

Multiplex Tasman Property Fund

**Annual Report
for the period ended 30 June 2005**

Directors of Multiplex Capital New Zealand Limited

Phillip Eaton
Ian O'Toole
Christopher Palandri
Robert Rayner

Company Secretary of Multiplex Capital New Zealand Limited

Anthony Dowse

Manager

4A, 48 Courthouse Lane
Auckland
New Zealand

Location of Unit Registry

BK Registries
138 Tancred Street
PO Box 384
Ashburton 8300

Trustee

Multiplex Capital New Zealand Limited
1 Kent Street
Sydney NSW 2000
Telephone: (02) 9256 5000
Facsimile: (02) 9256 5001

Auditor

KPMG
The KPMG Centre
10 Shelley Street
Sydney NSW 2000
Telephone: (02) 9335 7000
Facsimile: (02) 9299 7077

**Multiplex Tasman Property Fund
Directors' Report
For the period ended 30 June 2005**

The Directors of Multiplex Capital New Zealand Limited, the Trustee of Multiplex Tasman Property Fund ("the Fund"), present their report together with the financial report of the Fund, for the period 6 September 2004 to 30 June 2005 ("the period") and the auditor's report thereon.

Trustee

The Trustee of Multiplex Tasman Property Fund is Multiplex New Zealand Capital Limited, which has been the Trustee since inception.

The registered office and principal place of business of the Trustee and the Fund are 4a, 48 Courthouse Lane, Auckland and 1 Kent Street, Sydney respectively.

Directors

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

Phillip Eaton	(Appointed 26 July 2004)
Ian O'Toole	(Appointed 26 July 2004)
Christopher Palandri	(Appointed 26 July 2004)
Robert Rayner	(appointed 26 July 2004)

Information on the directors in office at the time of this report;

Phillip Eaton

Phil is employed by Multiplex Developments (NZ) Ltd as a Development Manager. He has also been employed in the investment and banking sectors for four years, the property sector for over seven years and more than two years in the hotel, leisure and entertainment sector. Employers during this time include BNZ, St Lukes Group, Westfield and SKYCITY. Phil's involvement in all of these companies has included a complex blend of due diligence, lending services, IT management and business strategy and development. In addition Phil has been involved in various aspects of project management including business set up, operational project management, company acquisition and integration.

Ian O'Toole

Ian was formerly with ING Real Estate Asset Management Limited as Director – Property, where he was responsible for the capital transactions and asset management of ING Industrial Fund and ING Office Fund. Ian has over 22 years' experience in funds management and real estate.

Ian is also Managing Director of Multiplex Capital, the investment management division of the Multiplex Group.

Christopher Palandri

Chris has been employed by Multiplex Group for 15 years, and joined Multiplex Developments (NZ) Ltd as General Manager in 2004. The prior eight years were spent in the Sydney Development Division of Multiplex Group as Business Development Manager and Senior Development Manager.

Robert Rayner

Rob has responsibility for the day-to-day operations and development of Multiplex Capital's funds management activities. Rob has been involved in property and property funds management for more than 15 years and has extensive property and financial experience in both the listed and unlisted sectors of the funds management industry. This experience has been gained through his previous employment within the Armstrong Jones (now ING Real Estate Investment Management Limited) unlisted and listed property trust business, where he managed total property assets exceeding \$500 million.

**Multiplex Tasman Property Fund
Directors' Report
For the period ended 30 June 2005**

Principal activities

The Fund is a registered managed investment scheme 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 the Multiplex New Zealand Property Fund and cash.

The key asset categories are unlisted property securities and cash.

The Fund did not have any employees during the year.

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

Review of operations

Results

At the end of the 2005 financial year, the Fund owned units in the Multiplex New Zealand Property Fund valued at \$2.6 million.

Investors received an income distribution of 5.10 cents per unit (paid) and 2.25 cents per unit (unpaid).

Total quarterly distributions paid or payable in respect of the period were \$126,074.

The Fund's net surplus for the current period was \$127,415.

	2005
	\$
Net surplus	127,415
Closing undistributed income	1,341
Distributions (cpu)	7.35

Units on Issue

	Units
Units issued during the period	2,615,000
Units on issue as at 30 June	2,615,000
	\$
Value of total fund assets as at 30 June 2005	2,675,353

The basis for valuation of the Fund's assets is disclosed in Note 1 to the financial statements.

Interests of the Trustee

There were no Trustee fees paid directly by the Fund during the period.

The Trustee has not held any units in the Fund during the period.

Directors' interests

The Directors' of Multiplex Capital New Zealand Limited held no interest in the unit capital of the Fund at the date of this report.

Remuneration of Directors of the Trustee

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

**Multiplex Tasman Property Fund
Directors' Report
For the period ended 30 June 2005**

Derivatives and other financial instruments

The Fund's investments and trading activities expose it to changes in interest rates and equities markets variations as well as credit and liquidity risk.

The Trustee has approved policies and procedures in each of these areas to manage these exposures.

Significant changes in the state of affairs

In the opinion of the Trustee there were no significant changes in the state of affairs of the Fund during the period.

Likely developments

The Fund will continue to pursue its policy of increasing returns through active investment selection.

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 disclosure of the information would be likely to result in unreasonable prejudice to the Fund.

Environmental regulation

The Fund's operations are not subject to any significant environmental regulation.

Events subsequent to balance date

There has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Trustee, to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund, in future periods.

Indemnities and insurance premiums for Officers or Auditors

Indemnification

Under the Fund Constitution the Trustee, including its officers and employees, is indemnified out of the Fund assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund.

The Fund has not indemnified any auditor of the Fund.

Insurance premiums

No insurance premiums are paid out of the Fund's assets in relation to insurance cover for the Trustee, its officers and employees, the Compliance Committee or the auditors of the Fund.

Dated at Sydney this 18th day of November 2005.

Signed in accordance with a resolution of the directors of
Multiplex Capital New Zealand Limited



Robert Rayner
Director



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Multiplex Capital Limited the Responsible Entity of Tasman Property Fund

I declare that, to the best of my knowledge and belief in relation to the audit for the financial the year ended 30 June 2005 there has been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.


KPMG


Andrew Dickinson
Partner

18 November 2005

**Multiplex Tasman Property Fund
Statement of financial performance
For the period ended 30 June 2005**

	Note	2005 \$
Revenue from ordinary activities		
Distributions and dividends		125,206
Interest		2,679
Total revenue from ordinary activities		<u>127,885</u>
Expenses from ordinary activities		
Bank charges		470
Total expenses from ordinary activities		<u>470</u>
Net surplus		<u>127,415</u>
Basic earnings per ordinary unit	3	7.43 ¢

The statement of financial performance is to be read in conjunction with the notes to the financial statements set out on pages 11 to 18.

Multiplex Tasman Property Fund
Statement of movements in equity
As at 30 June 2005

	2005 \$
Net surplus for the period	127,415
Contributions by owners	
Equity contributed during the period	2,615,000
Distributions to owners	
Distributions paid and payable	(126,074)
Movements in equity during the period	<u>2,616,341</u>
Equity at start of period	-
Equity at end of period	<u>2,616,341</u>

Multiplex Tasman Property Fund
Statement of financial position
As at 30 June 2005

	Note	2005 \$
Current assets		
Cash assets	4	1,042
Receivables	5	58,507
Other	6	864
Total current assets		<u>60,413</u>
Non-current assets		
Investments	7	2,614,940
Total non-current assets		<u>2,614,940</u>
Total assets		<u>2,675,353</u>
Current liabilities		
Payables	8	336
Provision for distributions	11	58,676
Total current liabilities		<u>59,012</u>
Total liabilities		<u>59,012</u>
Net assets		<u>2,616,341</u>
Equity		
Contributed equity	9	2,615,000
Undistributed income	10	1,341
Equity	12	<u>2,616,341</u>
Net tangible asset backing per unit at 30 June 2005		\$1.00

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 11 to 18.

Multiplex Tasman Property Fund
Statement of cash flows
For the period ended 30 June 2005

	Note	2005 \$
Cash flows from operating activities		
Cash receipts in the course of operations		66,699
Cash payments in the course of operations		(998)
Interest received		2,679
Net cash provided by operating activities	12(a)	<u>68,380</u>
Cash flows from investing activities		
Payments for investments		<u>(2,614,940)</u>
Net cash used in investing activities		<u>(2,614,940)</u>
Cash flow from financing activities		
Proceeds from issue of units		2,615,000
Distributions paid to unitholders		<u>(67,398)</u>
Net cash provided by financing activities		<u>2,547,602</u>
Net increase /(decrease) in cash held		1,042
Cash at the beginning of the financial year		-
Cash at the end of the financial year	4	<u><u>1,042</u></u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 11 to 18.

**Multiplex Tasman Property Fund
Contents
for the period ended 30 June 2005**

Note	Contents
1	Statement of significant accounting policies
2	Auditor's remuneration
3	Earnings per unit
4	Cash assets
5	Receivables
6	Other Debtors
7	Investments
8	Payables
9	Contributed equity
10	Undistributed income
11	Distributions
12	Notes to the statement of cash flows
13	Related parties
14	Segment reporting
15	Financial instruments
16	Commitments and contingent assets and liabilities
17	Events subsequent to reporting date

1) Summary of significant accounting policies

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

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the Financial Reporting Act 1993, Companies Act 1993 and the Fund's Constitution dated 17 September 2004.

It has been prepared on the basis of fair value measurement of assets except where otherwise stated.

These accounting policies have been consistently applied and are consistent with those used in the Fund's Product Disclosure Statements dated 17 September 2004.

(b) Income and expenses

Revenues are recognised at the fair value of the consideration received, net of the amount of goods and services tax (GST) payable to the taxation authority.

Distributions and dividends

Distributions and dividends from unlisted managed investment schemes are recognised on an accruals basis, based on the amounts estimated to be receivable at balance date.

Interest income

Interest income is accounted for when earned.

(c) Distributions and Taxation

Under current income tax legislation the Fund is not liable for income tax provided that the taxable income, including any taxable capital gains, is fully distributed to unitholders.

The Fund fully distributes its taxable income, calculated in accordance with the Fund Constitution and applicable legislation, to unitholders who are presently entitled to income under the constitution. Realised capital losses are not distributed to unitholders but are retained in the Fund to be offset against any future realised capital gains.

(d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) recoverable from the Inland Revenue Department (IRD) as a reduced input tax credit (RITC).

Receivables and payables are stated with the amount of GST included.

The net amount of GST payable to the IRD is included in payables 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.

(e) Use and revision of accounting estimates

The preparation of the financial report requires the making of estimates and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(f) Receivables – Notes 5

Normal commercial terms and conditions are applied to receivables and they are carried at fair value

(g) Investments – Note 7

Investments comprise investment interests in unlisted managed investment schemes held for the purpose of producing investment income.

Valuations

Investments are measured at fair value and revalued with sufficient regularity to ensure the carrying amount of each investment does not differ materially from its fair value at the reporting date. The bases used to value investments are as follows:

Unlisted managed investment schemes

Units in unlisted managed investment schemes are stated at fair market value, which is either original acquisition price or updated net asset backing as advised by the relevant Trustee (whichever is the lesser), or where a secondary market exists for that unit, the last quoted sales price at balance date.

All investments are considered one class of asset.

Revaluation increments, on a class of assets basis, are recognised in the asset revaluation reserve except for amounts reversing a decrement previously recognised as an expense, which are recognised as revenues. Revaluation decrements are only offset against revaluation increments relating to the same class of asset and any excess is recognised as an expense.

(h) Payables – Note 8

Payables include liabilities and accrued expenses owing by the Fund which are unpaid at balance date.

The distribution amount payable to investors as at balance date is recognised separately on the statement of financial position as unitholders are presently entitled to the distributable income as at 30 June 2005 under the Fund's Constitution.

(i) Earnings per unit

Basic earnings per unit (EPU) is calculated by dividing the net profit attributable to the unitholders of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary units and converting preference units and deferred units classified as ordinary shares for EPU calculation purposes), by the weighted average number of ordinary units of the Fund, adjusted for any bonus issue.

2) Auditor's remuneration

This expense is borne by the Trustee as detailed in note 14.

3) Earnings per unit

Classification of securities as ordinary units

All securities have been classified as ordinary units and included in basic earnings per unit ("EPU"), as they have the same entitlement to distributions.

There are no dilutive potential ordinary units, therefore diluted EPU has not been calculated or disclosed.

	2005
	\$
Net profit attributable to unitholders	<u>127,415</u>
Weighted average number of ordinary units used in the calculation of basic earnings per unit	<u>1,715,795</u>
Basic earnings per unit	<u>7.43 ¢</u>
 4) Cash assets	
Cash at bank and on hand	<u>1,042</u>
 5) Receivables	
Accrued distributions	<u>58,507</u>
 6) Other Debtors	
Other	<u>864</u>

**Multiplex Tasman Property Fund
Notes to the financial statements
for the period ended 30 June 2005**

7) Investments	2005
	\$
Unlisted registered managed investment schemes	
Related managed investment schemes	<u>2,614,940</u>

Represented by:

	2005 Ownership	2005 Carrying Amount
Multiplex New Zealand Property Fund	<u>1.3%</u>	<u>2,614,940</u>

8) Payables

Tax payable on distributions	<u>336</u>
------------------------------	------------

9) Contributed equity

	2005 Units	2005 \$
Balance at the beginning of the period	-	-
Issue of units during period	<u>2,615,000</u>	<u>2,615,000</u>
Balance at the end of the period	<u>2,615,000</u>	<u>2,615,000</u>

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

During the period 2,615,000 units were issued by the Fund under a placement to new investors at \$1.00, in accordance with the investment statement and prospectus dated 17 September 2004.

10) Undistributed income

Undistributed income at the beginning of the period	-
Net profit of the Fund	127,415
Distributions paid and payable during the period	(126,074)
Undistributed income at the end of the period	<u>1,341</u>

**Multiplex Tasman Property Fund
Notes to the financial statements
for the period ended 30 June 2005**

11) Distributions

<u>2005</u>	Cents per unit	\$	Date of payment
Interim distributions paid			
December 2004	2.885	15,681	15 February 2005
March 2005	2.219	51,717	2 May 2005
Final distribution			
June 2005 – Ordinary units	2.244	<u>58,676</u>	3 August 2005
		<u>126,074</u>	

Reconciliation of net surplus to distributable income

2005
\$

Net Profit	127,415
Increase in undistributed income	(1,341)
Distributable income	<u>126,074</u>

12) Notes to the statement of cash flows

(a) Reconciliation of cash

For the purpose of the statement of cash flows, cash includes cash on hand and at bank, and short term deposits at call. Cash as at the end of the period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

2005
\$

Cash at bank	<u>1,042</u>
---------------------	---------------------

(b) Reconciliation of net surplus to net cash provided by operating activities

Profit from ordinary activities	127,415
Changes in assets and liabilities during the period:	
Increase in receivables and other debtors	(59,371)
Increase in payables	336
Net cash provided by operating activities	<u>68,380</u>

**Multiplex Tasman Property Fund
Notes to the financial statements
for the period ended 30 June 2005**

13) Related parties

Trustee

The Trustee of the Multiplex Tasman Property Fund is Multiplex Capital New Zealand Limited (NZBN 153 4298) whose immediate and ultimate holding companies are Multiplex Capital Limited (formerly Acumen Capital Limited), (ABN 32 094 936 866) and Multiplex Limited (ABN 96 008 687 063) respectively.

Directors of Trustee

The names of each person holding the position of director of Trustee during the year were Mr P R Eaton, I R O'Toole, C J Palandri and Mr R J Rayner.

Since registration of the Fund, no director of the Trustee 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 amounts have been paid to the Directors of the Trustee by the fund or directly by the Trustee.

Trustee's remuneration

In accordance with the Fund Constitution, Multiplex Capital New Zealand Limited 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 the Multiplex New Zealand Property Fund, no base management fee will be paid. If the manager, or an associated person of the manager, provides services to the Tasman Trust (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 the Multiplex New Zealand Property Fund, the Manager will not seek reimbursement for, and will meet personally, all expenses of the Fund which it reasonably considers expenses of the Fund.

Related party transactions

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

Related party investments held by the Fund

The Fund had the following investments in related parties of Multiplex Capital New Zealand Limited at balance date:

	2005
	\$
Multiplex New Zealand Property Fund	<u>2,614,940</u>

The following amounts were received or receivable from related parties of Multiplex Capital New Zealand Limited during the year:

Distributions

Multiplex New Zealand Property Fund	<u>58,507</u>
-------------------------------------	---------------

Related party unit holders

No related parties hold investments at the period end.

14) Segment reporting

Business segments

Individual business segments have been identified on the basis of grouping individual investments subject to similar risks and returns. The Fund operates in one business segment comprising investments in unlisted managed investment schemes.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue and assets are based on the geographical source of the Fund's investment income. The Fund invests in one geographical segment being New Zealand.

15) Financial instruments

(a) Interest rate risk exposures

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Fund's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Note	Weighted average interest rate	Floating interest rate	Non-interest Bearing	Total
		%	\$	\$	\$
2005					
Financial assets					
Cash	4	5.75	1,042	-	1,042
Investments	7		-	2,614,940	2,614,940
Receivables	5 & 6		-	59,371	59,371
			1,042	2,674,311	2,675,353
Financial liabilities					
Payables	8		-	336	336
Distributions payable	12		-	58,676	58,676
			-	59,012	59,012

(b) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. Market prices generally incorporate credit assessments into valuations and risk of loss is implicitly provided for in the carrying value of on-balance sheet financial assets and liabilities as they are marked to market. The total credit risk for on-balance sheet items including securities is therefore limited to the amount carried on the balance sheet.

The Fund minimises concentrations of credit risk by ensuring that counterparties are either recognised and reputable or are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

(c) Net fair values

The Fund's financial assets and liabilities included in current and non-current assets and liabilities on the statement of financial position are carried at amounts that approximate net fair value.

16) Commitments and contingent assets and liabilities

The Fund has no commitments or contingent assets and liabilities at 30 June 2005.

17) Events subsequent to reporting date

There have been no significant events or transactions that have arisen since the end of the financial period, which in the opinion of the Directors, would affect significantly the operations of the aggregated entity, the results of those operations, or the state of affairs of the aggregated entity.

DIRECTORS DECLARATION

In the opinion of the Director's of Multiplex Tasman Property Fund, the financial statements and notes, on pages 7 to 18:

- Comply with New Zealand generally accepted accounting practices and give a true and fair view of the financial position of the Fund as at 30 June 2005 and the results of their operations and cash flows for the year ended on that date;
- Have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The directors believe that proper accounting have been kept which enable, with reasonable accuracy, the determination of the financial position of the Fund and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the Fund, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Directors are pleased to present the financial statements of the Multiplex Tasman Property Fund for the period ended 30 June 2005.

For and on behalf of the Board of Directors:



Ian O'Toole
Director
18 November 2005



Robert Rayner
Director
18 November 2005



Independent audit report to the unitholders of Multiplex Tasman Property Fund

We have audited the financial report of Multiplex Tasman Property Fund for the period 6 September 2004 to 30 June 2005, consisting of the statement of financial performance, statements of financial position, statements of cash flows, accompanying notes 1 to 17. The responsible entity, Multiplex Capital is responsible for the preparation of the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the unitholders. This information is stated in accordance with the accounting policies set out on pages 12 - 13.

Directors' responsibilities

The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position of the fund as at 30 June 2005 and the results of its operations for the period ended on that date.

Auditors' responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to you.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Directors in the preparation of the financial statements;
- whether the accounting policies are appropriate to the branch's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Our firm has no relationship with, or interest in, the fund.



Unqualified opinion


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

In our opinion:

- proper accounting records have been kept by the branch as far as appears from our examination of those records;
- the financial statements on pages 7 to 19:
 - comply with New Zealand generally accepted accounting practice;
 - give a true and fair view of the financial position of the fund as at 30 June 2005 and the results of its operations for the period ended on that date.

Our audit was completed on 18 November 2005 and our unqualified opinion is expressed as at that date.


KPMG


Andrew Dickinson
Partner

Sydney
17 November 2005