

Multiplex Tasman Property Fund  
Financial report  
For the year ended  
30 June 2015

# Multiplex Tasman Property Fund

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# Directory

## Multiplex Tasman Property Fund

For the year ended 30 June 2015

### **Directors of Brookfield Multiplex Capital New Zealand Limited**

Michelle Flemmer

Shane Ross      Appointed Director on 11 February 2015

Russell Proutt      Resigned as Director on 11 February 2015

### **Manager – Brookfield Multiplex Capital New Zealand Limited**

Ground Floor, 66 Wyndham Street

Auckland

New Zealand

### **Location of Unit Registry**

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PO Box 91976

Auckland 1142

New Zealand

### **Trustee**

Foundation Corporate Trust

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### **Auditor**

Deloitte Touche Tohmatsu

Grosvenor Place

225 George Street

Sydney NSW 2000

Telephone: +61 2 9322 7000

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# Directors' Report

## Multiplex Tasman Property Fund

For the year ended 30 June 2015

### Introduction

The Directors of Brookfield Multiplex Capital New Zealand Limited (BMCNZL) (NZBN 15 34 298) present their report together with the financial statements of Multiplex Tasman Property Fund (Fund) for the year ended 30 June 2015 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
Michelle Flemmer	Executive Director
Shane Ross     Appointed Director on 11 February 2015	Executive Director
Russell Proutt   Resigned as Director on 11 February 2015	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 (MNZPF) and cash.

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

### Wind up of the Fund

The Manager continues with the wind up of the Fund. The Fund's only investment is units in MNZPF. The responsible entity of MNZPF continues with the wind up of MNZPF and proceeds are progressively being distributed to investors, including the Fund.

### Review of operations

#### Results

As at 30 June 2015, the Fund owned 4,560,502 units in MNZPF valued at \$1,466,900 (2014: 4,560,502 units valued at \$2,437,083).

	Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
Net income attributable to unitholders	28,234	24,420
Closing undistributed losses	(1,723,981)	(1,752,215)
Net assets per unit (\$ per unit)	0.30	0.49

During the financial year, the Fund made the following cash distributions:

- \$99,687 or 2.0 cents per unit paid on or around 28 November 2014; and
- \$922,099 or 18.5 cents per unit paid on or around 14 January 2015.

Both cash distributions have been treated as returns of capital in the financial statements.

During the prior year ended 30 June 2014, the Fund made the following cash distributions:

- \$109,683 or 2.2 cents per unit paid on or around 18 September 2013; and
- \$747,648 or 15.0 cents per unit paid on or around 2 July 2014.

Both cash distributions have been treated as returns of capital in the financial statements.

# Directors' Report continued

## Multiplex Tasman Property Fund

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For the year ended 30 June 2015

### Review of operations continued

#### Units on issue

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

	Year ended 30 June 2015 Units	Year ended 30 June 2014 Units
Opening balance	4,984,319	4,984,319
Closing balance	4,984,319	4,984,319

  

	2015 \$	2014 \$
Value of total Fund assets as at 30 June	1,481,223	2,452,497

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' interests

The Directors of BMCNZL 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

Other than the matters already included in the Directors' Report, information about likely developments in the operations of the Fund in future financial years and the expected results of those operations in future periods have not been included in this report because the Directors believe that to do so 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 Auckland and Sydney this 2nd day of October 2015.

Signed in accordance with a resolution of the Directors.



**Michelle Flemmer**  
Director  
Brookfield Multiplex Capital New Zealand Limited



**Shane Ross**  
Director  
Brookfield Multiplex Capital New Zealand Limited

# Statement of Profit or Loss and Other Comprehensive Income

## Multiplex Tasman Property Fund

For the year ended 30 June 2015

	Note	Fund Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
<b>Revenue and other income</b>			
Interest revenue		1,108	398
Distribution income		27,600	24,384
<b>Total revenue and other income</b>		<b>28,708</b>	<b>24,782</b>
<b>Expenses</b>			
Bank charges		474	362
<b>Total expenses</b>		<b>474</b>	<b>362</b>
<b>Net profit before tax for the year</b>		<b>28,234</b>	<b>24,420</b>
Income tax expense	6	—	—
<b>Net profit after tax for the year</b>		<b>28,234</b>	<b>24,420</b>
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss			
Change in available for sale reserve		22,278	80,332
<b>Other comprehensive income for the year</b>		<b>22,278</b>	<b>80,332</b>
<b>Total comprehensive income for the year</b>		<b>50,512</b>	<b>104,752</b>
<b>Net profit attributable to ordinary unitholders</b>		<b>28,234</b>	<b>24,420</b>
<b>Total comprehensive income attributable to ordinary unitholders</b>		<b>50,512</b>	<b>104,752</b>

The Statement of Profit or Loss and Other 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 2015

	Note	Fund 2015 \$	2014 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		13,991	8,394
Other receivables	7	332	7,020
<b>Total current assets</b>		<b>14,323</b>	<b>15,414</b>
<b>Non-current assets</b>			
Investment – available for sale	8	1,466,900	2,437,083
<b>Total non-current assets</b>		<b>1,466,900</b>	<b>2,437,083</b>
<b>Total assets</b>		<b>1,481,223</b>	<b>2,452,497</b>
<b>Liabilities</b>			
<b>Total liabilities</b>		<b>–</b>	<b>–</b>
<b>Net assets</b>		<b>1,481,223</b>	<b>2,452,497</b>
<b>Equity</b>			
Units on issue	9	2,943,151	3,964,937
Reserves		262,053	239,775
Undistributed losses	10	(1,723,981)	(1,752,215)
<b>Total equity</b>		<b>1,481,223</b>	<b>2,452,497</b>

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

For the year ended 30 June 2015

	Note	Ordinary units \$	Attributable to unitholders of the Fund Undistributed profits/(losses) \$	Available for sale reserves \$	Total \$
<b>Opening equity – 1 July 2014</b>		<b>3,964,937</b>	<b>(1,752,215)</b>	<b>239,775</b>	<b>2,452,497</b>
Net income for the year		–	28,234	–	28,234
<b>Other comprehensive income for the year</b>					
Change in available for sale reserve		–	–	22,278	22,278
<b>Total comprehensive income for the year</b>		<b>–</b>	<b>28,234</b>	<b>22,278</b>	<b>50,512</b>
<i>Transactions with unitholders in their capacity as unitholders:</i>					
Returns of capital declared	5	(1,021,786)	–	–	(1,021,786)
<b>Total transactions with unitholders in their capacity as unitholders</b>		<b>(1,021,786)</b>	<b>–</b>	<b>–</b>	<b>(1,021,786)</b>
<b>Closing equity – 30 June 2015</b>		<b>2,943,151</b>	<b>(1,723,981)</b>	<b>262,053</b>	<b>1,481,223</b>

	Note	Ordinary units \$	Attributable to unitholders of the Fund Undistributed profits/(losses) \$	Available for sale reserves \$	Total \$
<b>Opening equity – 1 July 2013</b>		<b>4,822,267</b>	<b>(1,776,635)</b>	<b>159,443</b>	<b>3,205,075</b>
Net income for the year		–	24,420	–	24,420
<b>Other comprehensive income for the year</b>					
Change in available for sale reserve		–	–	80,332	80,332
<b>Total comprehensive income for the year</b>		<b>–</b>	<b>24,420</b>	<b>80,332</b>	<b>104,752</b>
<i>Transactions with unitholders in their capacity as unitholders:</i>					
Returns of capital declared	5	(857,330)	–	–	(857,330)
<b>Total transactions with unitholders in their capacity as unitholders</b>		<b>(857,330)</b>	<b>–</b>	<b>–</b>	<b>(857,330)</b>
<b>Closing equity – 30 June 2014</b>		<b>3,964,937</b>	<b>(1,752,215)</b>	<b>239,775</b>	<b>2,452,497</b>

The 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 2015

	Note	Year ended 30 June 2015 \$	Fund Year ended 30 June 2014 \$
<b>Cash flows from operating activities</b>			
Cash payments in the course of operations		(686)	(7,262)
Refund of cost paid in the ordinary course of business from prior year		6,900	–
Interest received		1,108	398
<b>Net cash flows from/(used) in operating activities</b>	13	<b>7,322</b>	<b>(6,864)</b>
<b>Cash flows from investing activities</b>			
Returns of capital and distribution income received from available for sale investment		1,020,061	858,510
<b>Net cash flows from investing activities</b>		<b>1,020,061</b>	<b>858,510</b>
<b>Cash flows from financing activities</b>			
Payment for return of capital to unitholders	9	(1,021,786)	(857,330)
<b>Net cash used in financing activities</b>		<b>(1,021,786)</b>	<b>(857,330)</b>
Net increase/(decrease) in cash and cash equivalents		5,597	(5,684)
Cash and cash equivalents at the beginning of the financial year		8,394	14,078
<b>Cash and cash equivalents at the end of the financial year</b>		<b>13,991</b>	<b>8,394</b>

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

# Notes to the Financial Statements

## Multiplex Tasman Property Fund

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For the year ended 30 June 2015

### 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 (MNZPF) 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 2nd day of October 2015.

#### 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 3(g) available for sale financial assets and Note 8 investments – available for sale.

#### d Going concern

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

A notice from Corporate Trust Limited (Trustee), as trustee of the Fund, dated 4 December 2012 was previously sent to unitholders. The notice confirmed that BMCNZL, as Manager of the Fund, has certified in writing that it is the opinion of the Manager that it is in the interests of unitholders of the Fund that the Fund be wound up and as such the windup was effective 4 December 2012. In accordance with clause 26.1(a) of the Trust Deed, the Manager has certified and advised the Trustee that, in its opinion as Manager, it is in the interests of Fund unitholders that the Fund wind up.

The Fund's only investment is units in MNZPF. The responsible entity of MNZPF continues with the wind up of MNZPF and proceeds are progressively being distributed to investors, including the Fund. During the year MNZPF disposed of two properties and has three properties remaining at year end. As communicated previously, it may take a number of years for MNZPF, and therefore the Fund, to ultimately wind up. Based on the above, the Directors of the Manager believe it is appropriate to continue to adopt the going concern basis for this set of financial statements.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Fund not continue as a going concern.

#### e New and amended standards adopted

During the year no new or amended accounting standards which have a material effect on the financial statements were adopted.

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

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For the year ended 30 June 2015

### 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.

#### 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 28% (2014: 28%) 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 other than foreign exchange 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 Statement of Profit or Loss and Other Comprehensive Income. Where unlisted investments are derecognised, the cumulative gain or loss previously recognised in the available for sale reserve is reclassified from equity to profit or loss as a reclassification adjustment.

The fair value of unlisted investments is based on the published net assets of the underlying investment as at the year end date.

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

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For the year ended 30 June 2015

### 3 Significant accounting policies continued

#### 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 or when a significant or prolonged decline in fair value is observed below cost.

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 profit or loss. Any cumulative loss in respect of an available for sale financial asset recognised previously in equity is reclassified to profit or loss.

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 profit or loss are not reversed through profit or loss. 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.

#### j 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.

#### k 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 2015 but have not been applied in preparing this financial report:

*NZ IFRS 9 Financial instruments* (effective for periods beginning on or after 1 January 2018)

The standard adds requirements related to the classification and measurement of financial assets and financial liabilities, hedge accounting and impairment.

*NZ IFRS 15 Revenue from Contracts with Customers* (effective for period beginning on or after 1 January 2018)

The standard introduces a new revenue recognition model for contracts with customers and may have a significant impact on how and when revenue is recognised.

The Fund is still assessing the consequential impact of the above standard and does not expect to adopt them prior to the effective dates.

### 4 Auditor's remuneration

All expenses related to remuneration of auditors are borne by the Manager of the Fund. Audit fees borne by the Manager for the financial year ended 30 June 2015 is \$14,620 (2014: \$14,200).

### 5 Distributions to unitholders

During the financial year, the Fund made the following cash distributions:

- \$99,687 or 2.0 cents per unit paid on or around 28 November 2014; and
  - \$922,099 or 18.5 cents per unit paid on or around 14 January 2015.
- Both cash distributions have been treated as returns of capital in the financial statements.

During the prior year ended 30 June 2014, the Fund made the following cash distributions:

- \$109,683 or 2.2 cents per unit paid on or around 18 September 2013; and
  - \$747,648 or 15.0 cents per unit paid on or around 2 July 2014.
- Both cash distributions have been treated as returns of capital in the financial statements.

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

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For the year ended 30 June 2015

### 6 Income tax expense

	Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
<b>Current tax benefit</b>		
Current period tax expense	–	–
<b>Total current tax expense</b>	–	–
<b>Deferred tax expense</b>		
Current period deferred tax expense	–	–
<b>Total deferred tax expense</b>	–	–
<b>Total income tax expense reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>	–	–
<b>Income tax expense</b>		
Numerical reconciliation between tax expense and pre-tax net profit		
Net profit after tax	28,234	24,420
Total income tax expense	–	–
<b>Net profit before income tax</b>	<b>28,234</b>	<b>24,420</b>
Prima facie income tax expense on profit using the Fund's tax rate of 28% (2014: 28%)	(7,906)	(6,838)
Attributable FIF income adjustment	(26,391)	(37,845)
Tax losses utilised	34,297	44,682
<b>Total income tax expense reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>	–	–

Under current income tax legislation, the Fund is subject to income taxes as if it were a company. No tax expenses have been recognised in the financial statements for the current and prior years as the Fund had sufficient carried forward tax losses of \$273,639 (2014: \$396,126). No deferred tax assets have been recognised for any unutilised carried forward tax losses.

### 7 Other receivables

	Fund	
	2015 \$	2014 \$
Reimbursement receivable	–	6,900
New Zealand resident withholding tax	332	120
<b>Total other receivables</b>	<b>332</b>	<b>7,020</b>

### 8 Investment – available for sale

	Fund	
	2015 \$	2014 \$
Unlisted registered managed investment scheme	1,466,900	2,437,083
<b>Total investment – available for sale</b>	<b>1,466,900</b>	<b>2,437,083</b>

The carrying value of investments is represented by the holding in Multiplex New Zealand Property Fund (MNZPF) of 2.09% at 30 June 2015 (2014: 2.09%). A review of the carrying value at 30 June 2015 indicated that no impairment to the investment was required for the year (2014: nil).

The Fund's investment in MNZPF continue to be classified as non-current despite MNZPF being in wind up during the year, as it is not possible to predict when the wind up of MNZPF will be completed.

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

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For the year ended 30 June 2015

### 9 Units on issue

	2015		2014	
	Year ended 30 June 2015 \$	Year ended 30 June 2015 Units	Year ended 30 June 2014 \$	Year ended 30 June 2014 Units
<b>Ordinary units</b>				
Opening balance	3,964,937	4,984,319	4,822,267	4,984,319
Return of capital to unitholders	(1,021,786)	–	(857,330)	–
<b>Closing balance</b>	<b>2,943,151</b>	<b>4,984,319</b>	<b>3,964,937</b>	<b>4,984,319</b>

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.

### 10 Undistributed losses

	Fund	
	Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
Opening balance	(1,752,215)	(1,776,635)
Net income for the year	28,234	24,420
<b>Closing balance</b>	<b>(1,723,981)</b>	<b>(1,752,215)</b>

### 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 Manager is now proceeding with the wind up of the Fund. The capital structure of the Fund consists of cash and cash equivalents and equity attributable to unitholders of the Fund, comprising issued capital, reserves and undistributed losses. The Board reviews the cash balances on a quarterly basis.

#### 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 Deed, is to invest in property investments. The Manager is now proceeding with the wind up of the Fund.

#### 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 2014.

##### Investments

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

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

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For the year ended 30 June 2015

### 11 Financial instruments continued

#### c Credit risk continued

##### 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 2015 \$	2014 \$
Cash and cash equivalents	13,991	8,394
Other receivables	332	7,020
Investments – available for sale	1,466,900	2,437,083
<b>Total exposure to credit risks</b>	<b>1,481,223</b>	<b>2,452,497</b>

##### 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 did not hold any collateral in respect of its financial assets at the reporting date (2014: nil). During the year ended 30 June 2015 the Fund did not call on any collateral provided (2014: nil).

##### Financial assets past due but not impaired

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

	Fund 2015 \$	2014 \$
Current	332	7,020
<b>Total other receivables</b>	<b>332</b>	<b>7,020</b>

Other receivables are not deemed to be impaired. 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

The Fund is not currently exposed to liquidity risk associated with unitholder redemptions. The Manager is now proceeding with the wind up of the Fund. Distributions will now be paid to unitholders in accordance with the terms of the Trust Deed governing the Fund wind up.

##### Maturity analysis of financial liabilities

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

#### 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 2014.

##### 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.

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

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For the year ended 30 June 2015

### 11 Financial instruments continued

#### e Market risk continued

##### Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows that are 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. The risk is not significant for the Fund. The table below shows the Fund's direct exposure to interest rate risk at year end.

	Floating rate \$	Non-interest bearing \$	Total \$
<b>Fund 2015</b>			
<b>Financial assets</b>			
Cash and cash equivalents	13,991	–	13,991
Other receivables	–	332	332
Investments available for sale	–	1,466,900	1,466,900
<b>Total financial assets</b>	<b>13,991</b>	<b>1,467,232</b>	<b>1,481,223</b>
<b>Fund 2014</b>			
<b>Financial assets</b>			
Cash and cash equivalents	8,394	–	8,394
Other receivables	–	7,020	7,020
Investments available for sale	–	2,437,083	2,437,083
<b>Total financial assets</b>	<b>8,394</b>	<b>2,444,103</b>	<b>2,452,497</b>

##### 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.

	2015				2014			
	+ 1% Profit or loss \$	+ 1% Equity \$	- 1% Profit or loss \$	- 1% Equity \$	+ 1% Profit or loss \$	+ 1% Equity \$	- 1% Profit or loss \$	- 1% Equity \$
<b>Fund</b>								
Interest on cash	140	140	(140)	(140)	84	84	(84)	(84)
<b>Total increase/(decrease)</b>	<b>140</b>	<b>140</b>	<b>(140)</b>	<b>(140)</b>	<b>84</b>	<b>84</b>	<b>(84)</b>	<b>(84)</b>

##### 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 2015 (2014: nil).

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

	2015 Reporting date spot rate	New Zealand Dollar 2014 Reporting date spot rate	2015 Average rate	2014 Average rate
1 Australian Dollar	1.1294	1.0761	1.0757	1.1066



# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

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For the year ended 30 June 2015

### 11 Financial instruments continued

#### e Market risk continued

##### Sources of risk and risk management strategies 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 as a result of the Fund's investment in MNZPF, by the amounts shown below. This analysis assumes all other variables remain constant.

	2015				2014			
	+ 5% Profit or loss \$	+ 5% Equity \$	- 5% Profit or loss \$	- 5% Equity \$	+ 5% Profit or loss \$	+ 5% Equity \$	- 5% Profit or loss \$	- 5% Equity \$
<b>Fund</b>								
Investment – available for sale	–	(73,345)	–	73,345	–	(121,854)	–	121,854
<b>Total (decrease)/increase</b>	<b>–</b>	<b>(73,345)</b>	<b>–</b>	<b>73,345</b>	<b>–</b>	<b>(121,854)</b>	<b>–</b>	<b>121,854</b>

##### 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 8.

At 30 June 2015, it is estimated that an increase/(decrease) of 10% in the underlying net assets of MNZPF would result in an increase/(decrease) to the available for sale reserve of \$146,690/(\$146,690) (2014: increase 10% would result in \$243,708 increase in the available for sale reserve and a decrease 10% would result in a \$239,775 decrease in the available for sale reserve and an immediate charge to the profit and loss of \$3,933). 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 calculated based on the latest available net asset values. Refer to Note 3(g) available for sale financial assets and Note 8 investments – available for sale for further details.

##### Fair values versus carrying amounts

The Fund is required to disclose 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).

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

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For the year ended 30 June 2015

### 11 Financial instruments continued

#### f Fair values continued

##### Fair values versus carrying amounts continued

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. Accordingly, fair value disclosures are not provided for such assets. The Fund invests in MNZPF, whose principal activity is the investment in properties in New Zealand. The fair values of MNZPF's investment properties are arrived at based on a combination of market data, including inputs that are not based on observable market data. The Fund's investment in MNZPF (i.e. investments – available for sale) has been classified as level 3. The following table presents the Fund's assets and liabilities measured and recognised at fair value at 30 June 2015.

	Level 3 \$	Total \$
<b>Fund at 30 June 2015</b>		
<b>Assets</b>		
Investments – available for sale		
Unlisted investments	1,466,900	1,466,900
<b>Total financial assets – 30 June 2015</b>	<b>1,466,900</b>	<b>1,466,900</b>
<b>Fund at 30 June 2014</b>	<b>Level 3 \$</b>	<b>Total \$</b>
<b>Assets</b>		
Investments – available for sale		
Unlisted investments	2,437,083	2,437,083
<b>Total financial assets – 30 June 2014</b>	<b>2,437,083</b>	<b>2,437,083</b>
Reconciliation of level 3 fair value measurement:	Investments available for sale	Total
	\$	\$
<b>Fund for the year ended 30 June 2015</b>		
Opening balance – 1 July 2014	2,437,083	2,437,083
Returns of capital to unitholders	(992,461)	(992,461)
Available for sale reserve	22,278	22,278
<b>Closing balance – 30 June 2015</b>	<b>1,466,900</b>	<b>1,466,900</b>
<b>Total losses for the year included in profit or loss attributable to losses relating to assets held at the end of year</b>	<b>–</b>	<b>–</b>
	Investments available for sale	Total
	\$	\$
<b>Fund for the year ended 30 June 2014</b>		
Opening balance – 1 July 2013	3,190,877	3,190,877
Return of capital to unitholders	(834,126)	(834,126)
Available for sale reserve	80,332	80,332
<b>Closing balance – 30 June 2014</b>	<b>2,437,083</b>	<b>2,437,083</b>
<b>Total losses for the year included in profit or loss attributable to losses relating to assets held at the end of year</b>	<b>–</b>	<b>–</b>

During the current and prior year, there were no financial assets or liabilities which transferred between levels 1, 2 or 3.

### 12 Non-financial assets and liabilities recognised at fair value

The Fund has no non-financial assets and liabilities measured and recognised at fair value at 30 June 2015.

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

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For the year ended 30 June 2015

### 13 Reconciliation of cash flows from operating activities

	Year ended 30 June 2015 \$	Fund Year ended 30 June 2014 \$
Net profit for the year	28,234	24,420
<i>Items classified as investing activities</i>		
Distribution income from available for sale investment	(27,600)	(24,384)
<b>Operating profit before changes in working capital</b>	<b>634</b>	<b>36</b>
<i>Changes in assets and liabilities during the year:</i>		
Decrease/(Increase) in receivables	6,688	(6,900)
<b>Net cash flows from/(used in) operating activities</b>	<b>7,322</b>	<b>(6,864)</b>

### 14 Related parties

#### Manager

The Manager of Multiplex Tasman Property Fund is Brookfield Multiplex Capital New Zealand Limited (NZBN 15 34 298).

#### Key management personnel

The Directors of the Manager are key management personnel of that entity. The following persons were Directors of the Manager at any time during or since the end of the financial year:

Name	Capacity
Michelle Flemmer	Executive Director
Shane Ross     Appointed Director on 11 February 2015	Executive Director
Russell Proutt     Resigned as Director on 11 February 2015	Executive Director

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 Trust Deed.

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

#### Manager's remuneration

In accordance with the Trust Deed, 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 payable. 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), then that party is entitled to fees at the prevailing market rates for those services. Given that the sole investment of the Fund during the year ended 30 June 2015 was MNZPF, the management fee for the year ended 30 June 2015 is nil (2014: nil).

	Fund 2015 \$	2014 \$
<b>Transactions with related parties</b>		
Reimbursement receivable	–	6,900
Returns of capital and distribution income received from Multiplex New Zealand Property Fund	1,020,061	858,510

Transactions with related parties are conducted on normal commercial terms and conditions. Distributions and returns of capital 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 investment in related parties of the Manager at the end of the year:

	Fund 2015 \$	2014 \$
Multiplex New Zealand Property Fund	1,466,900	2,437,083

### 15 Contingent liabilities and assets

No contingent liabilities or assets existed at 30 June 2015 (2014: nil).

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

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For the year ended 30 June 2015

### **16 Capital and other commitments**

The Fund had no capital or other commitments at 30 June 2015 (2014: nil).

### **17 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 financial statements.

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# **Independent Auditor's Report to the Unitholders of Multiplex Tasman Property Fund**

## **Report on the Financial Statements**

We have audited the accompanying financial statements of Multiplex Tasman Property Fund on pages 6 to 20, which comprise the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the fund's Unitholders, as a body. Our audit has been undertaken so that we might state to the fund's Unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the fund's Unitholders, as a body, for our audit work, for this report, or for the opinions we have formed.

## **Manager's Responsibility for the Financial Statements**

The Directors of Brookfield Multiplex Capital New Zealand Limited, as managers of Multiplex Tasman Property Fund are responsible for the preparation of the financial statements, in accordance with New Zealand Equivalents to International Financial Reporting Standards, International Financial Reporting Standards and generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the Directors of Brookfield Multiplex Capital New Zealand Limited determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibilities**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements.

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

Other than in our capacity as auditor, we have no relationship with or interests in Multiplex Tasman Property Fund.

**Opinion**

In our opinion, the financial statements of Multiplex Tasman Property Fund:

- give a true and fair view of the Multiplex Tasman Property Fund's financial position as at 30 June 2015 and its financial performance and its cash flows for the year ended on that date; and
- comply with New Zealand Equivalents to International Financial Reporting Standards and generally accepted accounting practice in New Zealand; and
- comply with International Financial Reporting Standards.

**Report on Other Legal and Regulatory Requirements**

We also report in accordance with section 16 of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 30 June 2015:

- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by Multiplex Tasman Property Fund, as far as appears from our examination of those records.



**DELOITTE TOUCHE TOHMATSU**



Stuart Alexander  
Partner  
Chartered Accountants  
Sydney, Australia, 2 October 2015