

Multiplex Acumen Vale Syndicate Limited
Financial Report
For the year ended
30 June 2008

Multiplex Acumen Vale Syndicate Limited

ACN 114 814 603

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Multiplex Acumen Vale Syndicate Limited

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Directory

Multiplex Acumen Vale Syndicate Limited

Year ended 30 June 2008

Company

Multiplex Acumen Vale Syndicate Limited
1 Kent Street
Sydney NSW 2000
Telephone: (02) 9256 5000
Facsimile: (02) 9256 5001

Directors of the Company

Peter Morris
Brian Mottoram
Robert McCuaig
Mark Wilson
Brian Kingston

Company secretary

Alex Carrodus

Location of share registry

Registries (Victoria) Pty Limited
PO Box R87
Royal Exchange
Sydney NSW 1223
Telephone: (02) 9290 9600
Facsimile: (02) 9279 0664

Auditor

KPMG
10 Shelley Street
Sydney NSW 2000
Telephone: (02) 9248 5555
Facsimile: (02) 9248 5829

Directors' Report

Multiplex Acumen Vale Syndicate Limited

Year ended 30 June 2008

Introduction

The Directors of Multiplex Acumen Vale Syndicate Limited (ACN: 114 814 603), (the "Company") present their report together with the financial report of the consolidated entity, being the Company and its controlled entity, for the year ended 30 June 2008 and the Auditors' Report thereon.

Company Particulars

The registered address for Multiplex Acumen Vale Syndicate Limited is 1 Kent Street, Sydney, NSW 2000.

Directors

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

Name	Capacity
Peter Morris	Non-Executive Independent Chairman
Robert McCuaig	Non-Executive Independent Director
Rex Bevan (resigned 31 January 2008)	Non-Executive Independent Director
Brian Motteram	Non-Executive Independent Director
Ian O'Toole (resigned 31 October 2007)	Executive Director
Robert Rayner (resigned 22 August 2008)	Executive Director
Mark Wilson (appointed 27 August 2008)	Executive Director
Brian Kingston (appointed 27 August 2008)	Executive Director

Information on Directors

Dr Peter Morris, Non-Executive Independent Chairman

Peter has over 35 years' experience in property, initially in project and development management and more recently in funds management. He is a recognised leader in the development and project management fields, having played a major role in the growth of professional project management as a specialist skill in Australia. For 14 years he acted as Managing Director of Bovis Australia (now part of Bovis Lend Lease) and its forerunners. During this time he was responsible for the delivery of some of Australia's largest and most high profile commercial projects.

Peter acts as Independent Chairman of Brookfield Multiplex Capital Management Limited.

Brian Motteram, Non-Executive Independent Director

Brian has in excess of 30 years' experience working in the area of finance and accounting. He has worked with international accounting firms, in his own private practice, and during the last 18 years in private enterprise in both the mining and property industries.

He spent eight years (from 1996 to 2004) as an executive of the Hawaiian group of companies in position of Chief Financial Officer and later, Finance Director.

Robert McCuaig, Non-Executive Independent Director

Robert is Chairman of the Advisory Board of Colliers International Property Consultants in Australia. Along with David Collier, he formed McCuaig and Collier, which in 1988 became the New South Wales office of Colliers International. He was a forerunner in the establishment of Colliers in Australia, now one of the world's largest professional property services groups. Robert has acted as a property adviser to the University of Sydney, Westpac, Qantas Airways, Presbyterian Church, Sydney Ports Authority, Benevolent Society of NSW, the State of New South Wales and the Commonwealth of Australia.

Mark Wilson, Executive Director

Robert has responsibility for the overall strategy and development of Brookfield Multiplex Capital's funds management activities. Robert has been involved in property and property funds management for more than 18 years and has extensive property and financial experience in both the listed and unlisted sectors of the funds management industry. Robert was a founding shareholder and director of the Acumen Capital funds management business, since renamed Brookfield Multiplex Capital.

Brian Kingston, Executive Director

Brian is the Chief Financial 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.

Directors' Report continued

Multiplex Acumen Vale Syndicate Limited

Year ended 30 June 2008

Company Secretary

Alex Carrodus was appointed to the position of company secretary on 17 June 2005.

Information on Company Secretary

Alex Carrodus

Alex has over 13 years experience in the areas of company secretarial practice and compliance in the funds management industry having worked for the ASX listed Ronin Property Group (prior to its acquisition by the Brookfield Multiplex Group), AMP and Australian Securities Exchange Limited. Prior to this period Alex worked for 8 years in the insolvency and audit divisions of a number of local and international accounting firms both in Sydney and London. Alex is a Chartered Accountant and a Chartered Secretary.

Directors Interests

No shares were held by the directors as at 30 June 2008 (30 June 2007: Nil)

Principal activities

The principal activity of the Company has been the development of land for resale through its 100% owned subsidiary, Brookfield Multiplex Vale Landowner Pty Limited.

The Company did not have any employees during the year or subsequent to balance date.

Review of operations

Key highlights over the period include:

- Profit before income tax for the year ended 30 June 2008 was \$2,167,000 (2007: \$13,608,000).
- The company continues to develop land for resale through its 100% owned subsidiary, Brookfield Multiplex Vale Landowner Pty Limited.
- Dividends of \$7,200 million were declared and paid during the year (30 June 2007 \$8,100,000). A Return of Capital of 20 cents per share (\$6,000 million) was paid to Shareholders on the 31 January 2008.
- An independent valuation was performed by Savills (WA) with an "As Is" valuation of \$62,000 million on the 18 April 2008.
- The forecast completion date of the project is 30 June 2010.

Movement in shares on issue

The movement in shares on issue of the Company for the year were as follows:

Date	Details	Shares	Issue price	\$'000
1 July 2007	Opening balance	30,000,100	1.00	26,331
31 Jan 2008	Return of capital	-	0.20	6,000
30 June 2008	Closing balance	30,000,100	0.80	20,331

There was no movement for the year ended 30 June 2007.

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 Company that occurred during the financial year.

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

Likely developments

Information on likely developments in the operations of the Company in future financial years and the expected results of those operations has not been included in this report because the directors believe that to do so would be likely to result in unreasonable prejudice to the Company.

Environmental regulation

The Company has systems in place to manage its environmental obligations. Based upon the results of inquiries made, the directors are not aware of any significant breaches or non-compliance issues during the year covered by this report.

Directors' Report continued

Multiplex Acumen Vale Syndicate Limited

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Year ended 30 June 2008

Dividends

Dividends paid/payable to shareholders were as follows:

	Cents per unit	Total amount \$'000	Date of payment
Ordinary Shares			
September 2007 dividend	14.0	4,200	26 Oct 2007
December 2007 dividend	10.0	3,000	29 Jan 2008
Total dividend for the year ended 30 June 2008	24.0	7,200	
December 2006 dividend	13.0	3,900	30 Jan 2007
June 2007 dividend	14.0	4,200	27 Jul 2007
Total dividend for the year ended 30 June 2007	27.0	8,100	

Indemnification and insurance premiums

Under the Constitution the Company's officers and employees, are indemnified out of the Consolidated Entity'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 Consolidated Entity.

The Company has not indemnified any auditor of the Consolidated Entity.

During the year the Company has paid premiums in respect of their officers for liability and legal expenses insurance contracts for the year ended 30 June 2008. The Company has paid, or agreed to pay, in respect of the Consolidated Entity, premiums in respect of such insurance contracts for the year ending 30 June 2009.

Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been executive officers or employees of the Company.

Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the contracts.

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

Rounding of amounts

The Company is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

Lead auditors independence declaration

The lead auditor's independence declaration is set on page 7 and forms part of the Directors' report for the financial year ended 30 June 2008.

Dated at Sydney this 27 day of August 2008

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



Brian Kingston
Director
Multiplex Acumen Vale Syndicate Limited



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Multiplex Acumen Vale Syndicate Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2008 there have 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.

A handwritten signature in dark ink, appearing to be 'KPMG' in a stylized, cursive script.

KPMG

A handwritten signature in dark ink, appearing to be 'T. Gilerman' in a cursive script.

Tanya Gilerman
Partner

Sydney, NSW
27 August 2008

Income Statements

Multiplex Acumen Vale Syndicate Limited

For the year ended 30 June 2008

Note	Consolidated		Company	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Revenue and other income				
Revenue from the sale of land held for development	27,653	100,546	-	-
Interest income	75	227	54	14
Dividend received	-	-	7,700	9,700
Net gain/(loss) from revaluation of financial derivatives	(5)	5	-	-
Total revenue and other income	27,723	100,778	7,754	9,714
Expenses				
Cost of sale of land held for development	21,174	76,369	-	-
Marketing and selling costs	4,598	6,826	-	-
Performance fee	(751)	2,382	-	-
Administrative expenses	176	252	143	212
Management service fees	359	1,341	359	1,341
Total expenses	25,556	87,170	502	1,553
Profit before income tax	2,167	13,608	7,252	8,161
Income tax (expense)/benefit	5	(650)	134	462
Profit for the year	1,517	9,526	7,386	8,623

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

Balance Sheets

Multiplex Acumen Vale Syndicate Limited

As at 30 June 2008

	Note	Consolidated		Company	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Current assets					
Cash and cash equivalents		3,517	23,984	268	237
Inventories – land held for development	9	21,922	21,457	-	-
Trade and other receivables	10	1,162	2,299	19,889	34,895
Fair value of financial derivatives	13	-	5	-	-
Total current assets		26,601	47,745	20,157	35,232
Non-current assets					
Inventories – land held for development	9	32,484	19,728	-	-
Investment in controlled entity	11	-	-	-	-
Deferred tax assets	5	1,074	1,603	573	876
Total non-current assets		33,558	21,331	573	876
Total assets		60,159	69,076	20,730	36,108
Current liabilities					
Trade and other payables	12	8,609	10,024	282	5,224
Income tax payable	5	(171)	4,451	(171)	4,451
Interest bearing loans and borrowings	13	-	20,000	-	-
Total current liabilities		8,438	34,475	111	9,675
Non-current liabilities					
Provision for performance fees	6	1,631	2,382	-	-
Interest bearing loans and borrowings	13	29,554	-	-	-
Total non-current liabilities		31,185	2,382	-	-
Total liabilities		39,623	36,857	111	9,675
Net assets		20,536	32,219	20,619	26,433
Equity					
Issued capital	14	20,331	26,331	20,331	26,331
Retained earnings		205	5,888	288	102
Total Equity		20,536	32,219	20,619	26,433

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

Statements of Changes in Equity

Multiplex Acumen Vale Syndicate Limited

For the year ended 30 June 2008

	Note	Consolidated 2008 \$'000	2007 \$'000	Company 2008 \$'000	2007 \$'000
Opening equity		32,219	30,793	26,433	25,910
Issued capital					
Return of capital	14	(6,000)	-	(6,000)	-
Retained earnings					
Net profit		1,517	9,526	7,386	8,623
Dividends		(7,200)	(8,100)	(7,200)	(8,100)
Closing equity at end of financial year		20,536	32,219	20,619	26,433

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

Statements of Cash Flows

Multiplex Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

	Note	Consolidated		Company	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Cash flows from operating activities					
Cash receipts in the course of operations		29,725	98,775	38	-
Interest received		75	277	54	14
Cash payments in the course of operations		(36,298)	(42,433)	(1,245)	(949)
Dividends received		-	-	12,200	4,700
Income tax paid		(4,743)	(1,673)	(4,185)	(1,673)
Financing costs paid		(1,380)	(1,780)	-	-
Net cash flows (used in)/ from operating activities	16	(12,621)	53,116	6,862	2,092
Cash flows from financing activities					
Loans from related parties		-	-	10,569	1,898
Dividends paid		(11,400)	(3,831)	(11,400)	(3,831)
Return of Capital		(6,000)	-	(6,000)	-
Proceeds/repayments from interest bearing loans and borrowings		9,554	(27,148)	-	-
Net cash flows (used in) financing activities		(7,846)	(30,979)	(6,831)	(1,933)
Net (decrease)/ increase in cash and cash equivalents		(20,467)	22,137	31	159
Cash and cash equivalents at 1 July		23,984	1,847	237	78
Cash and cash equivalents at 30 June		3,517	23,984	268	237

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

Notes to the Financial Statements

Multiplex Acumen Vale Syndicate Limited

For the year ended 30 June 2008

1 Reporting entity

Multiplex Acumen Vale Syndicate Limited (the "Company") is an Australian incorporated and domiciled company. The consolidated financial statements of the company as at and for the year ended 30 June 2008 comprises the company and its subsidiary (together referred to as the "consolidated entity").

2 Basis of Preparation

a Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the Consolidated Entity and the financial report of the Company comply with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB").

The financial report of the Company for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the Directors on 27 August 2008.

b Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments which are measured at fair value.

These consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

The Company is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 08/51 effective 31 January 2008), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

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 amounts 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 the amount recognised in the financial statements are described in the following notes:

- Note 3h – Valuation of inventory

3 Significant accounting policies

The principal accounting policies set out below have been applied consistently to all periods presented in these financial statements:

a Principles of consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (its subsidiaries) (referred to as the "Consolidated Entity" in these financial statements). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Consolidated Entity.

All intra-group transactions, balances, income and expenses including unrealised profits arising from intra-group transactions are eliminated in full in the consolidated financial statements. In the separate financial statements of the Company, intra-group transactions are generally accounted for by reference to the existing carrying value of the items. Where the transaction value differs from the carrying value, the difference is recognised as a contribution by or distribution to equity participants by the transacting entities.

In the Company's financial statements investments in controlled entities are carried at cost.

Notes to the Financial Statements continued

Multiplex Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

3 Significant accounting policies continued

b 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 Consolidated Entity 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 recognition criteria are met.

Sale of land held for development

Revenue from the sale of land held for development is recognised when the Consolidated Entity has transferred to the buyer the significant risks and rewards of the ownership of the property. This is generally deemed to occur upon settlement.

Interest income

Revenue is recognised as interest accrues using the effective interest rate method.

Dividends

Revenue from dividends is recognised when the right of the Consolidated Entity or the Company to receive payment is established. This is generally when they have been declared.

c Expense recognition

Finance costs

Finance costs include interest, amortisation of discounts or premiums relating to borrowing, amortisation of ancillary costs incurred in connection with arrangement of borrowings. Ancillary costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings.

Finance costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets that take more than 12 months to prepare for their intended use or sale. In these circumstance, borrowing costs are capitalised to the costs of the assets. Where funds are borrowed specifically for the acquisition or construction of a qualifying asset, the amount of borrowing costs capitalised are those incurred in relation to that borrowing. To the extent that funds are borrowed, generally the amount of borrowing costs capitalised is calculated by applying a capitalisation rate to the expenditures on that asset.

Performance fees

Performance fees are recognised on an accrual basis. The performance fee payable to the development manager is calculated in accordance with the Development Management Agreement, which requires 20% of the amount by which the overall shareholder return exceeds a 20% annualised internal rate of return (before tax) to be paid to the development manager. The performance fee has been discounted to present value to reflect the life of the project. The performance fee will be remeasured at each reporting date.

Other expenditure

Expenditure including marketing and selling costs, management fees, administration costs, rates, taxes, other outgoings and performance fees are brought to account on an accrual basis.

d Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO are classified as operating cash flows.

Notes to the Financial Statements continued

Multiplex Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

3 Significant accounting policies continued

e Taxation

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

f Tax Consolidation

i Tax consolidation

The Company and its wholly-owned Australian resident subsidiary have formed a tax-consolidated group with effect from 17 June 2005 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is the Company.

Current tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax-consolidated group and are recognised by the company as amounts payable (receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

ii Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax consolidated group in respect of tax amounts. The tax funding arrangements require payments to/ from the head entity equal to the current tax liability/ (asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/ (payable) equal to the amount to the tax liability/ (asset) assumed. The inter-entity receivables/ (payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

Notes to the Financial Statements continued

Multiplex Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

3 Significant accounting policies continued

g Cash and cash equivalents

For the purpose of the cash flow statement, cash includes cash balances, deposits on 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 overdrafts.

h Inventories - Land held for development

Inventories being developed or held for resale are stated at the lower of cost or realisable value. Included in costs are the costs of acquisition, development and holding costs such as finance costs (refer Note 3(c)), and rates and taxes.

i 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 3 (j). Non-current receivables are measured at amortised cost using the effective interest rate method.

j 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 flows 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.

Individually 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 and 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 and available-for-sale financial assets that are debt securities, the reversal is recognised in profit and loss.

Non financial assets

The carrying amount of the Consolidated Entity's non financial assets, other than inventories and deferred tax assets, are 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.

In respect of all assets (other than goodwill), 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.

k Trade and other payables

Trade and other payables are stated at amortised cost using the effective interest rate method and represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

l Dividend

A provision for dividend is recognised in the Balance Sheet if the dividend has been declared prior to balance date.

Dividends paid and payable on shares are recognised in equity as a reduction of retained earnings for the year. Dividends paid are included in cash flows from investing activities in the cash flow statement.

m Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less any attributable transaction costs.

Subsequent to initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest rate method with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowings.

Interest bearing loans and borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Notes to the Financial Statements continued

Multiplex Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

3 Significant accounting policies continued

n Issued Capital

Issued and paid up shares are recognised at the fair value of the consideration received by the Consolidated Entity. Any transaction costs arising on the issue of shares are recognised as a reduction of the share proceeds received.

o New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Consolidated Entity in the period of initial application. They are available for early adoption at 30 June 2008, but have not been applied in preparing these financial statements:

- Revised AASB 3 *Business Combinations* changes the application of acquisition accounting for business combinations and the accounting for non-controlling (minority) interests. Key changes include: the immediate expensing of all transaction costs; measurement of contingent consideration at acquisition date with subsequent changes through the income statement; measurement of non-controlling (minority) interests at full fair value or the proportionate share of the fair value of the underlying net assets; guidance on issues such as reacquired rights and vendor indemnities; and the inclusion of combinations by contract alone and those involving mutual's. The revised standard becomes mandatory for the Consolidated Entity's 30 June 2010 financial statements. There is no effect of the revised standard on the Consolidated Entity's and Company's financial report.
- AASB 8 *Operating Segments* introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Consolidated Entity's 30 June 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Consolidated Entity's Chief Operating decision maker in order to assess each segment's performance and to allocate resources to them. The Consolidated Entity does not present information based on business or geographic segments. Information is presented to the Chief Operating decision maker based on the Consolidated Entity's development of land for resale through its 100% owned subsidiary, which at present is categorised as investment in controlled entity. Under the management approach it is anticipated segment information will be disclosed based on the Consolidated Entity's business of development of land for resale through its subsidiary within Australia.
- Revised AASB 101 *Presentation of Financial Statements* introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASB's. The revised AASB 101 will become mandatory for the Consolidated Entity's 30 June 2010 financial statements. The Consolidated Entity has not yet determined the potential effect of the revised standard on the Consolidated Entity's disclosures.
- Revised AASB 123 *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised AASB 123 will become mandatory for the Consolidated Entity's 30 June 2010 financial statements and, in accordance with the transitional provisions the Consolidated Entity will apply the revised AASB 123 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date. There is no effect of the revised standard on the Consolidated Entity's and Company's financial report.
- Revised AASB 127 *Consolidated and Separate Financial Statements* changes the accounting for investments in subsidiaries. Key changes include: the re-measurement to fair value of any previous/retained investment when control is obtained/lost, with any resulting gain or loss being recognised in profit or loss; and the treatment of increases in ownership interest after control is obtained as transactions with equity holders in their capacity as equity holders. The revised standard will become mandatory for the Consolidated Entity's 30 June 2010 financial statements. There is no effect of the revised standard on the Consolidated Entity's and Company's financial report.

Notes to the Financial Statements continued

Multiplex Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

4 Segment reporting

The Fund is organised into one main segment which operates solely in the business of development of land for resale through its 100% owned subsidiary within Australia.

	Consolidated		Company	
	2008 \$000's	2007 \$000's	2008 \$000's	2007 \$000's
5 Income tax				
Current tax expense				
Current period	1,178	4,376	(439)	(742)
Total current tax expense/(benefit)	1,178	4,376	(439)	(742)
Deferred tax expense				
Origination and reversal of temporary differences	(528)	(294)	305	280
Total deferred tax (benefit)/ expense	(528)	(294)	305	280
Total income tax expense/(benefit)	650	4,082	(134)	(462)
Income tax expense				
Numerical reconciliation between tax expense/(benefit) and pre-tax net profit				
Profit for the year	1,517	9,526	7,386	8,623
Total income tax expense/(benefit)	650	4,082	(134)	(462)
Profit before income tax	2,167	13,608	7,252	8,161
Prima facie income tax expense/(benefit) on profit/(loss) using domestic corporate tax rate of 30% (2007: 30%)	650	4,082	2,176	2,448
Tax exempt income dividend received	-	-	(2,310)	(2,910)
Total income tax expense/(benefit)	650	4,082	(134)	(462)

Tax assets and liabilities

	Consolidated		Company	
	2008 \$000's	2007 \$000's	2008 \$000's	2007 \$000's
Tax liability	(171)	4,451	(171)	4,451
Deferred tax asset	1,074	1,603	573	876

Recognised deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Consolidated						
Provisions	513	755	(8)	-	505	755
Amount recognised directly in equity	569	848	-	-	569	848
	1,082	1,603	(8)	-	1,074	1,603
Company						
Provisions	10	28	(6)	-	4	28
Amount recognised directly in equity	569	848	-	-	569	848
	579	876	(6)	-	573	876

For purposes of income taxation, Multiplex Acumen Vale Syndicate Limited and its 100% owned entity formed a tax consolidation group on 17 June 2005.

Notes to the Financial Statements continued

Multiplex Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

	Consolidated		Company	
	2008 \$000's	2007 \$000's	2008 \$000's	2007 \$000's
6 Performance fee				
Opening balance	2,382	-	-	-
Part reversal of provision for performance fee	(751)	2,382	-	-
Closing balance	1,631	2,382	-	-

The performance fee is payable by Brookfield Multiplex Vale Landowner Pty Limited on completion of the project to the Development manager. The performance fee is calculated at 20% of the amount by which the overall Shareholder return exceeds a 20% annualised interest rate of return on equity (before tax) to Shareholders.

	Consolidated		Company	
	2008 \$	2007 \$	2008 \$	2007 \$
7 Auditors' remuneration				
Auditors of the Company				
KPMG – Audit and review of financial reports	75,000	70,000	35,000	30,000
	75,000	70,000	35,000	30,000

8 Dividends

Dividends paid/payable to shareholders were as follows:

	Cents per unit	Total amount \$000's	Franked/ Unfranked	Date of payment
Ordinary Shares				
September 2007 dividend	14.0	4,200	Unfranked	26 Oct 2007
December 2007 dividend	10.0	3,000	Franked	29 Jan 2008
Total dividend for the year ended 30 June 2008	24.0	7,200		
December 2006 dividend	13.0	3,900	Franked	30 Jan 2007
June 2007 dividend	14.0	4,200	Franked	27 Jul 2007
Total dividend for the year ended 30 June 2007	27.0	8,100		

A Return of Capital of 20 cents per Share (\$6 million) was paid to shareholders on 31 January 2008. (Refer note 14)

	Consolidated		Company	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
9 Inventories – land held for development				
Inventories at cost				
Current ¹	21,922	21,457	-	-
Non-current ¹	32,484	19,728	-	-
	54,406	41,185	-	-

- ¹ Land is held at the north-eastern Perth suburb of Aveley. This land is held through the subsidiary, Brookfield Multiplex Vale Landowner Pty Limited, which it subdivides, develops and sells as residential land. At 30 June 2008 the total cost of the unsold land plus development costs held in the consolidated entity was \$54,406 million (2007: \$41,185m). An independent valuation was performed by Savills (WA) with an "As Is" valuation of \$62,000 million on the 18 April 2008.

Notes to the Financial Statements continued

Multiplex Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

	Consolidated		Company	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
10 Trade and other receivables				
Current				
Goods and service tax receivable	649	-	12	49
Other receivables	513	52	17	17
Amounts due from related parties ¹	-	2,247	19,360	29,929
Dividend receivable from related party	-	-	500	5,000
	1,162	2,299	19,889	34,995

¹ Terms and conditions relating to related party transactions have been disclosed in Note 17.

	Percentage Ownership	2008 \$'000	2007 \$'000
11 Investment in controlled entities			
Investment in Brookfield Multiplex Vale Landowner Pty Limited	100%	-	-

On 17 June 2005, Multiplex Acumen Vale Syndicate Limited acquired 100% of the ordinary shares in Brookfield Multiplex Vale Landowner Pty Limited (changed its name from Multiplex Acumen Vale Landowner Pty Limited on the 17 June 2008), an unlisted company specialising in the subdivision and development of land. There have been no changes in the activities of Brookfield Multiplex Vale Landowner Pty Limited since that date.

The total cost of the acquisition was \$10 and comprised of an issue of equity.

	Consolidated		Company	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
12 Trade and other payables				
Current				
Trade payables	8,428	4,820	101	20
Provision for dividend – external	-	2,186	-	2,186
Provision for dividend – related party ¹	-	2,083	-	2,083
Management service fee payable – related party ¹	181	935	181	935
	8,609	10,024	282	5,224

¹ Terms and conditions relating to related party transactions have been disclosed in Note 17.

	Consolidated		Company	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
13 Interest bearing loans and borrowings				
Current				
Secured bank debt ¹	-	20,000	-	-
Non-Current				
Secured bank Debt ¹	29,554	-	-	-

¹ The bank facility is secured by a first charge over the land held by Brookfield Multiplex Acumen Vale Landowner Pty Limited.

	Expiry date	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Financing arrangements					
Facilities available					
Bank debt facility	31 Dec 2009	36,000	40,000	-	-
Less: Facilities utilised		(29,554)	(20,000)	-	-
Facilities not utilised		6,446	20,000	-	-

Notes to the Financial Statements continued

Multiplex Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

13 Interest bearing loans and borrowings continued

This floating rate cash facility is for a maximum commitment of \$36.000 million financed by National Australia Bank Limited with respect to Brookfield Multiplex Vale Landowner Pty Limited. The facility which expired on the 30 June 2008 was extended (on 23 June 2008) to 31 December 2009. Repayments of this facility will be on the same terms as the current facility with the following additional terms:

- No dividends, return of capital or profit distributions may be made prior to the debt being repaid in full without the financiers prior approval; and
- Net value of exchanged contracts to equal a minimum of 25% of the outstanding facility;

Interest rate is 7.66%, (2007: 6.38%).

The loan facility has been classified as non current for the year ended 30 June 2008, due to the expiry date being 31 December 2009.

Derivatives

The Company's holdings in derivatives are specified in the table below.

Type of contract	Expiration	Underlying	Fixed Rate	Notional amount of contracts outstanding \$'000	Fair value (assets) \$'000	Fair value (liabilities) \$'000
As at 30 June 2008						
Interest rate swap	-	-	-	-	-	-
As at 30 June 2007						
Interest rate swap	21 September 2007	floating to fixed	6.38	5,760	5	-

The interest rate swap expired during the current year and no hedge has been negotiated on the extended finance facility.

14 Issued Capital

	2008 Shares	2008 \$'000	2007 Shares	2007 \$'000
Shares				
Opening balance	30,000,100	30,000	30,000,100	30,000
Return of capital	-	(6,000)	-	-
Closing balance	30,000,100	24,000	30,000,100	30,000
Share issue costs				
Opening balance	-	3,669	-	3,669
Closing balance	-	3,669	-	3,669
Total shares on issue	30,000,100	20,331	30,000,100	26,331

Ordinary shares

All ordinary shares are of the same class and carry equal rights. Any transaction costs arising on the issue or sale of shares are recognised in equity as a reduction of the share proceeds received. A Return of Capital of 20 cents per share was paid to Shareholders on the 31 January 2008.

15 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 Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

15 Financial instruments continued

a Capital risk management

The Company's Board's policy is to maintain a strong capital base so as to maintain investor and market confidence and the sustainable future development of the Company.

The Company's Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the security afforded by a sound capital position.

There were no changes in the Company's or Consolidated Entity's approach to capital management during the year. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

b Financial risk management

Overview

The Company and Consolidated Entity are exposed to financial risks in the course of their operations. These risks can be summarised as follows:

- credit risk;
- liquidity risk; and
- market risk

The Board has responsibility for the establishment and monitoring of the risk management framework and the risk management policies of the Company and Consolidated Entity. These policies seek to minimise the potential adverse impact of the above risks on the Company's and Consolidated Entity's financial performance. The Board of the Company is responsible for developing risk management policies and is responsible for ensuring compliance with those risk management policies. The risk management framework and policies are set out in the Company's Constitution and Prospectus, and allow the use of certain financial derivative instruments.

Compliance with the Company's and Consolidated Entity's policies is reviewed by the Board on a regular basis. The results of these reviews are reported to the Board quarterly.

Investment mandate

The investment objective of the Company is to maximise returns to investors, subject to assuming an appropriate level of risk commensurate with the investment undertaken and the forecast return. In line with its objective to maximise returns, the Board aims to meet or exceed a benchmark pre-tax return to investors of 20% per annum, net of fees and expenses. This is not a forecast or indication of likely future returns. Rather, it is simply the benchmark against which the Board measures the performance of the Company.

Derivative financial instruments

Whilst the Company utilises derivative financial instruments, it does not enter into or trade derivative financial instruments for speculative purposes. The use of derivatives is governed by the Company's investment policies, which provide written principles on the use of financial instruments utilised by the Company.

c Credit risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Sources of credit risk and risk management strategies

Credit risk arises principally from the Consolidated Entity's customers, and related parties. For the Company, credit risk arises principally from receivables due from related parties. Other credit risk also arises for both the Company and Consolidated Entity from cash and cash equivalents.

Trade and other receivables

The Company's and Consolidated Entity's exposure to credit risk is influenced mainly by the individual characteristics of each customer and related party. The Company and Consolidated Entity manages and minimises exposure to credit risk by:

- managing and minimising exposures to individual customers by obtaining a 10% deposit on the purchase price of the Lot; and
- monitoring receivables balances on an ongoing basis.

Notes to the Financial Statements continued

Multiplex Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

15 Financial instruments continued

Exposure to credit risk

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

	Note	Consolidated 2008 \$'000	2007 \$'000	Company 2008 \$'000	2007 \$'000
Cash and cash equivalents		3,517	23,984	268	237
Trade and other receivables	10	1,162	2,299	19,889	34,995
		4,679	26,283	20,157	35,232

Concentrations of credit risk exposure

There were no significant concentrations of credit risk at the reporting date for the Company or Consolidated Entity other than the loan with the subsidiary of \$19,860,000 (2007: loan with subsidiary - \$34,929,000).

Collateral obtained / held

Where applicable, the Company and Consolidated Entity obtain collateral from related parties to minimise the risk of default on their contractual obligations.

At the reporting date the Company and Consolidated Entity did not hold any other collateral in respect of its financial assets.

During the year ended 30 June 2008 neither the Company nor the Consolidated Entity called on any collateral provided (2007: nil).

Financial assets past due but not impaired

No financial assets of the Company or Consolidated Entity were past due at the reporting date (2007: nil).

Financial assets whose terms have been renegotiated

There are no significant financial assets that have had their terms renegotiated that would otherwise have rendered the financial assets past due or impaired.

Impairment losses

No impairment losses have been recognised by the Company or Consolidated Entity during the year ended 30 June 2008 (2007: nil).

d Liquidity risk

Liquidity risk is the risk the Company and Consolidated Entity will not be able to meet their financial obligations as and when they fall due.

Sources of liquidity risk and risk management strategies

The Company and Consolidated Entity are exposed to liquidity risk. The main sources of liquidity risk are discussed below.

The main sources of direct liquidity risk for the Company and Consolidated Entity are refinancing of interest bearing loans. The Company'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 Company's reputation.

The Company and Consolidated Entity also manage liquidity risk by actively maintaining adequate banking facilities, through continuous monitoring of forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

Interest bearing liabilities

The Company and Consolidated Entity is exposed to liquidity risk (refinancing risk) on its interest bearing loans. The Company and Consolidated Entity manage this risk by ensuring debt maturity dates are regularly monitored and negotiations with counterparties are commenced well in advance of the debt's maturity date.

Notes to the Financial Statements continued

Multiplex Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

15 Financial instruments continued

Maturity analysis of financial liabilities

The following are the contractual maturities of financial liabilities, including estimated interest payments. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company and Consolidated Entity can be required to pay.

	Carrying amount \$'000	Contractual cash flows \$'000	6 mths or less \$'000	6 – 12 mths \$'000	1 – 2 years \$'000	2 – 5 years \$'000
Consolidated						
2008						
Trade and other payables	8,609	8,609	8,609	-	-	-
Provision for performance fee	1,631	1,631	-	-	1,631	-
Interest bearing liabilities	29,554	40,549	1,379	1,379	37,791	-
	39,794	50,789	9,988	1,379	39,422	-
2007						
Trade and other payables	5,755	5,755	5,755	-	-	-
Provision for performance fee	2,382	2,382	-	-	2,382	-
Interest bearing liabilities	20,000	37,680	1,340	36,340	-	-
Dividends payable	4,269	4,269	4,269	-	-	-
	32,406	50,086	11,364	36,340	2,382	-

	Carrying amount \$'000	Contractual cashflows \$'000	6 mths or less \$'000	6 – 12 mths \$'000	1 – 2 years \$'000	2 – 5 years \$'000
Company						
2008						
Trade and other payables	282	282	282	-	-	-
	282	282	282	-	-	-
2007						
Trade and other payables	955	955	955	-	-	-
Dividends payable	4,269	4,269	4,269	-	-	-
	5,224	5,224	5,224	-	-	-

Defaults and breaches

During the financial year ended 30 June 2008 the Company and the Consolidated Entity have not defaulted on or breached any terms of their loan covenants (2007: nil).

Notes to the Financial Statements continued

Multiplex Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

15 Financial instruments continued

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 Company's and Consolidated Entity's income or the value of its holdings of 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 main types of market risk the Company and Consolidated Entity are exposed to is interest rate risk, arising from its interest bearing liabilities.

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.

Sources of risk and risk management strategies

The only material source of interest rate risk for the Company and Consolidated Entity is derived from their interest bearing liabilities. At 30 June 2008 the Consolidated Entity and Company has not entered into any interest rate swaps.

The table below shows the Company's and Consolidated Entity's direct exposure to interest rate risk at year end, including maturity dates.

Consolidated

	Fixed interest maturing in				Non-interest bearing	Total
	Floating rate \$'000	Less than 1 year \$'000	1 – 2 years \$'000	2 – 5 years \$'000	\$'000	\$'000
2008						
<i>Financial assets</i>						
Cash and cash equivalents	3,517	-	-	-	-	3,517
Trade and other receivables	-	-	-	-	1,162	1,162
	3,517	-	-	-	1,162	4,679
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	8,609	8,609
Provision for performance fee	-	-	-	1,631	-	1,631
Interest bearing liabilities	-	-	29,554	-	-	29,554
	-	-	29,554	1,631	8,609	39,794
2007						
<i>Financial assets</i>						
Cash and cash equivalents	23,984	-	-	-	-	23,984
Trade and other receivables	-	-	-	-	2,299	2,299
Financial derivatives	-	-	-	-	5	5
	23,984	-	-	-	2,304	26,288
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	10,024	10,024
Provision for performance fee	-	-	-	2,382	-	2,382
Interest bearing liabilities	-	20,000	-	-	-	20,000
	-	20,000	-	2,382	10,024	32,406

Notes to the Financial Statements continued

Multiplex Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

15 Financial instruments continued

Company	Fixed interest maturing in				Non-interest bearing \$'000	Total \$'000
	Floating rate \$'000	Less than 1 year \$'000	1 – 2 years \$'000	2 – 5 years \$'000		
2008						
<i>Financial assets</i>						
Cash and cash equivalents	268	-	-	-	-	268
Trade and other receivables	-	-	-	-	19,889	19,889
	268	-	-	-	19,889	20,157
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	282	282
	-	-	-	-	282	282
2007						
<i>Financial assets</i>						
Cash and cash equivalents	237	-	-	-	-	237
Trade and other receivables	-	-	-	-	34,995	34,995
	237	-	-	-	34,995	35,192
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	5,224	5,224
	-	-	-	-	5,224	5,224

Sensitivity analysis

Fair value sensitivity analysis

The Company or Consolidated Entity does not have any fixed rate financial assets or financial liabilities, and do not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss. The Consolidated Entity and the Company have no exposure to foreign exchange instruments.

Notes to the Financial Statements continued

Multiplex Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

15 Financial instruments continued

Fair value sensitivity for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	2008		2007	
	100 bp Profit and loss \$'000	100 bp Equity \$'000	100 bp Profit and loss \$'000	100 bp Equity \$'000
Increase in interest rates				
Consolidated Entity				
Cash and cash equivalents	10	10	32	32
Interest bearing liabilities	(197)	(197)	(421)	(421)
	(187)	(187)	(389)	(389)
Company				
Cash and cash equivalents	7	7	7	7
	7	7	7	7

	2008		2007	
	100 bp Profit and loss \$'000	100 bp Equity \$'000	100 bp Profit and loss \$'000	100 bp Equity \$'000
Decrease in interest rates				
Consolidated Entity				
Cash and cash equivalents	(10)	(10)	(32)	(32)
Interest bearing liabilities	197	197	197	(197)
	187	187	165	165
Company				
Cash and cash equivalents	(8)	(8)	(8)	(8)
	(8)	(8)	(8)	(8)

The fair value of derivatives for the Consolidated Entity as at 30 June 2007 was \$5,000 and a 1% change will not have a material effect on profit and loss or equity.

f. Fair values

Methods for determining fair values

A number of the Company's and Consolidated Entity's accounting policies and disclosures 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.

Derivatives

The fair value of forward exchange contracts is based on present value of future cash flows, discounted at the market rate of interest at the reporting date.

Non-derivative financial liabilities

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

Fair values versus carrying amounts

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

Notes to the Financial Statements continued

Multiplex Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

16 Reconciliation of cash flows from operating activities

	Consolidated 2008 \$'000	2007 \$'000	Company 2008 \$'000	2007 \$'000
Net profit for the year	1,517	9,526	7,386	8,623
Non cash items				
- Net fair value on derivatives	5	(5)	-	-
Operating profit before changes in working capital	1,522	9,521	7,386	8,623
Changes in operating assets and liabilities during the year:				
Decrease/(increase) in receivables	1,137	(1,771)	4,539	248
Decrease/(increase) in inventories	(13,221)	37,796	-	-
Decrease/(increase) in deferred tax asset	529	(446)	303	281
(Decrease)/increase in payables	2,034	5,160	(744)	(9,916)
(Decrease)/increase in tax liability	(4,622)	2,856	(4,622)	2,856
Net cash (from)/ provided by operating activities	(12,621)	53,116	6,862	2,092

17 Related parties

Manager

The Manager of the Company is Brookfield Multiplex Capital Management Limited (ABN 32 094 936 866) whose immediate and ultimate holding companies are Brookfield Multiplex Capital Pty Limited (ABN 34 103 114 441) and Brookfield Multiplex Limited (ABN 96 008 687 063) respectively.

Ultimate parent

Multiplex Acumen Vale Syndicate Limited holds 100% of the ordinary shares in Brookfield Multiplex Vale Landowner Pty Limited (previously Multiplex Acumen Vale Landowner Pty Limited). Multiplex Development and Opportunity Fund holds 49.58% of the ordinary shares in Multiplex Acumen Vale Syndicate Limited (and is the ultimate parent entity) through its 100% owned subsidiary Brookfield Multiplex DT Pty Limited.

Key management personnel

The Consolidated Entity does not employ personnel in its own right. All personnel are employed through the Manager Brookfield Multiplex Capital Management Limited. The Manager and the directors of Multiplex Acumen Vale Syndicate Limited are considered to be the Key Management Personnel. The directors of the Manager and Multiplex Acumen Vale Syndicate Limited are Robert Rayner, Robert McCuaig, Peter Morris, Ian O'Toole (resigned 31 October 2007), Rex Revan (resigned 31 January 2008) and Brian Molleram.

The Manager is entitled to a management services fee which is calculated as a proportion of the Subsidiary's aggregate gross revenues (refer below). This fee is payable by the Company.

The directors receive no compensation from either the Manager, entities related to the Manager or Multiplex Acumen Vale Syndicate Limited for their services to the Company.

Managers' Fees

In accordance with the Prospectus of the Company, Brookfield Multiplex Capital Management Limited is entitled to receive the following fees:

Management services fee

The Manager is entitled to a management service fee of 1.25% of the Company's aggregate gross revenues. Fees paid by the Company to the Manager for the period amounted to \$359,114 (2007: \$1,341,019).

Notes to the Financial Statements continued

Multiplex Acumen Vale Syndicate Limited

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For the year ended 30 June 2008

17 Related parties continued

Related party transactions

All transactions with related parties are conducted on normal commercial terms and conditions. All transactions require the unanimous approval of all Independent Directors.

Transactions with related parties (excluding controlled entities – see below) are set out below:

	Consolidated		Company	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Income Statement				
Fees paid to Brookfield Multiplex Limited and wholly owned subsidiaries:				
Sales, marketing and development fees	2,091	6,826	-	-
Management service fees paid directly by the Company	359	1,341	359	1,341
Balance Sheet				
Receivable from Brookfield Multiplex Limited Group	-	2,247	-	-
Management service fees payable	181	935	181	935
Distribution payable to MPX DT Pty Limited	-	2,083	-	2,083

Transactions with controlled entities

	Consolidated		Company	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Income Statement				
Dividends received from Brookfield Multiplex Vale Landowner Pty Ltd	-	-	7,700	9,700
Balance Sheet				
Receivable from Brookfield Multiplex Vale Landowner Pty Ltd	-	-	19,860	34,929

Related party shareholders

At the date of this report, no Director, Manager or related entity of the Company hold shares or other interests in the Company.

18 Contingent assets & liabilities

No contingent assets or liabilities existed at 30 June 2008 (30 June 2007: Nil).

19 Capital and other commitments

The Consolidated Entity has a commitment for inventory development costs according to the feasibility at 30 June 2008 of \$141.143m (2008: \$113,247m).

20 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 consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

Director's Declaration

Multiplex Acumen Vale Syndicate Limited

For the year ended 30 June 2008

In the opinion of the Directors of Multiplex Acumen Vale Syndicate Limited:

- a The financial statements and notes set out in pages 8 to 28 are in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the financial position of the Company and the Consolidated Entity as at 30 June 2008 and of their performance, for the financial year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- b The financial report also complies with International Financial Reporting Standards as disclosed in note 2(a);
- c There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Dated at Sydney, this 27 day of August 2008.



Brian Kingston
Director
Multiplex Acumen Vale Syndicate Limited

Independent auditor's report to the members of Multiplex Acumen Vale Syndicate Limited

Report on the financial report

We have audited the accompanying financial report of Multiplex Acumen Vale Syndicate Limited (the "Company"), which comprises the balance sheets as at 30 June 2008, and the income statements, statements of changes in equity and statements of cash flows for the year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 20 and the directors' declaration, of the Consolidated Entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the financial position of the Company and the Consolidated Entity, and of their performance.



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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion the financial report of Multiplex Acumen Vale Syndicate Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2008 and their performance for the period ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

KPMG

Tanya Gilerman
Partner

Sydney, NSW
27 August 2008