

Multiplex New Zealand Property Fund
Interim financial report
For the half year ended
31 December 2013

Multiplex New Zealand Property Fund

ARSN 110 281 055

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Multiplex New Zealand Property Fund

For the half year ended 31 December 2013

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Directory

Multiplex New Zealand Property Fund

For the half year ended 31 December 2013

Responsible Entity

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Directors of Brookfield Capital Management Limited

F. Allan McDonald
Brian Motteram
Barbara Ward
Russell Proutt
Shane Ross

Company Secretary of Brookfield Capital Management Limited

Neil Olofsson

Registered Office of Brookfield Capital Management Limited

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Custodian

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Location of Share Registry

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Auditor

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Directors' Report

Multiplex New Zealand Property Fund

For the half year ended 31 December 2013

Introduction

The Directors of Brookfield Capital Management Limited (BCML) (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 condensed consolidated interim financial statements of the Consolidated Entity, being the Fund and its subsidiaries, for the six months ended 31 December 2013 and the Independent Auditor's Review Report thereon.

Responsible Entity

The Responsible Entity of the Fund is Brookfield Capital Management Limited (BCML). The registered office and principal place of business of the Responsible Entity is Level 22, 135 King Street, Sydney NSW 2000.

Directors

The following persons were Directors of the Responsible Entity at any time during or since the end of the financial period:

Name	Capacity
F. Allan McDonald (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

Principal activities

The principal activity of the Consolidated Entity is the investment in properties in New Zealand.

Wind up of the Fund

The Responsible Entity continues with the wind up of the Fund. During the period, The Hub – Whakatane property was sold on 16 August 2013 for gross proceeds of NZ\$25,500,000 and 100% of the net proceeds were used to repay debt. The Responsible Entity continues to pursue opportunities to sell the remaining properties in line with the sales strategy. It is the intention of the Responsible Entity to sell the properties in an orderly manner, but it is not possible to predict when the sale process will be completed and when future distributions will be paid. It may take a number of years to realise the assets at values which the Responsible Entity considers to be in the best interests of unitholders.

During the period, the Responsible Entity obtained financier consent to make a distribution from cash reserves of 2.2 cents per unit. This was paid on or around 10 September 2013 and has been treated as a return of capital in the interim financial statements. When further properties are sold and the Consolidated Entity's debt facility requirements have been satisfied, investors will receive further distributions.

Review of operations

The Consolidated Entity has recorded a net profit after tax of \$11,034,000 for the six month period ended 31 December 2013 (2012: net loss of \$2,912,000). The reported net profit includes \$561,000 unrealised losses on revaluations of investment properties (2012: unrealised losses \$1,393,000).

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

- total revenue and other income of \$12,648,000 (2012: \$16,142,000);
- net assets attributable to unitholders of \$146,945,000 (30 June 2013: \$128,524,000) and net assets per unit of \$0.67 (30 June 2013: \$0.59);
- an interim distribution of 2.2 cents per unit, totalling \$4,797,000, was paid to unitholders on or around 10 September 2013 and has been treated as a return of capital in the interim financial statements (2012: 5 cents per unit or \$10,903,000);
- the weighted average lease term to expiry is approximately 2.95 years (30 June 2013: 3.09 years) and the portfolio occupancy rate is 96.6% (30 June 2013: 95.4%);
- The sale of The Hub – Whakatane property was settled on 16 August 2013 for gross proceeds of NZ\$25,500,000 and 100% of the net proceeds were used to repay debt; and
- the current loan to value ratio (LVR) is 19.4% (30 June 2013: 28.3%).

The Fund is in wind up. The strategy is to realise the Fund's assets on an orderly basis so as to maximise value for unitholders.

Rounding of amounts

The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998, 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.

Directors' Report continued
Multiplex New Zealand Property Fund
For the half year ended 31 December 2013

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

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half year ended 31 December 2013.

Dated at Sydney this 21st day of February 2014

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



Russell Proutt
Director
Brookfield Capital Management Limited

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

21 February 2014

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 of Multiplex New Zealand Property Fund.

As lead audit partner for the review of the financial statements of Multiplex New Zealand Property Fund for the half year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely


DELOITTE TOUCHE TOHMATSU



Helen Hamilton-James
Partner
Chartered Accountants

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

Multiplex New Zealand Property Fund

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For the half year ended 31 December 2013

	Note	Consolidated	
		Half year ended 31 December 2013 \$'000	Half year ended 31 December 2012 \$'000
Revenue and other income			
Property rental income		12,188	15,786
Interest income		174	356
Net gain on sale of investment properties		286	–
Total revenue and other income		12,648	16,142
Expenses			
Property expenses		4,506	4,783
Net loss on sale of investment properties		–	2,075
Accrued wind up costs		–	4,696
Finance costs to external parties		1,089	3,602
Net loss on revaluation of investment properties	4	561	1,393
Management fees		681	1,207
Other expenses		66	416
Total expenses		6,903	18,172
Profit/(loss) before income tax		5,745	(2,030)
Income tax benefit/(expense)		5,289	(882)
Net profit/(loss) after income tax for the period		11,034	(2,912)
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Changes in foreign currency translation reserve		12,184	1,611
Other comprehensive income for the period, net of income tax		12,184	1,611
Total comprehensive income/(loss) for the period		23,218	(1,301)
Net profit/(loss) attributable to ordinary unitholders		11,034	(2,912)
Total comprehensive income/(loss) attributable to ordinary unitholders		23,218	(1,301)

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

Condensed Consolidated Interim Statement of Financial Position

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Multiplex New Zealand Property Fund

As at 31 December 2013

	Note	Consolidated 31 December 2013 \$'000	30 June 2013 \$'000
Assets			
Current assets			
Cash and cash equivalents		13,060	22,499
Trade and other receivables		570	624
Total current assets		13,630	23,123
Non-current assets			
Investment properties	4	185,495	191,054
Total non-current assets		185,495	191,054
Total assets		199,125	214,177
Liabilities			
Current liabilities			
Trade and other payables		9,324	13,691
Current tax liability		122	5,342
Total current liabilities		9,446	19,033
Non-current liabilities			
Accrued wind up costs		3,696	3,808
Interest bearing liabilities	5	35,494	53,529
Deferred tax liability		3,544	9,283
Total non-current liabilities		42,734	66,620
Total liabilities		52,180	85,653
Net assets		146,945	128,524
Equity			
Units on issue	6	187,696	192,493
Reserves		(27,117)	(39,301)
Undistributed losses		(13,634)	(24,668)
Total equity		146,945	128,524

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

Condensed Consolidated Interim Statement of Changes in Equity

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Multiplex New Zealand Property Fund

For the half year ended 31 December 2013

Consolidated Entity	Attributable to unitholders of the Fund			
	Ordinary units \$'000	Undistributed profits/ (losses) \$'000	Reserves \$'000	Total \$'000
Opening equity – 1 July 2013	192,493	(24,668)	(39,301)	128,524
Changes in foreign currency translation reserves	–	–	12,184	12,184
Other comprehensive income for the period, net of income tax	–	–	12,184	12,184
Net profit for the period	–	11,034	–	11,034
Total comprehensive income for the period	–	11,034	12,184	23,218
Transactions with unitholders in their capacity as unitholders:				
Return of capital	(4,797)	–	–	(4,797)
Total transactions with unitholders in their capacity as unitholders	(4,797)	–	–	(4,797)
Closing equity – 31 December 2013	187,696	(13,634)	(27,117)	146,945

Consolidated Entity	Attributable to unitholders of the Fund			
	Ordinary units \$'000	Undistributed profits/ (losses) \$'000	Reserves \$'000	Total \$'000
Opening equity – 1 July 2012	203,396	(30,360)	(48,680)	124,356
Changes in foreign currency translation reserves	–	–	1,611	1,611
Other comprehensive income for the period, net of income tax	–	–	1,611	1,611
Net loss for the period	–	(2,912)	–	(2,912)
Total comprehensive (loss)/income for the period	–	(2,912)	1,611	(1,301)
Transactions with unitholders in their capacity as unitholders:				
Return of capital	(10,903)	–	–	(10,903)
Total transactions with unitholders in their capacity as unitholders	(10,903)	–	–	(10,903)
Closing equity – 31 December 2012	192,493	(33,272)	(47,069)	112,152

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

Condensed Consolidated Interim Statement of Cash Flows

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Multiplex New Zealand Property Fund

For the half year ended 31 December 2013

	Consolidated	
	Half year ended 31 December 2013 \$'000	Half year ended 31 December 2012 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	12,594	16,191
Cash payments in the course of operations	(9,951)	(16,398)
Interest received	174	356
Income tax paid	(6,773)	–
Financing costs paid	(1,217)	(4,463)
Net cash flows used in operating activities	(5,173)	(4,314)
Cash flows from investing activities		
Payments for additions to investment properties	(1,310)	(2,385)
Proceeds from sale of investment properties	22,479	99,915
Net cash flows from investing activities	21,169	97,530
Cash flows from financing activities		
Repayments of interest bearing liabilities	(22,098)	(94,474)
Debt establishment costs paid	–	(603)
Return of capital	(4,797)	(10,903)
Net cash flows used in financing activities	(26,895)	(105,980)
Net decrease in cash and cash equivalents	(10,899)	(12,764)
Impact of foreign exchange	1,460	169
Cash and cash equivalents at beginning of the period	22,499	24,097
Cash and cash equivalents at 31 December	13,060	11,502

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

Notes to the Condensed Consolidated Interim Financial Statements

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Multiplex New Zealand Property Fund

For the half year ended 31 December 2013

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 interim financial statements of the Fund as at and for the six months ended 31 December 2013 comprise the Fund and its subsidiaries (together referred to as the Consolidated Entity).

2 Significant accounting policies

Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The consolidated interim financial report does not include notes of the type normally included in annual financial statements and should be read in conjunction with the most recent annual financial statements of the Consolidated Entity as at and for the year ended 30 June 2013.

Basis of preparation

The consolidated interim financial report is presented in Australian dollars, which is the Fund's presentation currency. The Fund's functional currency is Australian dollars. However, the Consolidated Entity is predominately 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 Consolidated Entity is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998, 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.

The accounting policies and methods of computation adopted in the preparation of the consolidated interim financial report are consistent with those adopted and disclosed in the consolidated financial report as at and for the year ended 30 June 2013, except for the impact of the Standards and Interpretations described below.

AASB 10 *Consolidated Financial Statements* which replaces all of the guidance on control and consolidation. 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 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.

AASB 11 *Joint Arrangements* which introduces a principle 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 for their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard AASB 131 *Interests in Joint Ventures*.

AASB 12 *Disclosure of Interests in Other Entities* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, which set out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11 and replace the disclosure requirements previously found in AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*.

AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* which sets out in a single standard a framework for measuring fair value, including related disclosure requirements in relation to fair value measurement. AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* which removes 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*.

AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 7)* which requires an entity to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement.

Notes to the Condensed Consolidated Interim Financial Statements continued

Multiplex New Zealand Property Fund

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For the half year ended 31 December 2013

2 Significant accounting policies *continued*

Basis of preparation *continued*

AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle* which amends a number of pronouncements as a result of the 2009-2011 annual improvements cycle.

AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments* which provides transition guidance for the amendments to AASB 10 *Consolidated Financial Statements*.

These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. The adoption of the above revised Standards and Interpretations has resulted in amended disclosures in the financial report but has not impacted the financial results of the Consolidated Entity.

Going concern

The financial statements have been prepared on a going concern basis which assumes the Consolidated Entity will be able to realise its assets and discharge its liabilities in the normal course of business.

The Responsible Entity continues with the wind up of the Fund and to pursue opportunities to sell the remaining properties in line with the sales strategy. It is the intention of the Responsible Entity to sell the properties in an orderly manner, but it may take a number of years to realise the assets at values which the Responsible Entity considers to be in the best interests of unitholders. It is not possible to predict when the sale process will be completed.

Based on the above, the Directors of the Responsible Entity believe it is appropriate to continue to adopt the going concern basis for this set of financial statements. The financial statements do not include adjustments relating to the recoverability and classification of asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Fund and Consolidated Entity not continue as a going concern.

3 Estimates

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

4 Investment properties

	Latest external valuation date	Consolidated Latest external valuation \$'000	31 December 2013 book value \$'000	30 June 2013 book value \$'000
Total investment properties and held for sale investment properties	June 2013	185,495	185,495	191,054

1 Last valuation in NZ\$ is converted at the 31 December 2013 exchange rate A\$1 = NZ\$1.0879 (30 June 2013: A\$1 = NZ\$1.1871).

2 The book value of the properties at 31 December 2013 is NZ\$201,800,000 (30 June 2013: NZ\$226,800,000).

Independent valuations

The investment properties of the Consolidated Entity are internally valued at each reporting date. The Consolidated Entity's policy is to obtain external valuations when internal valuations performed indicate the property value has changed by more than 5%, or whenever it is believed that the fair value of a property differs significantly from its carrying value, based on a material change to the assumptions and market conditions underlying the valuation. An external valuation is obtained at least every 3 years.

At 31 December 2013, the entire property portfolio was internally valued and valuations have been undertaken using a discounted cash flow method. The discount rates utilised in the 31 December 2013 valuations range from 9.38% to 10.50%. At 30 June 2013, all except one property was valued by independent valuers CBRE Limited.

Notes to the Condensed Consolidated Interim Financial Statements continued

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Multiplex New Zealand Property Fund

For the half year ended 31 December 2013

4 Investment properties continued

Reconciliation of the carrying amount of investment properties, including held for sale investment properties, is set out below:

	Consolidated Half year ended 31 December 2013 \$'000
Carrying amount at beginning of period	191,054
Sale of investment property	(22,048)
Capital expenditure and incentives	1,020
Rental straight lining	13
Net loss from fair value adjustments to investment properties	(561)
Foreign currency translation exchange adjustment	16,017
Carrying amount at end of period	185,495

Investment properties held for sale

During the period, the Consolidated Entity disposed of The Hub – Whakatane property, with settlement on 16 August 2013, for gross proceeds of NZ\$25,500,000. 100% of the net proceeds from sale were used to repay debt.

The remaining investment properties have been classified as non-current in the consolidated financial statements at 31 December 2013. The Responsible Entity continues with the wind up of the Fund and to pursue opportunities to sell the remaining properties in line with the sales strategy. It is the intention of the Responsible Entity to sell the properties in an orderly manner, but it may take a number of years to realise the assets at values which the Responsible Entity considers to be in the best interests of unitholders. It is not possible to predict when the sale process will be completed and, as such, the investment properties remain classified as non-current assets.

5 Interest bearing liabilities

	Consolidated 31 December 2013 \$'000	30 June 2013 \$'000
Non – current		
Secured bank debt	35,894	54,011
Debt establishment fees	(400)	(482)
Total interest bearing liabilities	35,494	53,529

		Consolidated 31 December 2013 \$'000	30 June 2013 \$'000
Finance arrangements			
Facilities available			
Bank debt facility ¹	16 August 2015	35,894	54,011
<i>Less:</i> Facilities utilised		(35,894)	(54,011)
Facilities not utilised		-	-

¹ The bank debt facility at 31 December 2013 represents NZ\$39,049,000 converted at the 31 December 2013 exchange rate A\$1 = NZ\$1.0879 (30 June 2013: NZ\$64,116,000 at A\$1 = NZ\$1.1871)

Interest bearing liabilities have been classified as non-current as the debt has a maturity date of 16 August 2015. The Responsible Entity continues with the wind up of the Fund. 100% of the net sale proceeds following from the disposal of investment properties will be used to pay down the debt. It may take a number of years to realise the assets at values which the Responsible Entity considers to be in the best interests of unitholders. It is not possible to predict when the sale process will be completed and therefore the debt remains classified as non-current. The current loan to value ratio (LVR) is 19.4% (30 June 2013: 28.3%).

Notes to the Condensed Consolidated Interim Financial Statements continued

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Multiplex New Zealand Property Fund

For the half year ended 31 December 2013

6 Units on issue

	Half year ended 31 December 2013 \$'000	Half year ended 31 December 2013 Units	Year ended 30 June 2013 \$'000	Year ended 30 June 2013 Units
Ordinary units				
Opening balance	192,493	218,056,451	203,396	218,056,451
Return of capital	(4,797)	–	(10,903)	–
Closing balance	187,696	218,056,451	192,493	218,056,451

7 Financial instruments

A number of the Consolidated Entity's financial assets and liabilities are measured at fair value at the end of each reporting period. 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 values 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.

As at 31 December 2013 and 31 December 2012, there were no financial assets or liabilities in levels 1 and 3. During the current and prior periods, there were no financial assets or liabilities which transferred between levels 1, 2 or 3.

8 Related parties

During the current period ended 31 December 2013, the Consolidated Entity repaid \$4,730,000 of historical management fees due to the Responsible Entity.

Other than the above, there have been no significant changes to the related party transactions as disclosed in the annual report for the year ended 30 June 2013.

9 Contingent liabilities and assets

No contingent liabilities or assets existed at 31 December 2013 or 30 June 2013.

10 Events subsequent to the reporting date

There are no matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial periods.

Directors' Declaration

Multiplex New Zealand Property Fund

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For the half year ended 31 December 2013

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

- a The condensed consolidated interim financial statements and notes, set out in pages 7 to 14, are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2013 and of its performance for the six month period ended on that date; and
 - ii complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- b There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Brookfield Capital Management Limited.

Dated at Sydney this 21st day of February 2014



Russell Proutt
Director
Brookfield Capital Management Limited

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

We have reviewed the accompanying half-year financial report of Multiplex New Zealand Property Fund ("the Fund"), which comprises the condensed consolidated interim statement of financial position as at 31 December 2013, and the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of cash flows and the condensed consolidated interim statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the Fund and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 15.

Directors' Responsibility for the Half-Year Financial Report

The directors of Brookfield Capital Management Limited, the Responsible Entity of the Fund, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Brookfield Capital Management Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Multiplex New Zealand Property Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


DELOITTE TOUCHE TOHMATSU



Helen Hamilton-James
Partner
Chartered Accountants
Parramatta, 21 February 2014