

Multiplex Tasman Property Fund  
Financial report  
For the year ended  
30 June 2009

# Multiplex Tasman Property Fund

NZBN 15 34 298

# Table of Contents

## Multiplex Tasman Property Fund

Year ended 30 June 2009

	Page
<b>Directory</b> .....	<b>3</b>
<b>Directors' report</b> .....	<b>4</b>
<b>Financial statements</b> .....	<b>7</b>
Income Statement .....	7
Balance Sheet .....	8
Statement of Changes in Equity .....	9
Statement of Cash Flow .....	10
<b>Notes to the financial statements</b> .....	<b>11</b>
1 Corporate information .....	11
2 Basis of preparation .....	11
3 Summary of significant accounting policies .....	11
4 Segment reporting .....	14
5 Auditor's remuneration .....	14
6 Finance costs – distributions to unitholders .....	14
7 Other receivables .....	14
8 Investments .....	14
9 Trade and other payables .....	14
10 Net assets attributable to unitholders .....	15
11 Financial instruments .....	15
12 Reconciliation of cash flows from operating activities .....	19
13 Related parties .....	19
14 Contingent liabilities and assets .....	20
15 Capital and other commitments .....	20
16 Events subsequent to the reporting date .....	20
<b>Independent audit report</b> .....	<b>21</b>

# Directory

## Multiplex Tasman Property Fund

Year ended 30 June 2009

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

Kym Bunting  
Brian Kingston  
John McStay  
Mark Wilson

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

66 Wyndham Street, Level 8  
Auckland  
New Zealand

### **Location of Unit Registry**

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PO Box 384  
Ashburton 8300  
New Zealand

### **Trustee**

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Christchurch 8140  
New Zealand  
Telephone: +64 3 379 8611  
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### **Auditor**

KPMG  
10 Shelley Street  
Sydney NSW 2000  
Australia  
Telephone: +61 2 9335 7000  
Facsimile: +61 2 9299 7077

# Directors' Report

## Multiplex Tasman Property Fund

4

Year ended 30 June 2009

### Introduction

The Directors of Brookfield Multiplex Capital New Zealand Limited (BMCNZL) present their report together with the financial report of Multiplex Tasman Property Fund (Fund) for the year ended 30 June 2009 and the Independent Audit 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 are 66 Wyndham Street, Auckland New Zealand and 1 Kent Street, Sydney Australia respectively.

### 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 (Director since 21 May 2009)	Executive Director
Brian Kingston (Director since 31 March 2008)	Executive Director
John McStay (Director since 18 October 2005)	Executive Director
Robert Rayner (Director since 26 July 2004 – resigned 22 August 2008)	Executive Director
Mark Wilson (Director since 27 August 2008)	Executive Director

### Information on Directors

#### Kym Bunting

Kym covers the NZ commercial property division for Brookfield Multiplex, encompassing a \$700m property fund, commercial developments division and property services division. Kym's property career commenced in 1989 after graduating from Auckland University with a Bachelor's degree in Property Administration. Since then, Kym has worked in listed and privately owned property investment companies.

#### Brian Kingston

Brian is the Chief Financial and Investment Officer of Brookfield Multiplex Limited. Brian joined Brookfield Asset Management Inc. in 2001 and has held various senior management positions within Brookfield and its affiliates, including mergers and acquisitions, merchant banking and real estate advisory services. There are no listed companies other than Brookfield Multiplex Limited (delisted December 2007) of which Brian has served as a director during the past three years.

#### John McStay

John is the National Asset Manager for Brookfield Multiplex Capital New Zealand Limited responsible for the asset management of the division's New Zealand properties. John has more than 20 years experience in property and asset management in the New Zealand property market. John joined Brookfield Multiplex in 2005 when it purchased the assets owned by AmTrust Pacific Limited.

#### Mark Wilson

Mark is the CEO for Funds Management and Infrastructure for Brookfield Multiplex Group. Mark has overall responsibility for the strategy and operations of the funds management business. In his eleven years at Brookfield Multiplex, Mark has also held various managerial roles including Executive General Manager, Corporate Development and Group Company Secretary. Mark has been instrumental in a number of major equity capital markets transactions undertaken by Brookfield Multiplex, including the establishment of the Brookfield Multiplex Capital division and the Brookfield Multiplex Group Initial Public Offering in 2003. Mark has 19 years operating and investing experience and is a Fellow of Finance with Financial Services Institute of Australasia.

### 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.

# Directors' Report

## Multiplex Tasman Property Fund

5

Year ended 30 June 2009

### Review of operations

#### Results

At the end of the 2009 financial year, the Fund owned 4,701,355 units in Multiplex New Zealand Property Fund valued at \$4,394,403 (2008: 4,776,156 units valued at \$7,141,191).

	2009 \$	2008 \$
Net (loss)/profit (before distributions to unitholders)	(781,753)	563,756
Closing undistributed income	(814,817)	71,780
Distributions (cpu)	2.00	9.50

#### Units on issue

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

	2009 Units	2008 Units
Opening balance	5,220,012	5,495,741
Units redeemed	(81,752)	(275,729)
Units on issue as at 30 June	5,138,260	5,220,012

	2009 \$	2008 \$
Value of total fund assets as at 30 June	4,402,097	7,274,756

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 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 directors of the Manager in connection with their responsibilities for the Fund.

#### Significant changes in the state of affairs

In the opinion of the Manager there were no significant changes in the state of affairs of the Fund during the year.

#### 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 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.

#### 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.

# Directors' Report

## Multiplex Tasman Property Fund

6

Year ended 30 June 2009

### **Indemnification and insurance premiums**

The Manager's officers and employees are indemnified out of the Fund's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund.

The Fund has not indemnified any auditor of the Fund.

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

Dated at Sydney this 7th day of October 2009.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'Mark Wilson', written in a cursive style.

**Mark Wilson**

Director

Brookfield Multiplex Capital New Zealand Limited

# Income Statement

## Multiplex Tasman Property Fund

For the year ended 30 June 2009

	Note	Fund 2009 \$	2008 \$
<b>Revenue and other income</b>			
Distribution income		104,844	504,144
Gain on sale of available for sale investments		5,734	63,332
Interest income		456	998
<b>Total revenue and other income</b>		<b>111,034</b>	<b>568,474</b>
<b>Expenses</b>			
Withholding tax expense		34	2,610
Commissions expense		–	1,538
Impairment expense	8	891,517	–
Bank charges		1,236	570
<b>Total expenses</b>		<b>892,787</b>	<b>4,718</b>
<b>(Loss)/profit before distribution to unitholders</b>		<b>(781,753)</b>	<b>563,756</b>
Finance costs – distributions to unitholders	6	(104,844)	(501,713)
<b>Change in net assets attributable to unitholders</b>		<b>(886,597)</b>	<b>62,043</b>

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

# Balance Sheet

## Multiplex Tasman Property Fund

For the year ended 30 June 2009

	Note	Fund 2009 \$	2008 \$
<b>Current assets</b>			
Cash and cash equivalents		7,545	8,687
Distribution receivable		–	124,533
Other receivables	7	149	345
<b>Total current assets</b>		<b>7,694</b>	<b>133,565</b>
<b>Non-current assets</b>			
Investment in unlisted schemes	8	4,394,403	7,141,191
<b>Total non-current assets</b>		<b>4,394,403</b>	<b>7,141,191</b>
<b>Total assets</b>		<b>4,402,097</b>	<b>7,274,756</b>
<b>Current liabilities</b>			
Trade and other payables	9	–	524
Distribution payable	6	–	124,533
<b>Total current liabilities</b>		<b>–</b>	<b>125,057</b>
<b>Total liabilities</b>		<b>–</b>	<b>125,057</b>
<b>Net assets attributable to unitholders - liability</b>	10	<b>4,402,097</b>	<b>7,149,699</b>

The Balance Sheet should be read in conjunction with the Notes to the Financial Statements.

# Statement of Changes in Equity

## Multiplex Tasman Property Fund

9

For the year ended 30 June 2009

As the Fund has no equity, no Statement of Changes in Equity for the current or comparative year is included.

# Statement of Cash Flow

## Multiplex Tasman Property Fund

10

For the year ended 30 June 2009

	Note	Fund	
		2009	2008
		\$	\$
<b>Cash flows from operating activities</b>			
Cash receipts from distributions		229,377	510,561
Cash payments in the course of operations		(1,598)	(1,908)
Interest received		456	1,003
<b>Net cash provided by operating activities</b>	12	<b>228,235</b>	<b>509,656</b>
<b>Cash flows from investing activities</b>			
Cash receipts from sale of investments		98,329	375,367
<b>Net cash provided by investing activities</b>		<b>98,329</b>	<b>375,367</b>
<b>Cash flow from financing activities</b>			
Payments for redemption of units	10	(98,329)	(375,367)
Distributions paid to unitholders		(229,377)	(507,346)
<b>Net cash used in financing activities</b>		<b>(327,706)</b>	<b>(882,713)</b>
Net (decrease)/increase in cash held		(1,142)	2,310
Cash at the beginning of the financial year		8,687	6,377
<b>Cash at the end of the financial year</b>		<b>7,545</b>	<b>8,687</b>

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

11

For the year ended 30 June 2009

### 1 Corporate information

Multiplex Tasman Property Fund (Fund) is domiciled in New Zealand. Brookfield Multiplex Capital New Zealand Limited, 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 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 NZ GAAP. 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 7th day of October 2009.

#### b Basis of measurement

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, Unit Trust Act 1960 and the the original investment statement and prospectus for the Fund dated 17 September 2004. 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 8, Investments.

### 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

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

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

#### 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 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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 balance sheet.

Cash flows are included in the Statement of Cash Flow 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.

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

12

For the year ended 30 June 2009

### 3 Significant accounting policies continued

#### c Income tax – Funds

Under current income tax legislation, the Fund is subject to income tax as if it were a company. The trust 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.

#### d Cash and cash equivalents

For purposes of the Statement of Cash Flow, cash includes cash balances, deposits at call with financial institutions and other highly liquid investments, with short periods to maturity, which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

#### e Trade and other receivables

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

#### f 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 directly in equity. 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 directly in equity is recognised in the income statement.

#### Realised profits on available for sale financial assets

The fair value of unlisted investments is the published NTA at the balance sheet date.

#### g Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

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

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

Accounting policies for cash and cash equivalents (Note 3d), trade and other receivables (Note 3e) are discussed elsewhere within the financial report.

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

#### 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 transferred 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.

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

13

For the year ended 30 June 2009

### 3 Significant accounting policies continued

#### h Impairment continued

For available for sale financial assets that are equity securities, the reversal is recognised directly in equity.

#### Non financial assets

The carrying amount of the Fund's non financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists then the asset's recoverable amount is estimated.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### i Distributions

A provision for distribution is recognised in the Balance Sheet if the distribution has been declared prior to balance date. Distributions paid and payable on units are recognised as a reduction in net assets attributable to unitholders. Distributions paid are included in cash flows from financing activities in the Statement of Cash Flow.

#### j Net assets attributable to unitholders

Net assets attributable to unitholders consist of units on issue (less transaction costs), undistributed income and reserves.

#### k Units on issue

Issued and paid up units are recognised as changes in net assets attributable to unitholders 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 2009 but have not been applied preparing this financial report:

NZ IFRS 8 Operating Segments replaces NZ IAS 14 and introduces the "management approach" to segment reporting. NZ IFRS 8, which becomes mandatory for the Fund's 30 June 2010 financial statements, will require a change in presentation and disclosure of segment information based on the internal reports regularly reviewed by the Fund's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the Fund presents segment information in respect of its business and geographical segments (see note 4). As NZ IFRS 8 is only for listed entities, under the new standard, the Fund will not be required to disclose segment information.

NZ IAS 1 (Revised) Presentation of Financial Statements introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or, in an income statement and a separate statement of comprehensive income. NZ IAS 1 (Revised), which becomes mandatory for the Fund's 30 June 2010 financial statements, is expected to have a significant impact on the presentation of the fund's financial statements. The Fund plans to provide total comprehensive income in a single statement of comprehensive income for its 2010 financial statements.

NZ IAS 32 Amendment: Puttable Financial Instruments and Obligations arising on Liquidation: provides an exception to the definition of a financial liability to enable certain financial instruments to be classified as equity. The amended IAS 32 becomes mandatory for the Fund's 30 June 2010 financial statements. Units issued to investors would meet the exceptions to the definition of a financial liability to be reclassified as equity.

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

14

For the year ended 30 June 2009

#### 4 Segment reporting

The Fund operates in a single, primary business and geographical segment, being investment in Multiplex New Zealand Property Fund, a registered managed investment scheme domiciled in Australia.

#### 5 Auditor's remuneration

All expenses related to remuneration of auditors are borne by the Manager of the Fund.

#### 6 Finance costs – distributions to unitholders

Distributions paid or declared to unitholders were as follows:

	Cents per unit	\$	Date of payment
September 2008	2.000	104,844	6 Nov 2008
<b>Total distribution for the year ended 30 June 2009</b>	<b>2.000</b>	<b>104,844</b>	
June 2008	2.375	124,533	4 Aug 2008
March 2008	2.375	123,576	6 May 2008
December 2007	2.375	123,452	8 Feb 2008
September 2007	2.375	130,152	6 Nov 2007
<b>Total distribution for the year ended 30 June 2008</b>	<b>9.5000</b>	<b>501,713</b>	

	Fund	
	2009	2008
	\$	\$
<b>7 Other receivables</b>		
New Zealand resident withholding tax	149	345
<b>Total</b>	<b>149</b>	<b>345</b>

	Fund	
	2009	2008
	\$	\$
<b>8 Investments</b>		
Unlisted registered managed investment schemes	5,285,920	7,141,191
Provision for impairment	(891,517)	–
<b>Investments in Unlisted registered managed investment schemes</b>	<b>4,394,403</b>	<b>7,141,191</b>

The carrying value of investments is represented by the holding in Multiplex New Zealand Property Fund of 2.16% at 30 June 2009 (2008: 2.19%). A review of the carrying value at 30 June 2009 indicated that the investment is impaired. A provision of \$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 Multiplex New Zealand Property Fund

	Fund	
	2009	2008
	\$	\$
<b>9 Trade and other payables</b>		
Commissions accrual	–	510
Other	–	14
<b>Total</b>	<b>–</b>	<b>524</b>

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

15

For the year ended 30 June 2009

	2009 \$	2008 \$
<b>10 Net assets attributable to unitholders</b>		
Units on issue	5,216,914	5,315,243
Available for sale reserve	–	1,762,676
Undistributed income	(814,817)	71,780
<b>Net assets attributable to unitholders</b>	<b>4,402,097</b>	<b>7,149,699</b>
<b>Opening balance of net assets attributable to unitholders</b>	<b>7,149,699</b>	<b>7,715,757</b>
<b>Movement in units on issue</b>		
Units redeemed during the year	(98,329)	(375,367)
<b>Movement in available for sale reserve</b>		
Fair value movement in investments in unlisted schemes	(1,762,676)	(252,734)
<b>Undistributed income</b>		
Net (loss)/profit attributable to unitholders	(781,753)	563,756
Distributions paid and payable during the year	(104,844)	(501,713)
<b>Closing balance of net assets attributable to unitholders</b>	<b>4,402,097</b>	<b>7,149,699</b>

### Ordinary units

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.

### Units on issue

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

	2009 Units	2008 Units
<b>Opening balance</b>	<b>5,220,012</b>	<b>5,495,741</b>
Units redeemed	(81,752)	(275,729)
<b>Units on issue as at 30 June</b>	<b>5,138,260</b>	<b>5,220,012</b>
	2009 \$	2008 \$
<b>Value of total fund assets as at 30 June</b>	<b>4,402,097</b>	<b>7,274,756</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 and financial liability are disclosed in note 3 to the financial statements.

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

16

For the year ended 30 June 2009

### 11 Financial instruments continued

#### a Capital risk management

The Board's intention is to maintain a strong capital base so as to maintain investor confidence.

#### 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 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 the 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.

##### Investments

Credit risk arising from investments is dictated by investing in accordance with the Fund's prospectus into the Multiplex New Zealand Property Fund (MNZPF).

The Fund's overall strategy of credit risk management remains unchanged from 2008.

##### 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	
	2009	2008
	\$	\$
Cash and cash equivalents	7,545	8,687
Distribution receivable	-	124,533
Trade and other receivables	149	345
Investments	4,394,403	7,141,191
<b>Total</b>	<b>4,402,097</b>	<b>7,274,756</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 balance date.

##### Collateral obtained/held

The Fund does not hold any collateral in respect of its financial assets (2008: nil). During the year ended 30 June 2009 the Fund did not call on any collateral provided (2008: nil).

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

17

For the year ended 30 June 2009

### 11 Financial instruments continued

#### Financial assets past due but not impaired

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

	Fund	
	2009	2008
	\$	\$
Current	149	124,878
Past due 0-30 days	–	–
Past due 31-120 days	–	–
Past due 121 days to one year	–	–
More than one year	–	–
<b>Total</b>	<b>149</b>	<b>124,878</b>

Amounts recognised above are not deemed to be impaired. No impairment losses have been recognised by the Fund during the year ended 30 June 2009 (2008: 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

##### Sources of liquidity risk and risk management strategies

Liquidity risk is the risk the Fund will not be able to meet its financial obligations as and when they fall due. The Fund's approach to managing liquidity risk is to ensure that it has sufficient cash available to meet its liabilities as and when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

##### Unitholders

The Fund is not exposed to liquidity risk associated with unitholder redemptions in the short term as its units are not eligible for redemption until the life of the Fund has expired in 2011. Unitholder redemptions in 2011 will be managed appropriately at that time. Once yearly unitholders have the option to exit the Fund via a liquidity facility that is offered to unitholders of the Multiplex New Zealand Property Fund as funded by Brookfield Multiplex Management Capital Limited. During this time the Manager may honour these redemptions but is not obligated to do so.

##### Maturity analysis of financial liabilities

The following are the contractual maturities of financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Fund can be required to pay.

Fund \$'000	Carrying amount	Contractual cashflows	0 to 12 mths	1 to 2 years	2 to 5 years	Greater than 5 years
<b>2009</b>						
Trade and other payables	–	–	–	–	–	–
Distributions payable	–	–	–	–	–	–
<b>Total financial liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>2008</b>						
Trade and other payables	524	524	524	–	–	–
Distributions payable	124,533	124,533	124,533	–	–	–
<b>Total financial liabilities</b>	<b>125,057</b>	<b>125,057</b>	<b>125,057</b>	<b>–</b>	<b>–</b>	<b>–</b>

#### 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.

##### 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

18

For the year ended 30 June 2009

### 11 Financial instruments continued

#### 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.

	Floating rate \$	Non-interest bearing \$'000	Total \$
<b>Fund 2009</b>			
<b>Financial assets</b>			
Cash and cash equivalents	7,545	–	7,545
Distributions, trade and other receivables	–	–	–
	<b>7,545</b>	<b>–</b>	<b>7,545</b>
<b>Financial liabilities</b>			
Trade and other payables	–	–	–
Distributions payable	–	–	–
	<b>–</b>	<b>–</b>	<b>–</b>
<b>Fund 2008</b>			
<b>Financial assets</b>			
Cash and cash equivalents	8,687	–	8,687
Distributions, trade and other receivables	–	124,878	124,878
	<b>8,687</b>	<b>124,878</b>	<b>133,565</b>
<b>Financial liabilities</b>			
Trade and other payables	–	524	524
Distributions payable	–	124,533	124,533
	<b>–</b>	<b>125,057</b>	<b>125,057</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 net assets available to unitholders by the amounts shown below. This analysis assumes that all other variables remain constant.

Fund	2009		2009		2008		2008	
	+ 1% Profit and loss	+ 1% Net assets	- 1% Profit and loss	- 1% Net assets	+ 1% Profit and loss	+ 1% Net assets	- 1% Profit and loss	- 1% Net assets
Interest on cash	75	75	(75)	(75)	87	87	(87)	(87)
<b>Total increase/(decrease)</b>	<b>75</b>	<b>75</b>	<b>(75)</b>	<b>(75)</b>	<b>87</b>	<b>87</b>	<b>(87)</b>	<b>(87)</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 has no direct foreign currency exposures at 30 June 2009 (2008: nil). The Fund is exposed to indirect foreign currency risk as its investment in MNZPF is an investment in an Australian registered managed investment scheme.

#### Fair values

##### Methods for determining fair values

The Fund's accounting policies require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

##### Trade and other receivables

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

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

19

For the year ended 30 June 2009

### 11 Financial instruments continued

#### Unlisted investments

The fair value of unlisted investments is determined by reference to the Fund's share of the net tangible assets of the unlisted investment.

#### Non-derivative financial liabilities

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

#### Fair values versus carrying amounts

The carrying amounts of the Fund's financial assets and liabilities reasonably approximate their fair values.

	2009 \$	Fund 2008 \$
<b>12 Reconciliation of cash flows from operating activities</b>		
(Loss)/profit from ordinary activities	(781,753)	563,756
Items classified as investing activities:		
Gain on sale of investments	(5,734)	(63,332)
Non cash items		
Impairment expense	891,517	–
Changes in assets and liabilities during the year:		
Decrease in receivables	124,729	8,780
(Decrease)/increase in payables	(524)	452
<b>Net cash provided by operating activities</b>	<b>228,235</b>	<b>509,656</b>

### 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 Multiplex Capital Management Limited (formerly Multiplex Capital Limited), (ABN 32 094 936 866) and Brookfield Multiplex Limited (ABN 96 008 687 063) respectively.

#### Key management personnel

The Directors of the Manager are key management personnel of that entity and their names are Mr Brian Kingston, Mr Mark Wilson, Mr John McStay, Mr Kym Bunting, and Mr Robert Rayner. Mr Robert Rayner resigned during the year.

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.

#### Manager's remuneration

In accordance with the Fund Constitution, Brookfield 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 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 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 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. Given that the sole investment of the Fund during the year ended 30 June 2009 was Multiplex New Zealand Property Fund, the management fee for the year ended 30 June 2009 is nil (2008: nil).

# Notes to the Financial Statements continued

## Multiplex Tasman Property Fund

20

For the year ended 30 June 2009

### 13 Related parties continued

	Fund	
	2009 \$	2008 \$
<b>Transactions with related parties</b>		
Distributions received from Multiplex New Zealand Property Fund	104,844	504,144
Distributions receivable from Multiplex New Zealand Property Fund	–	124,533

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 Brookfield Multiplex Capital New Zealand Limited at the end of the year:

	Fund	
	2009 \$	2008 \$
Multiplex New Zealand Property Fund	4,394,403	7,141,191

### 14 Contingent liabilities and assets

No contingent liabilities or assets existed at 30 June 2009 (2008: nil).

### 15 Capital and other commitments

The Fund had no capital or other commitments at 30 June 2009 (2008: nil).

### 16 Events subsequent to the reporting date

There are no matters or circumstances which have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in subsequent financial years (2008:nil).



## **Independent auditor's report to the unitholders of Multiplex Tasman Property Fund**

We have audited the financial statements on pages 7 to 20. The financial statements provide information about the past financial performance of the Multiplex Tasman Property Fund and its financial position as at 30 June 2009. This information is stated in accordance with the accounting policies set out on pages 11 to 13.

### **Directors' responsibilities**

The Directors of Brookfield Multiplex Capital New Zealand Limited (the Manager) 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 2009 and the results of its operations for the year 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 company'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.

Other than in our capacity as auditors we have no relationship with or interests 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 fund as far as appears from our examination of those records;
- the financial statements on pages 7 to 20:
  - comply with New Zealand generally accepted accounting practice;
  - give a true and fair view of the financial position of the company as at 30 June 2009 and the results of its operations for the year ended on that date.

Our audit was completed on 6 October 2009 and our unqualified opinion is expressed as at that date.

KPMG

Tanya Gilerman  
*Partner*

Sydney, NSW

7 October 2009