

Multiplex Tasman Property Fund
Financial report
For the year ended
30 June 2010

Multiplex Tasman Property Fund

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Multiplex Tasman Property Fund

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Directory

Multiplex Tasman Property Fund

For the year ended 30 June 2010

Directors of Brookfield Multiplex Capital New Zealand Limited

Kym Bunting
John McStay
Russell Proutt

Manager – Brookfield Multiplex Capital New Zealand Limited

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Auckland
New Zealand

Location of Unit Registry

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Directors' Report

Multiplex Tasman Property Fund

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For the year ended 30 June 2010

Introduction

The Directors of Brookfield Multiplex Capital New Zealand Limited (BMCNZL) (NZBN 15 35 298) present their report together with the financial statements of Multiplex Tasman Property Fund (Fund) for the year ended 30 June 2010 and the Independent Auditor's Report thereon. The Manager of Multiplex Tasman Property Fund is Brookfield Multiplex Capital New Zealand Limited, which has been the Manager since inception.

The registered office and principal place of business of the Manager and the Fund is 66 Wyndham Street, Auckland New Zealand.

Directors

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

Name	Capacity
Kym Bunting (appointed 21 May 2009)	Executive Director
John McStay (appointed 18 October 2005)	Executive Director
Russell Proutt (appointed 1 January 2010)	Executive Director
Brian Kingston (appointed 31 March 2008 – resigned 17 March 2010)	Executive Director
Mark Wilson (appointed 22 August 2008 – resigned 1 January 2010)	Executive Director
Peter Wall (appointed 18 October 2005 – resigned 15 July 2009)	Executive Director

Principal activities

The Fund is a unit trust domiciled in New Zealand investing in property investments.

The investment activities of the Fund are in accordance with the investment policy as outlined in the original investment statement and prospectus for the Fund dated 17 September 2004. The Fund holds investments in Multiplex New Zealand Property Fund and cash.

The Fund did not have any employees during the current or prior year.

There have been no significant changes in the nature of the Fund's activities during the year.

Review of operations

Results

At the end of the 2010 financial year, the Fund owned 4,629,041 units in Multiplex New Zealand Property Fund valued at \$3,879,481 (2009: 4,701,355 units valued at \$4,394,403).

	Year ended 30 June 2010 \$	Year ended 30 June 2009 \$
Net loss attributable to unitholders	(450,746)	(781,753)
Closing undistributed losses	(1,265,563)	(814,817)
Distributions (cpu)	0.00	2.00

Units on issue

The movement in units on issue for the year were as follows:

	Year ended 30 June 2010 Units	Year ended 30 June 2009 Units
Opening balance	5,138,260	5,220,012
Units redeemed	(79,033)	(81,752)
Closing balance	5,059,227	5,138,260

	2010 \$	2009 \$
Value of total fund assets as at 30 June	3,886,816	4,402,097

The basis for valuation of the Fund's assets is disclosed in Note 3 to the financial statements.

Interests of the Manager

The Manager has not held any units in the Fund during the year.

Directors' Report - continued

Multiplex Tasman Property Fund

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For the year ended 30 June 2010

Directors' interests

The Directors of Brookfield Multiplex Capital New Zealand Limited have not held any units in the Fund during the year or up to the date of this report.

Remuneration of Directors of the Manager

No amounts have been paid either by the Fund directly to the Directors of the Manager or by the Trustee and its related parties to the Directors of the Manager in connection with their responsibilities for the Fund.

Significant changes in the state of affairs

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

Likely developments

The Fund will continue to pursue its policy of investment in Multiplex New Zealand Property Fund.

Further information about likely developments in the operations of the Fund and the expected results of those operations in future periods has not been included in this report because the Directors believe disclosure of the information would be likely to result in unreasonable prejudice to the Fund.

Matters subsequent to the end of the financial year

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 Fund, the results of those operations, or the state of affairs of the Fund in subsequent financial years.

Dated at Sydney this 29th day of November 2010.

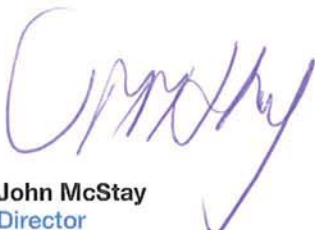
Signed in accordance with a resolution of the Directors.



Kym Bunting

Director

Brookfield Multiplex Capital New Zealand Limited



John McStay

Director

Brookfield Multiplex Capital New Zealand Limited

Statement of Comprehensive Income

Multiplex Tasman Property Fund

For the year ended 30 June 2010

	Note	Fund	
		Year ended 30 June 2010	Year ended 30 June 2009
		\$	\$
Revenue and other income			
Distribution revenue		–	104,844
Gain on sale of available for sale investments		–	5,734
Interest revenue		115	456
Total revenue and other income		115	111,034
Expenses			
Loss on sale of available for sale investments		5,024	–
Withholding tax expense		–	34
Impairment loss	7	445,363	891,517
Bank charges		474	1,236
Total expenses		450,861	892,787
Net loss for the year		(450,746)	(781,753)
Other comprehensive income / (loss)			
Change in available for sales reserve		–	(1,762,676)
Other comprehensive income / (loss) for the year		–	(1,762,676)
Total comprehensive loss for the year		(450,746)	(2,544,429)
Net loss attributable to ordinary unit holders		(450,746)	(781,753)
Total comprehensive loss attributable to ordinary unitholders		(450,746)	(2,544,429)

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

Statement of Financial Position

Multiplex Tasman Property Fund

As at 30 June 2010

	Note	Fund 2010 \$	2009 \$
Assets			
Current assets			
Cash and cash equivalents		7,148	7,545
Other receivables	6	187	149
Total current assets		7,335	7,694
Non-current assets			
Investment – available for sale	7	3,879,481	4,394,403
Total non-current assets		3,879,481	4,394,403
Total assets		3,886,816	4,402,097
Liabilities			
Total liabilities		–	–
Net assets		3,886,816	4,402,097
Equity			
Units on issue	8	5,152,379	5,216,914
Reserves	9	–	–
Undistributed losses	10	(1,265,563)	(814,817)
Total equity		3,886,816	4,402,097

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

Statement of Changes in Equity

Multiplex Tasman Property Fund

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For the year ended 30 June 2010

	Attributable to unitholders of the Fund			Total \$
	Ordinary units \$	Undistributed profits/(losses) \$	Available for sale reserves \$	
Opening equity – 1 July 2009	5,216,914	(814,817)	–	4,402,097
Net loss for the year	–	(450,746)	–	(450,746)
Other comprehensive income for the year				
Changes in available for sale reserve	–	–	–	–
Total comprehensive loss for the year	–	(450,746)	–	(450,746)
<i>Transactions with unitholders in their capacity as unitholders:</i>				
Units redeemed during the year	(64,535)	–	–	(64,535)
Distributions paid/payable	–	–	–	–
Total transactions with unitholders in their capacity as unitholders	(64,535)	–	–	(64,535)
Closing equity – 30 June 2010	5,152,379	(1,265,563)	–	3,886,816

	Attributable to unitholders of the Fund			Total \$
	Ordinary units \$	Undistributed profits/(losses) \$	Available for sale reserves \$	
Opening equity – 1 July 2008	5,315,243	71,780	1,762,676	7,149,699
Net loss for the year	–	(781,753)	–	(781,753)
Other comprehensive income for the year				
Changes in fair value of available for sale reserve	–	–	(1,762,676)	(1,762,676)
Total comprehensive loss for the year	–	(781,753)	(1,762,676)	(2,544,429)
<i>Transactions with unitholders in their capacity as unitholders:</i>				
Units redeemed during the year	(98,329)	–	–	(98,329)
Distributions paid/payable	–	(104,844)	–	(104,844)
Total transactions with unitholders in their capacity as unitholders	(98,329)	(104,844)	–	(203,173)
Closing equity – 30 June 2009	5,216,914	(814,817)	–	4,402,097

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

Statement of Cash Flows

Multiplex Tasman Property Fund

For the year ended 30 June 2010

	Note	Year ended 30 June 2010 \$	Fund Year ended 30 June 2009 \$
Cash flows from operating activities			
Cash receipts in the course of operations		–	229,377
Cash payments in the course of operations		(512)	(1,598)
Interest received		115	456
Net cash flows (used in) / from operating activities	12	(397)	228,235
Cash flows from investing activities			
Proceeds from sale of investments		64,535	98,329
Net cash flows from investing activities		64,535	98,329
Cash flow from financing activities			
Payments for redemption of units	8	(64,535)	(98,329)
Distributions paid to unitholders		–	(229,377)
Net cash used in financing activities		(64,535)	(327,706)
Net decrease in cash and cash equivalents		(397)	(1,142)
Cash and cash equivalents at the beginning of the financial year		7,545	8,687
Cash and cash equivalents at the end of the financial year		7,148	7,545

The Statement of Cash Flow should be read in conjunction with the notes to the accompanying notes.

Notes to the Financial Statements

Multiplex Tasman Property Fund

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For the year ended 30 June 2010

1 Corporate information

Multiplex Tasman Property Fund (Fund) is domiciled in New Zealand. Brookfield Multiplex Capital New Zealand Limited (BMCNZL), the Manager of the Fund, is incorporated and domiciled in New Zealand. The investment activities of the Fund are in accordance with the investment policy as outlined in the original investment statement and prospectus for the Fund dated 17 September 2004. The Fund holds investments in Multiplex New Zealand Property Fund and cash and cash equivalents and is a profit-oriented entity. The Fund is an issuer in terms of the *Financial Reporting Act 1993*.

2 Basis of preparation

a Statement of compliance

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the *Financial Reporting Act 1993* and *Unit Trust Act 1960*. They comply with New Zealand equivalents to International Financial Reporting Standards and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The financial statements comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the Directors on this 29th day of November 2010.

b Basis of measurement

The financial statements have been prepared on the basis of historical cost, except for available for sale financial assets, which are measured at fair value. The methods used to measure fair value are discussed further in Note 3.

The financial statements are presented in New Zealand dollars, which is the Fund's presentation and functional currency.

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 amounts recognised in the financial statements is provided in Note 7, Investments.

d Financial statement presentation

The Fund has applied the revised NZ IAS 1 *Presentation of Financial Statements (revised 2007)* which became effective on 1 January 2009. The revised standard requires the separate presentation of a Statement of Comprehensive Income and a Statement of Changes in Equity. All non-owner changes in equity must now be presented in the Statement of Comprehensive Income. As a consequence, the Fund has had to change the presentation of its financial statements. Comparative information has been re-presented so that it conforms to the revised standard.

Previous primary statement:

Income Statement
Balance Sheet
Statement of Changes in Equity
Cash Flow Statement

Current primary statement:

Statement of Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
Statement of Cash Flows

The Fund has applied the presentation amendments to NZ IAS 32 and NZ IAS 1 *Puttable Financial Instruments and Obligations arising on Liquidation* which became effective on 1 February 2009. These provide an exception to the definition of a financial liability to enable certain financial instruments to be classified as equity. Units issued to investors now meet the exceptions to the definition of a financial liability and have been reclassified as equity in the financial statements.

3 Summary of significant accounting policies

The significant accounting policies which have been adopted in the preparation of these financial statements are:

a Revenue recognition

Distributions

Revenue from distributions is recognised when the right of the Fund 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.

Notes to the Financial Statements continued

Multiplex Tasman Property Fund

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For the year ended 30 June 2010

3 Significant accounting policies continued

b Expense recognition

Expenses are recognised by the Fund on an accruals basis.

c Goods and services tax (GST)

Revenues, expenses, liabilities and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the New Zealand Inland Revenue (IRD). 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 IRD 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 IRD are classified as operating cash flows.

d Income tax – Funds

Under current income tax legislation, the Fund is subject to income tax as if it were a company. The Fund will be liable for New Zealand income tax at 30% on its net income with the exception of income in the nature of foreign dividends.

e Cash and cash equivalents

For purposes of the Statement of Cash Flows, cash includes cash balances and deposits at call with financial institutions and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

f Other receivables

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 3h.

g Available for sale financial assets

Unlisted investments are classified as being available for sale. Available for sale financial assets are initially recognised at fair value plus directly attributable transaction costs. Subsequent to initial recognition they are measured at fair value, with any resulting gain or loss recognised in other comprehensive income and accumulated as a separate component of other comprehensive income being “available for sale reserve”. Where there is evidence of impairment in the value of the investment, usually through adverse market conditions, the impairment loss will be recognised directly in the income statement. Where unlisted investments are derecognised, the cumulative gain or loss previously recognised in the available for sale reserve is reclassified from equity to the income statement as a reclassification adjustment.

The fair value of unlisted investments is the published net tangible asset (NTA) at the year end date.

h 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 income statement. Any cumulative loss in respect of an available for sale financial asset recognised previously in equity is reclassified to the income statement.

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 the reversal is recognised in the income statement.

For available for sale financial assets that are equity securities, the impairment losses previously recognised through the income statement are not reversed through the income statement. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated as a separate component of equity in the available for sale revaluation reserve.

i Distributions

A provision for distribution is recognised in the Statement of Financial Position if the distribution has been declared prior to year end. Distributions paid and payable on units are recognised as a reduction in equity. Distributions paid are included in cash flows from financing activities in the Statement of Cash Flows.

Notes to the Financial Statements continued

Multiplex Tasman Property Fund

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For the year ended 30 June 2010

3 Significant accounting policies continued

j Net assets attributable to unitholders

Change in accounting policy

The financial statements reflect the changes to NZ IAS 32 and NZ IAS 1 *Puttable Financial Instruments and Obligations arising on Liquidation*. The amendment defines puttable instruments and changes the classification and presentation of amounts owing to the Fund's unitholders from non-current liabilities to equity. As a result of this amendment total liabilities have decreased and equity has increased by \$3,886,816 (2009: \$4,402,097). The effect of this amendment has been applied to the current and comparative period to ensure consistency of presentation.

k Units on issue

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

l 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 2010 but have not been applied in preparing this financial report:

Amendments to NZ IAS 7 Statement of Cash Flows: The amendments clarify that only expenditure that results in the recognition of an asset can be classified as cash flow from investing activities. The amended NZ IAS 7 becomes effective for reporting periods beginning on or after 1 January 2010 and mandatory for the Fund's 30 June 2011 financial statements.

Amendments to NZ IFRS 7 Financial Instruments: Disclosures: The amendments add an explicit statement that qualitative disclosure should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments. The amended NZ IFRS 7 becomes effective for reporting periods beginning on or after 1 January 2011 and mandatory for the Fund's 30 June 2012 financial statements.

Amendments to NZ IAS 1 Presentation of Financial Statements: The amendments clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income also is required to be presented, but may be presented either in the Statement of Changes in Equity or in the notes. The amended NZ IAS 1 becomes effective for reporting periods beginning on or after 1 January 2011 and mandatory for the Fund's 30 June 2012 financial statements.

NZ IFRS 9 Financial Instruments: NZ IFRS 9 is the first standard issued as part of a wider project to replace NZ IAS 39. NZ IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in NZ IAS 39 on impairment of financial assets and hedge accounting continues to apply. Prior periods need not be restated if an entity adopts the standards for reporting periods beginning before 1 January 2012. NZ IFRS 9 becomes effective for reporting periods beginning on or after 1 January 2013 and mandatory for the Fund's 30 June 2014 financial statements.

The impact of the adoption of the above standards, amendments to standards and interpretations is not known and cannot be estimated reliably.

m Standards and interpretations affecting amounts reported in the current year

The following standards, amendments to standards and interpretations have been adopted by the Fund during the current financial year and applied in preparing this financial report.

NZ IAS 1 Presentation of Financial Statements (revised 2007): The impact of adopting NZ IAS 1 has been disclosed in Note 2d to the financial statements

NZ IAS 32 and NZ IAS 1 Puttable Financial Instruments and Obligations arising on Liquidation: The impact of adopting NZ IAS 32 has been disclosed in Note 2d and Note 3j to the financial statements.

Amendments to NZ IFRS 7 Financial Instruments: Disclosures: The impact of adopting NZ IFRS 7 has been disclosed in Note 11f to the financial statements.

4 Auditor's remuneration

All expenses related to remuneration of auditors are borne by the Manager of the Fund. During the year, the auditor of the Fund changed from KPMG to Deloitte Touche Tohmatsu (Deloitte).

Notes to the Financial Statements continued

Multiplex Tasman Property Fund

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For the year ended 30 June 2010

5 Distributions to unitholders

Distributions paid or declared to unit holders were as follows:

	Cents per unit	\$	Date of payment
Total distribution for the year ended 30 June 2010	0.000	-	-
September 2008	2.000	104,844	6 Nov 2008
Total distribution for the year ended 30 June 2009	2.000	104,844	

	Fund	
	2010	2009
	\$	\$
6 Other receivables		
New Zealand resident withholding tax	187	149
Total other receivables	187	149

	Fund	
	2010	2009
	\$	\$
7 Investments – available for sale		
Unlisted registered managed investment schemes	3,879,481	4,394,403
Total investments – available for sale	3,879,481	4,394,403

The carrying value of investments is represented by the holding in Multiplex New Zealand Property Fund (MZNPF) of 2.12% at 30 June 2010 (2009: 2.16%). A review of the carrying value at 30 June 2010 indicated that the investment is impaired. An impairment loss of \$445,363 (2009: \$891,517) was therefore recorded in the current year to reflect the value of the investments at a value equivalent to the value of net assets of MNZPF.

	2010		2009	
	Year ended	Year ended	Year ended	Year ended
	30 June 2010	30 June 2010	30 June 2009	30 June 2009
	\$	Units	\$	Units
8 Units on issue				
Ordinary units				
Opening balance	5,216,914	5,138,260	5,315,243	5,220,012
Units redeemed during the year	(64,535)	(79,033)	(98,329)	(81,752)
Closing balance	5,152,379	5,059,227	5,216,914	5,138,260

Ordinary units entitle the holder to participate in distributions and the proceeds on winding up of the Fund in proportion to the number of units held. On a show of hands every holder of units present at a meeting of unitholders in person or by proxy is entitled to one vote, and upon a poll each unit is entitled to one vote.

All units in the Fund are of the same class and carry equal rights.

9 Reserves

	Fund	
	Year ended	Year ended
	30 June 2010	30 June 2009
	\$	\$
Available for sale reserve		
Opening balance	-	1,762,676
Fair value movement in relation to unlisted investments	-	(1,762,676)
Closing balance	-	-

The available for sale reserve is used to record fair value movements in relation to the Fund's investment in MNZPF.

Notes to the Financial Statements continued

Multiplex Tasman Property Fund

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For the year ended 30 June 2010

10 Undistributed losses

	Fund Year ended 30 June 2010 \$	Year ended 30 June 2009 \$
Opening balance	(814,817)	71,780
Distribution paid to unitholders	-	(104,844)
Net loss for the year	(450,746)	(781,753)
Closing balance	(1,265,563)	(814,817)

11 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 are disclosed in Note 3 to the financial statements.

a Capital risk management

The Board's intention is to maintain a strong capital base so as to maintain investor confidence and the sustainable future development of the Fund. The capital structure of the Fund consists of cash and cash equivalents and equity attributable to unit holders of the Fund, comprising issued capital, reserves and undistributed losses. The Board reviews the cash balances on a quarterly basis. The Fund's overall strategy of capital risk management remains unchanged from 2009.

b Financial risk management

Overview

The Fund is exposed to financial risks in the course of its 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 Manager 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 Fund's financial performance. The Board of Directors of the Manager is responsible for the risk management monitoring of the Fund.

Investment mandate

The Fund's investment mandate, as disclosed in the Trust Constitution, is to invest in property investments.

c Credit risk

Sources of credit risk and risk management strategies

Credit risk is the risk of financial loss to the Fund if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from the Fund's cash and cash equivalents, receivables and investments balances held. Credit exposure is monitored in accordance with the sections below. The Fund's overall strategy of credit risk management remains unchanged from 2009.

Investments

Credit risk arising from investments is dictated by investing in accordance with the Fund's prospectus into MNZPF.

Exposure to credit risk

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

	Fund 2010 \$	2009 \$
Cash and cash equivalents	7,148	7,545
Other receivables	187	149
Investments – available for sale	3,879,481	4,394,403
Total exposure to credit risks	3,886,816	4,402,097

Notes to the Financial Statements continued

Multiplex Tasman Property Fund

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For the year ended 30 June 2010

11 Financial instruments continued

c Credit risk continued

Concentrations of credit risk exposure

The Fund invests in MNZPF and receives distribution income from MNZPF. Therefore, there is a concentration of credit risk with this entity. In assessing this risk, the Fund has taken into account MNZPF's financial position, reputation and previous experience. In considering these factors, the Fund does not consider there to be a significant risk of default by the counterparty as at the year end date.

Collateral obtained/held

The Fund does not hold any collateral in respect of its financial assets (2009: nil). During the year ended 30 June 2010 the Fund did not call on any collateral provided (2009: nil).

Financial assets past due but not impaired

The ageing of the Fund's receivables at the reporting date are detailed below:

	Fund	
	2010	2009
	\$	\$
Current	187	149
Total other receivables	187	149

Amounts recognised above are not deemed to be impaired. No impairment losses have been recognised by the Fund during the year ended 30 June 2010 (2009: nil). There are no financial assets that have had their terms renegotiated that would otherwise have rendered the financial assets past due or impaired.

d Liquidity risk

Unitholders

Once yearly, unitholders have the option to exit the Fund via a liquidity facility that is offered to unitholders of MNZPF as funded by Brookfield Capital Management Limited (BCML) (formerly Brookfield Multiplex Capital Management Limited), the responsible entity of MNZPF. During this time the Manager may honour these redemptions but is not obligated to do so.

Maturity analysis of financial liabilities

The Fund did not hold any financial liabilities during the current and prior financial years.

The Fund's overall strategy of liquidity risk management remains unchanged from 2009.

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 Fund's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns. The Fund's overall strategy of market risk management remains unchanged from 2009.

Sources of market risk and risk management strategies

The Fund is exposed to direct market risk in the form of changes in interest rates on its cash and cash equivalents balances. The Fund is exposed to indirect market risk in the form of investments in unlisted registered managed investment schemes.

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 equivalents balances will also fluctuate with changes in interest rates due to interest earned. This risk is not significant for the Fund. The table below shows the Fund's direct exposure to interest rate risk at year end.

Notes to the Financial Statements continued

Multiplex Tasman Property Fund

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For the year ended 30 June 2010

11 Financial instruments continued

e Market risk continued

Interest rate risk continued

	Floating rate \$	Non-interest bearing \$	Total \$
Fund 2010			
Financial assets			
Cash and cash equivalents	7,148	–	7,148
Other receivables	–	187	187
Investments available for sale	–	3,879,481	3,879,481
Total financial assets	7,148	3,879,668	3,886,816
Fund 2009			
Financial assets			
Cash and cash equivalents	7,545	–	7,545
Other receivables	–	149	149
Investments available for sale	–	4,394,403	4,394,403
Total financial assets	7,545	4,394,552	4,402,097

Fair value sensitivity analysis for variable rate instruments

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

	2010				2009			
	+ 1% Profit or loss \$	+ 1% Equity \$	- 1% Profit or loss \$	- 1% Equity \$	+ 1% Profit or loss \$	+ 1% Equity \$	- 1% Profit or loss \$	- 1% Equity \$
Fund								
Interest on cash	71	71	(71)	(71)	75	75	(75)	(75)
Total increase/(decrease)	71	71	(71)	(71)	75	75	(75)	(75)

Foreign currency risk

Foreign currency risk is the risk that the market value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Sources of risk and risk management strategies

The Fund is exposed to foreign currency risk as its investment in MNZPF is an investment in an Australian registered managed investment scheme. Other than the above, the Fund has no direct or indirect foreign currency exposures at 30 June 2010 (2009: nil).

The following exchange rates were applied to the Fund's investment in MNZPF during the year.

	Australian Dollar 2010 Reporting date spot rate	2009 Reporting date spot rate
1 New Zealand Dollar	1.2321	1.2428

Notes to the Financial Statements continued

Multiplex Tasman Property Fund

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For the year ended 30 June 2010

11 Financial instruments continued

e Market risk continued

Sensitivity analysis

At year end, a 5% strengthening/(weakening) of the New Zealand dollar against the Australian dollar would have increased/(decreased) profit or loss and equity available to unitholders, as a result of the Fund's investment in MNZPF, by amounts shown below. This analysis assumes all other variables remain constant.

	2010				2009			
	+ 5% Profit or loss \$	+ 5% Equity \$	- 5% Profit or loss \$	- 5% Equity \$	+ 5% Profit or loss \$	+ 5% Equity \$	- 5% Profit or loss \$	- 5% Equity \$
Fund								
Investment – available for sale	(193,974)	(193,974)	193,974	193,974	(219,720)	(219,720)	219,720	219,720
Total increase/(decrease)	(193,974)	(193,974)	193,974	193,974	(219,720)	(219,720)	219,720	219,720

Equity price sensitivity

The Fund holds an equity investment in MNZPF pursuant to the original Fund mandate, this is classified as a non-current available-for-sale financial asset. For further information see Note 7.

At 30 June 2010, it is estimated that an increase of 10% in the underlying NTA of the MNZPF fund would result in an immediate credit to other comprehensive income of \$387,948 (2009: \$439,440 credit to other comprehensive income), whilst a decrease of 10% in the underlying NTA of the MNZPF fund would result in an immediate charge to profit or loss of \$387,948 (2009: \$439,440 charge to profit or loss). This analysis assumes all other variables remain constant.

f Fair values

Methods for determining fair values

The Fund's accounting policies 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 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.

Investments – available for sale

The fair value of unlisted investments is determined by reference to the Fund's share of the latest available assets of the unlisted investment. Refer to Note 7 for further details.

Fair values versus carrying amounts

As of 1 July 2009, the Fund has adopted the amendments to NZ IFRS 7 *Financial Instruments: Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- 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
- 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 and other receivables are assumed to reasonably approximate their fair values due to their short-term nature. The following table presents the Fund's assets and liabilities measured and recognised at fair value at 30 June 2010.

Fund at 30 June 2010	Level 3 \$	Total \$
Assets		
Investments – available for sale		
Unlisted investments	3,879,481	3,879,481
Total assets	3,879,481	3,879,481

Notes to the Financial Statements continued

Multiplex Tasman Property Fund

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For the year ended 30 June 2010

11 Financial instruments continued

f Fair values continued

Fair values versus carrying amounts continued

Reconciliation of level 3 fair value measurement:

Fund for the year ended 30 June 2010	Investments available for sale \$	Total \$
Adoption of amendments to NZ IFRS 7	4,394,403	4,394,403
Impairment losses recognised in the income statement	(445,363)	(445,363)
Gains recognised in other comprehensive income	–	–
Purchases/(sales)	(69,559)	(69,559)
Issues/(settlements)	–	–
Other	–	–
Closing balance	3,879,481	3,879,481
Total gains/(losses) for the year included in profit/(loss) attributable to gains/(losses) relating to assets held at the end of year	(445,363)	(445,363)

As at 30 June 2010, there were no financial assets or liabilities in levels 1 and 2. During the year, there were no financial assets or liabilities which transferred between levels 1, 2 or 3.

	Year ended 30 June 2010 \$	Fund Year ended 30 June 2009 \$
12 Reconciliation of cash flows from operating activities		
Net loss for the year		
Adjustments for:	(450,746)	(781,753)
Items classified as investing activities:		
Loss/(gain) on sale of available for sale investments	5,024	(5,734)
Non cash items		
Impairment loss	445,363	891,517
Operating (loss)/profit before changes in working capital	(359)	104,030
Changes in assets and liabilities during the year:		
Decrease/(increase) in receivables	(38)	124,729
(Decrease)/increase in payables	–	(524)
Net cash flows (used in)/from operating activities	(397)	228,235

13 Related parties

Manager

The Manager of the Multiplex Tasman Property Fund is Brookfield Multiplex Capital New Zealand Limited (NZBN 153 4298) whose immediate and ultimate holding companies are Brookfield Capital Management Limited (formerly Brookfield Multiplex Capital Limited) (ABN 32 094 936 866) and Brookfield Asset Management Inc (CBN 16 44 037) respectively.

Key management personnel

The Directors of the Manager are key management personnel of that entity.

Name

Kym Bunting (appointed 21 May 2009)
 John McStay (appointed 18 October 2005)
 Russell Proutt (appointed 1 January 2010)
 Brian Kingston (appointed 31 March 2008 – resigned 17 March 2010)
 Mark Wilson (appointed 22 August 2008 – resigned 1 January 2010)
 Peter Wall (appointed 18 October 2005 – resigned 15 July 2009)

Since registration of the Fund, no Director of the Manager has received or become entitled to receive any benefit because of a contract made by the Fund with a Director or with a firm of which a Director is a member, or with an entity in which the Director has a substantial interest, except at terms set out in the Fund Constitution.

No compensation is paid to any of the key management personnel of the Trustee directly by the Fund.

Notes to the Financial Statements continued

Multiplex Tasman Property Fund

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For the year ended 30 June 2010

13 Related parties continued

Manager's remuneration

In accordance with the Fund Constitution, the Manager is entitled to receive a management fee of 0.70% per annum (including GST) of the gross asset value of the Fund, payable monthly in arrears. However, where the sole investment of the Fund is MNZPF, no base management fee will be paid. If the Manager, or an associated person of the Manager, provides services to the Fund (for example, leasing, sales and acquisitions, and property management services), that party is entitled to fees, at prevailing market rates, for those services. Where the sole investment of the Fund (other than any cash held) is in MNZPF, the Manager will not seek reimbursement for, and will meet personally, all expenses of the Fund which it reasonably considers expenses of the Fund. Given that the sole investment of the Fund during the year ended 30 June 2010 was MNZPF, the management fee for the year ended 30 June 2010 is nil (2009: nil).

	Fund	
	2010	2009
	\$	\$
Transactions with related parties		
Distributions received from Multiplex New Zealand Property Fund	–	104,844

Transactions with related parties are conducted on normal commercial terms and conditions. Distributions to related parties are made on the same terms and conditions applicable to all unitholders.

Related party investments held by the Fund

The Fund had the following investments in related parties of the Manager at the end of the year:

	Fund	
	2010	2009
	\$	\$
Multiplex New Zealand Property Fund	3,879,481	4,394,403

During the year, the Fund disposed of units in MNZPF on an arm's length basis through the liquidity facility offered by BCML, the responsible entity of MNZPF. The Fund sold 0.14% of its investment in MNZPF for a total consideration of \$64,535.

14 Contingent liabilities and assets

No contingent liabilities or assets existed at 30 June 2010 (2009: nil).

15 Capital and other commitments

The Fund had no capital or other commitments at 30 June 2010 (2009: nil).

16 Events subsequent to the reporting date

Subsequent to 30 June 2010, the Fund participated in a liquidity facility offered to unitholders of MNZPF, as funded by Brookfield Capital Management Limited (BCML) (formerly Brookfield Multiplex Capital Management Limited), the responsible entity of MNZPF. Through the liquidity facility, the Fund redeemed 68,539 units of its investment in MNZPF for a total consideration of AUD 44,550.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in subsequent financial years.

Independent Auditor's Report to the members of Multiplex Tasman Property Fund

We have audited the accompanying annual report of Multiplex Tasman Property Fund which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year ended on that date, a summary of significant accounting policies and other explanatory notes as set out on pages 6 to 19.

Directors' Responsibility for the Annual Report

The directors of Brookfield Multiplex Capital New Zealand Limited (BMCNZL) are responsible for the preparation and fair presentation of the annual report in accordance with New Zealand law and generally accepted accounting practice. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the annual report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the annual report based on our audit. We conducted our audit in accordance with New Zealand Auditing Standards. These Auditing 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 annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual report 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 annual 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 Opinion

We have obtained all the information and explanations we have required.

In our opinion:

- 1) the annual report of Multiplex Tasman Property Fund
 - a) gives a true and fair view of the Multiplex Tasman Property Fund's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - b) complies with generally accepted accounting practice in New Zealand.
- 2) proper accounting records have been kept by Multiplex Tasman Property Fund, as far as appears from our examination of those records.

Yours faithfully,



DELOITTE TOUCHE TOHMATSU



Helen Hamilton-James
Partner
Chartered Accountants
Sydney, 29 November 2010