision for performance fee	2,160	2,160	2,160	–	–	–
Trade and other payables	549	549	549	–	–	–
Total	**2,709**	**2,709**	**2,709**	**–**	**–**	**–**

15 Financial instruments continued

d Liquidity risk continued

Defaults and breaches

During the financial years ended 30 June 2012 and 30 June 2011 the Consolidated Entity did not default on or breach any terms of its loan covenants.

e Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Consolidated Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Sources of market risk and risk management strategies

The Consolidated Entity is exposed to indirect market risk in the normal course of its operations arising in the form of interest rate risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Cash and cash equivalent balances will also fluctuate with changes in interest rates due to interest earned. The key source of interest rate risk for the Consolidated Entity is derived from cash balances.

The table below shows the Consolidated Entity's direct exposure to interest rate risk at year end, including maturity dates.

	Floating rate $'000	Fixed rate $'000	Non-interest bearing $'000	Total $'000
Consolidated 2012				
Financial assets				
Cash and cash equivalents	7,818	–	–	7,818
Trade and other receivables	–	–	352	352
Total financial assets	**7,818**	**–**	**352**	**8,170**
Financial liabilities				
Provision for performance fees	–	–	1,900	1,900
Trade and other payables	–	–	2,036	2,036
Total financial liabilities	**–**	**–**	**3,936**	**3,936**

	Floating rate $'000	Fixed rate $'000	Non-interest bearing $'000	Total $'000
Consolidated 2011				
Financial assets				
Cash and cash equivalents	7,150	–	–	7,150
Trade and other receivables	–	–	304	304
Total financial assets	**7,150**	**–**	**304**	**7,454**
Financial liabilities				
Trade and other payables	–	–	549	549
Provision for performance fees	–	–	2,160	2,160
Total financial liabilities	**–**	**–**	**2,709**	**2,709**

Sensitivity analysis

A change of 1% in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	+ 1% Profit and loss $'000	2012 + 1% Equity $'000	- 1% Profit and loss $'000	2012 - 1% Equity $'000	+ 1% Profit and loss $'000	2011 + 1% Equity $'000	- 1% Profit and loss $'000	2011 - 1% Equity $'000
Consolidated								
Interest on cash	78	78	(78)	(78)	72	72	(72)	(72)
Total increase/(decrease)	**78**	**78**	**(78)**	**(78)**	**72**	**72**	**(72)**	**(72)**

15 Financial instruments continued

f Fair values

Methods for determining fair values

A number of the Consolidated Entity's accounting policies and disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Cash and cash equivalents and trade and other receivables

Fair value, which is determined for disclosure purposes, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair value versus carrying amounts

The Consolidated Entity is required to disclose fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The carrying amounts of cash and cash equivalents, trade and other receivables, and trade and other payables are assumed to reasonably approximate their fair values due to their short-term nature. Accordingly, fair value disclosures are not provided for such assets and liabilities.

16 Reconciliation of cash flows from operating activities

	Consolidated	
	Year ended 30 June 2012 $'000	Year ended 30 June 2011 $'000
Profit for the year	**121**	**2,485**
Operating profit before changes in working capital	**121**	**2,485**
Changes in operating assets and liabilities during the year:		
(Increase)/Decrease in receivables	(48)	19
Decrease in inventories	2,364	5,294
(Increase)/Decrease in current tax assets	4	892
Increase/(Decrease) in payables	1,227	(523)
Net cash from operating activities	**3,668**	**8,167**

17 Related parties

Manager

The Manager of the Company is Brookfield Capital Management Limited.

Ultimate parent

Multiplex Development and Opportunity Fund holds 49.58% of the ordinary shares in Multiplex Acumen Vale Syndicate Limited (and is the ultimate parent entity) through its 100% owned subsidiary Brookfield Multiplex DT Pty Limited.

Key management personnel

The Consolidated Entity does not employ personnel in its own right. All personnel are employed through the Manager. The Manager and the Directors of Multiplex Acumen Vale Syndicate Limited are considered to be the Key Management Personnel. The Directors of the Manager and Multiplex Acumen Vale Syndicate Limited are:

F. Allan McDonald (appointed 1 January 2010)
Brian Motteram (appointed 21 February 2007)
Barbara Ward (appointed 1 January 2010)
Russell Proutt (appointed 1 January 2010)
Shane Ross (appointed 16 May 2011)

The Manager is entitled to a management services fee which is calculated as a proportion of Vale Landowner's aggregate gross revenues (refer below). This fee is payable by the Company.

17 Related parties continued

Key management personnel continued

The Directors receive no compensation from either the Manager, entities related to the Manager or Multiplex Acumen Vale Syndicate Limited for their services to the Company.

Development manager's fees

In accordance with the Company's PDS, Multiplex Developments Operations Pty Ltd, the Development Manager of the Company is entitled to receive the following fees:

Performance fee

On completion of the Multiplex Acumen Vale Syndicate Ltd project, the Development Manager is entitled to a performance fee of 20% of the amount by which the overall shareholder return exceeds a 20% annualised internal rate of return on equity (before tax) to shareholders. A reversal of the anticipated liability has resulted in $260,000 being recognised in income in the current year (2011: $200,000).

Development management fees

The Development Manager is entitled to a sales and marketing fee of 4% of revenues received for each lot settled. Sales and marketing fees incurred by the Consolidated Entity during the year totalled $356,812 (2011:$940,160).

Development management fees – other development management services fees

The Development Manager is entitled to a development management fee of 3% of revenues received for each lot settled. Other development management services fees incurred by the Consolidated Entity to the Development Manager for the year amounted to $267,609 (2011: $705,120)

Management fees

In accordance with the Company's PDS, the Manager is entitled to receive a management fee equivalent to 1.25% of the Company's aggregate gross revenues. Fees incurred by the Company to the Manager for the year amounted to $108,664 (2011: $312,000).

All transactions with related parties are conducted on normal commercial terms and conditions.

	Consolidated 2012 $'000	2011 $'000
Transactions with the Manager		
Fees paid to the Manager and wholly owned subsidiaries:		
Performance fee reversal	(260)	(200)
Development management fees - sales and marketing fees	357	940
Development management service fees	268	705
Management fees	109	312
Return of capital to Brookfield Multiplex DT Pty Limited	1,487	3,518
Dividends paid to Brookfield Multiplex DT Pty Limited	–	3,852
Transactions with related parties of the Manager		
Performance fee payable	1,900	2,160
Management service fees payable	7	268
Receivable from Brookfield group	303	303

Related party shareholders

At the date of this report, no Director, Manager or related entity of the Company held shares or other interests in the Company.

18 Contingent liabilities and assets

No contingent liabilities or assets existed at 30 June 2012 (30 June 2011: nil).

19 Capital and other commitments

The Consolidated Entity had capital or other commitments at 30 June 2012 of nil (2011: $852,568).

20 Events subsequent to the reporting date

There are no matters or circumstances which have arisen since the end of the financial year 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 Acumen Vale Syndicate Limited
For the year ended 30 June 2012

In the opinion of the Directors of Multiplex Acumen Vale Syndicate Limited:

a The consolidated financial statements and notes, set out in pages 8 to 25, 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 30 June 2012 and of its performance, for the financial year ended on that date; and

   ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

   iii complying with International Financial Reporting Standards, as stated in note 2 to the financial statements.

b There are reasonable grounds to believe that the Company 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 Multiplex Acumen Vale Syndicate Limited required by Section 295(5) of the *Corporations Act 2001*.

Dated at Sydney this 22nd day of August 2012.

Russell Proutt
Director
Multiplex Acumen Vale Syndicate Limited

Deloitte.

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Independent Auditor's Report to the Members of Multiplex Acumen Vale Syndicate Limited

Report on the Financial Report

We have audited the accompanying financial report of Multiplex Acumen Vale Syndicate Limited (the "Company"), which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the 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 Company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 8 to 26.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Deloitte.

Auditor's Independence Declaration

In conducting our audit, 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 Multiplex Acumen Vale Syndicate Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Multiplex Acumen Vale Syndicate Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Helen Hamilton-James
Partner
Chartered Accountants
Parramatta, 22 August 2012