

Multiplex Development and Opportunity Fund
Financial report
For the period from
1 July 2019 to 6 March 2020

Multiplex Development and Opportunity Fund

ARSN 100 563 488

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Multiplex Development and Opportunity Fund

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Directory

Multiplex Development and Opportunity Fund

For the period 1 July 2019 to 6 March 2020

Prior to winding up the Fund on 6 March 2020, the following appointments were in place:

Responsible Entity

Brookfield Capital Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9158 5100
Facsimile: +61 2 9322 2001

Directors of Brookfield Capital Management Limited

F. Allan McDonald
Barbara Ward
Shane Ross

Company Secretary of Brookfield Capital Management Limited

Men Chiang

Registered Office of Brookfield Capital Management Limited

Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9158 5100
Facsimile: +61 2 9322 2001

Custodian

Brookfield Funds Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9158 5100
Facsimile: +61 2 9322 2001

Location of Share Registry

Boardroom (Victoria) Pty Limited
Level 7, 333 Collins Street
Melbourne, VIC 3000

All correspondence to:

GPO Box 3993
Sydney NSW 2001
Telephone: 1300 737 760
Facsimile: 1300 653 459
International
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664
www.boardroomlimited.com.au

Auditor

Deloitte Touche Tohmatsu (Deloitte)
Grosvenor Place
225 George Street
Sydney NSW 2000

Directors' Report

Multiplex Development and Opportunity Fund

For the period 1 July 2019 to 6 March 2020

Introduction

The Directors of Brookfield Capital Management Limited (ABN 32 094 936 866), the Responsible Entity of Multiplex Development and Opportunity Fund (ARSN 100 563 488) (Fund), present their report together with the financial statements of the Consolidated Entity, being the Fund and its subsidiaries and the Consolidated Entity's interest in associates for the period 1 July 2019 to 6 March 2020 and the Independent Auditor's Report thereon. Comparative information in this financial report is presented for the financial year ended 30 June 2019.

The Fund was constituted on 27 May 2002.

Wind-up of the Fund

On 7 November 2019, post the Fund's exit on its final investment in the Little Bay South development, the Board resolved to wind up the Fund. The Consolidated Entity was terminated on 6 March 2020.

Accordingly, the consolidated financial statements have been prepared on a non-going concern basis.

Responsible Entity

The Responsible Entity of the Fund is Brookfield Capital Management Limited (BCML). The registered office and principal place of business of the Responsible Entity is Level 22, 135 King Street, Sydney NSW 2000.

Directors

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

Name	Capacity
F. Allan McDonald	Non-Executive Independent Chairman
Barbara Ward	Non-Executive Independent Director
Shane Ross	Executive Director

Principal activities

Prior to the termination of the Consolidated Entity, the principal activity of the Consolidated Entity was to resolve the outstanding commercial issues in the Little Bay South development.

Review of operations

The Consolidated Entity recorded a net loss before income tax of \$10,599 for the period ended 6 March 2020. (2019: profit \$19,636).

Significant changes in the state of affairs

The Fund has ceased operations and cancelled its units on issue. In the opinion of the Directors, there were no other significant changes in the state of affairs of the Consolidated Entity that occurred for the period from 1 July 2019 to 6 March 2020, other than those disclosed in this report or in the consolidated financial statements.

Events subsequent to the reporting date

Other than the wind-up of the Consolidated Entity, there are no matters or circumstances which have arisen since the end of the financial period 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.

Likely developments

Information on likely developments in the operations of the Consolidated Entity is not applicable as the Consolidated Entity was terminated on 6 March 2020.

Return of capital

As part of the wind-up process, the Consolidated Entity declared the following return of capital:

2020	Cents per unit	Total amount \$	Date of payment
Income units			
Final	0.8233	1,344,717	5 March 2020
Total returns of capital to income unitholders for the period ended 6 March 2020	0.8233	1,344,717	

No distributions or returns of capital were declared or paid during the financial year ended 30 June 2019.

Directors' Report continued

Multiplex Development and Opportunity Fund

For the period 1 July 2019 to 6 March 2020

Indemnification and insurance of Directors and Company Secretary

Under deeds of access and indemnity, Brookfield Australia Investments Limited or Brookfield Australia Pty Ltd has agreed to indemnify the Directors and Company Secretary of the Fund, to the extent permitted by law, against:

- liabilities incurred as Director or Company Secretary of the Fund, except for those liabilities incurred in relation to the matters set out in section 199A(2) of the *Corporations Act 2001*; and
- reasonable legal costs incurred in defending an action for a liability as Director or Company Secretary of the Fund, except for costs incurred in relation to matters set out in section 199A(3) of the *Corporations Act 2001* (the "Indemnity").

The Indemnity is satisfied by maintenance of a global directors' and officers' insurance policy, which policy prohibits certain disclosures in relation to the nature of the liability covered and the amount of the premium, however, it can be disclosed that the policy does not insure against liabilities arising out of matters including, but not limited to:

- fraudulent, dishonest or criminal acts or omissions and improper personal profit or advantage;
- violation of *US Securities Act 1993*;
- losses for which coverage under a different kind of insurance policy is readily available such as, liability insurance, employment practices liability and pollution liability (there can be limited coverage for some of these exposures); and
- claims made by a major unit holder (threshold is ownership of 10% or greater).

The obligation to effect, maintain and pay the premium of the global director's and officers' insurance policy continues for a period of seven years after the Director or Company Secretary of the Fund has left office, to the extent such coverage is available with reasonable terms in the commercial insurance marketplace.

The Fund has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Fund or any related body corporate against a liability incurred as such an officer or auditor.

Lead auditor's independence declaration under Section 307C of the *Corporations Act 2001*

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the period ended 6 March 2020.

Dated at Sydney this 9th day of March 2020.

Signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the *Corporations Act 2001*.



Shane Ross

Director

Brookfield Capital Management Limited

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

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Sydney NSW 2000
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The Board of Directors
Brookfield Capital Management Limited
(as Responsible Entity for Multiplex Development and Opportunity Fund)
Level 22, 135 King St
Sydney NSW 2000

9 March 2020

Dear Directors

Multiplex Development and Opportunity Fund

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Brookfield Capital Management Limited as the Responsible Entity of Multiplex Development and Opportunity Fund.

As lead audit partner for the review of the financial statements of Multiplex Development and Opportunity Fund for the period ended 6 March 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU.

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountant

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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Multiplex Development and Opportunity Fund

For the period 1 July 2019 to 6 March 2020

	Note	Consolidated Period ended 6 March 2020 \$	Year ended 30 June 2019 \$
Revenue and other income			
Interest income		2,550	12,410
Share of net profit of investments accounted for using the equity method	8	–	9,234
Other income		4,089	–
Total revenue and other income		6,639	21,644
Expenses			
Share of net loss of investments accounted for using the equity method	8	6,781	–
Other expenses		10,457	2,008
Total expenses		17,238	2,008
Net (loss)/profit before income tax		(10,599)	19,636
Income tax expense		–	–
Net (loss)/profit after tax		(10,599)	19,636
Finance costs attributable to unitholders:			
Decrease/(increase) in net assets attributable to ordinary unitholders		10,599	(19,636)
Net profit for the period		–	–
Other comprehensive income attributable to:			
Ordinary unitholders		–	–
Total comprehensive income for the period		–	–

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

Multiplex Development and Opportunity Fund

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As at 6 March 2020

	Note	Consolidated 6 March 2020 \$	30 June 2019 \$
Current assets			
Cash and cash equivalents		–	1,027,047
Trade and other receivables		–	66
Investment accounted for using the equity method	8	–	330,217
Total current assets		–	1,357,330
Total assets		–	1,357,330
Current liabilities			
Trade and other payables		–	2,014
Total current liabilities		–	2,014
Total liabilities (excluding liability to unitholders)		–	2,014
Net assets attributable to ordinary unitholders - Liability	9	–	1,355,316

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

Consolidated Statement of Changes in Equity

Multiplex Development and Opportunity Fund

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For the period 1 July 2019 to 6 March 2020

As the Consolidated Entity has no equity, the financial statements do not include a Consolidated Statement of Changes in Equity for the current or comparative year.

Consolidated Statement of Cash Flows

Multiplex Development and Opportunity Fund

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For the period 1 July 2019 to 6 March 2020

	Note	Consolidated	
		Period ended 6 March 2020 \$	Year ended 30 June 2019 \$
Cash flow from operating activities			
Cash receipts in the course of operations		4,087	–
Cash payments in the course of operations		(12,402)	(445)
Interest received		2,550	12,410
Net cash (outflows)/inflows from operating activities	10	(5,765)	11,965
Cash flows from investing activities			
Return of capital and dividends from associates		323,435	–
Net cash inflows from investing activities		323,435	–
Cash flows from financing activities			
Return of capital paid		(1,344,717)	–
Net cash outflows from financing activities		(1,344,717)	–
Net (decrease)/increase in cash and cash equivalents		(1,027,047)	11,965
Cash and cash equivalents at beginning of period/year		1,027,047	1,015,082
Cash and cash equivalents at period/year end		–	1,027,047

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

Notes to the Consolidated Financial Statements

Multiplex Development and Opportunity Fund

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For the period 1 July 2019 to 6 March 2020

1 Reporting entity

Multiplex Development and Opportunity Fund (Fund) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Capital Management Limited (BCML), the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The consolidated financial statements of the Fund as at and for the period from 1 July 2019 to 6 March 2020 comprise the Fund and its subsidiaries and the Consolidated Entity's interest in associates.

2 Basis of preparation

a Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASB) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements of the Consolidated Entity and the Fund comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Boards (IASB). For the purpose of preparing the consolidated financial statements the Fund is a for profit entity.

The financial statements were authorised for issue by the Directors on this 9th day of March 2020.

b Basis of measurement

Non going concern

On 7 November 2019, post the Fund's exit on its final investment in the Little Bay South development, the Board resolved to wind up the Fund. The Consolidated Entity was terminated on 6 March 2020.

Consequently, the going concern basis of preparation is not appropriate and the consolidated financial statements have therefore been prepared on a non-going concern basis for the period ended 6 March 2020.

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

The comparative period is for the year ended 30 June 2019.

c New and amended standards adopted

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2019 that have a material impact on the Consolidated Entity.

d 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.

There are no critical estimates or judgements as at the period ended 6 March 2020.

Notes to the Consolidated Financial Statements

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Multiplex Development and Opportunity Fund

For the period 1 July 2019 to 6 March 2020

3 Significant accounting policies

As a result of the termination of the Fund, the going concern basis of preparation is not appropriate and the consolidated financial statements have therefore been prepared on a non-going concern basis for the period ended 6 March 2020. The significant accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, with the exception of all assets and liabilities for the current financial period.

a Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Fund and its subsidiaries. Control of an entity is achieved where the Fund is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to significantly affect those returns through its power to direct the activities of the entity.

The results of the subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income 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 Fund, intra-group transactions (common control transactions) are generally accounted for by reference to the existing carrying value of the items. Where the transaction value of common control transactions differs from their carrying value, the difference is recognised as a contribution by or distribution to equity participants by the transacting entities.

In the Fund's financial statements, investments in controlled entities are carried at cost less impairment, if applicable.

Non-controlling interests in subsidiaries are identified separately from the Consolidated Entity's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Consolidated Entity's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Consolidated Entity's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to unitholders.

When the Consolidated Entity loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between the aggregate of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

b Revenue recognition

Dividends and distributions

Dividends and distributions received from equity accounted investees reduce the carrying amount of the investment of the Consolidated Entity in that equity accounted investee and are not recognised as revenue.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

c Cash and cash equivalents

For purposes of presentation in the Consolidated Statement of Cash Flows, 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 and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

continued

Multiplex Development and Opportunity Fund

For the period 1 July 2019 to 6 March 2020

3 Significant accounting policies continued**d 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 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 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 these 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.

e Tax consolidation

The Fund and its wholly-owned Australian resident subsidiaries have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is the Fund.

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 head entity 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 head entity as an equity contribution or distribution.

The head entity 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.

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 Consolidated Financial Statements

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Multiplex Development and Opportunity Fund

For the period 1 July 2019 to 6 March 2020

3 Significant accounting policies *continued*

f Associates

The Consolidated Entity's investments in associates are accounted for using the equity method of accounting in the consolidated financial statements. An associate is an entity in which the Consolidated Entity has significant influence, but not control, over their financial and operating policies.

Under the equity method, investments in associates are carried in the Consolidated Statement of Financial Position at cost plus post-acquisition changes in the Consolidated Entity's share of net assets of the associates. After application of the equity method, the Consolidated Entity determines whether it is necessary to recognise any additional impairment loss with respect to the Consolidated Entity's net investment in the associates. The Consolidated Statement of Profit or Loss and Other Comprehensive Income reflects the Consolidated Entity's share of the results of operations of the associates.

When the Consolidated Entity's share of losses exceeds its interest in an associate, the Consolidated Entity's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Consolidated Entity has incurred legal or constructive obligations or made payments on behalf of an associate.

Where there has been a change recognised directly in the associate's equity, the Consolidated Entity recognises its share of changes.

Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Consolidated Entity's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Gains and losses are recognised when the contributed assets are consumed or sold by the associate.

g Distributions

A provision for distribution is recognised in the Consolidated Statement of Financial Position if the distribution has been declared prior to period end. 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 Consolidated Statement of Cash Flows.

h Net assets attributable to unitholders

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

i 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 Consolidated Entity, less any incremental costs directly attributable to the issue of new units.

j New standards and interpretations not yet adopted

AASB 16 *Leases*

AASB 16 *Leases* replaces existing guidance, including AASB 117 *Leases* and IFRIC 4 *Determining whether an Arrangement contains a Lease*. AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019. The revised lease standard sets out a comprehensive model for identifying lease arrangements and subsequent measurement.

Under the new standard, the lessee is required to recognise all right-of-use assets and corresponding lease liabilities on the balance sheet, with the exception of short term and low value leases. The right-of-use asset reflects the lease liability, direct costs and any adjustments for lease incentives or restoration. The lease liability is the net present value of future lease payments for the lease term, which incorporates any options reasonably expected to be exercised. The contracted cash flows are separated into principal repayments and interest components, using the effective interest rate method. Depreciation expense on the right-of-use asset and interest expense on the lease liability will now be recognised instead of a rental expense.

As at 6 March 2020, the Consolidated Entity does not have any non-cancellable operating lease commitments or any finance lease where the Consolidated Entity is a lessee. Hence, the directors do not anticipate that the application of AASB 16 will have a significant impact on the amounts recognised in the Fund's financial statements.

Notes to the Consolidated Financial Statements

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Multiplex Development and Opportunity Fund

For the period 1 July 2019 to 6 March 2020

4 Parent entity disclosures

	Fund 6 March 2020 \$	30 June 2019 \$
Assets		
Current assets	–	40,499,754
Total assets	–	40,499,754
Liabilities		
Current liabilities	–	39,916,465
Total liabilities	–	39,916,465
Net assets attributable to unitholders		
Units on issue	–	21,870,595
Undistributed losses	–	(21,287,306)
Net assets attributable to unitholders	–	583,289

	Fund Period ended 6 March 2020 \$	Year ended 30 June 2019 \$
Net profit for the period/year	761,428	10,403
Total comprehensive profit for the period/year	761,428	10,403

5 Auditors' remuneration

	Consolidated Period ended 6 March 2020 \$	Year ended 30 June 2019 \$
Auditors of the Fund:		
Audit and review of financial reports	15,500	19,100
Total auditor's remuneration	15,500	19,100

Fees paid to the auditors of the Fund in relation to compliance plan audits are borne by the Responsible Entity.

Notes to the Consolidated Financial Statements

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Multiplex Development and Opportunity Fund

For the period 1 July 2019 to 6 March 2020

6 Income tax

	Consolidated	
	6 March 2020	30 June 2019
	\$	\$
Current tax benefit		
Current period tax expense	-	-
Total current tax expense	-	-
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Total deferred tax expense	-	-
Total income tax expense reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income		-
Income tax expense		
<i>Numerical reconciliation between tax expense and pre-tax net profit</i>		
Net (loss)/profit after tax	(10,599)	19,636
Total income tax expense	-	-
Net (loss)/profit before income tax	(10,599)	19,636
Prima facie income tax benefit/(expense) using the Fund's tax rate of 30% (2019: 30%)	3,180	(5,891)
Effect of tax losses and other temporary differences not recognised as deferred tax assets	(3,180)	5,891
Total income tax expense reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	-	-

In accordance with AASB 112 Income taxes, a deferred tax asset of \$7,967,909 (2019: \$7,966,776) in respect of tax losses has not been recognised by the Consolidated Entity as it has been determined that realisation of this asset in the foreseeable future is not probable.

7 Return of capital

As part of the wind-up process, the Consolidated Entity declared the following return of capital:

2020	Cents per unit	Total amount \$	Date of payment
Income units			
Final	0.8233	1,344,717	5 March 2020
Total returns of capital to income unitholders for the period ended 6 March 2020	0.8233	1,344,717	

No distributions or returns of capital were declared or paid during the financial year ended 30 June 2019.

Notes to the Consolidated Financial Statements

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Multiplex Development and Opportunity Fund

For the period 1 July 2019 to 6 March 2020

8 Investment accounted for using the equity method

	Consolidated		Consolidated	
	Period ended 6 March 2020	Year ended 30 June 2019	Period ended 6 March 2020	Year ended 30 June 2019
	Ownership	Ownership	Ownership	Ownership
	\$	\$	\$	\$
Little Bay South Developer Pty Limited	–	–	50%	330,217

	Consolidated	
	6 March 2020	30 June 2019
	\$	\$
Share of net (loss)/profit for the period/year from investments accounted for using the equity method	(6,781)	9,234

Little Bay South Developer's (LBS Developer) place of incorporation and principal place of business is Australia. Its principal activity is direct or indirect development of residential properties.

A summary of financial information for the period ended 6 March 2020 for investment in LBS Developer and its subsidiaries and comparative prior year, not adjusted for the percentage ownership held by the Consolidated Entity, is detailed below:

	Period ended 6 March 2020	Year ended 30 June 2019
	\$	\$
Current assets	–	420,546
Total assets	–	420,546
Current liabilities	–	7,775
Total liabilities	–	7,775
Net assets	–	412,771

	Period ended 6 March 2020	Year ended 30 June 2019
	\$	\$
Opening net assets 1 July	412,771	401,229
Net (loss)/profit for the year	(8,476)	11,542
Capital reduction and dividends paid by LBS	(404,295)	–
Closing net assets	–	412,771
Consolidated Entity's share in (%)	80%	80%
Consolidated Entity's share in (\$)	–	330,217
Total investment accounted for using the equity method	–	330,217

	Period ended 6 March 2020	Year ended 30 June 2019
	\$	\$
Revenues	796	13,042
Expenses	(9,272)	(1,500)
Income tax expense	–	–
Net profit/(loss) after income tax for the period/year	(8,476)	11,542
Other comprehensive income for the period/year	–	–
Total comprehensive (loss) / profit for the period/year	(8,476)	11,542

The Consolidated Entity owned 50% of the ordinary shares and 80% of the Class A shares in LBS Developer. The Consolidated Entity was entitled to 80% of the profit or loss of LBS Developer. The Consolidated Entity's share of net loss in its equity accounted investment for the period was \$6,781 (net profit for the full year ended 30 June 2019: \$9,234).

Any additional contributions are made on an 80/20 basis (the Fund 80% and Brookfield group 20%) in accordance with the terms of the shareholders agreement.

Notes to the Consolidated Financial Statements

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Multiplex Development and Opportunity Fund

For the period 1 July 2019 to 6 March 2020

9 Net assets attributable to unitholders

On the 26 November 2019, the Consolidated Entity received its final return of capital from its investment in the Little Bay South Developer Pty Limited (LBS Developer). Post receiving this the Consolidated Entity disposed of its interest in the Little Bay South Developer for a nominal amount to a Brookfield related party. Net assets attributable to unitholders.

	Consolidated	
	Period ended 6 March 2020 \$	Year ended 30 June 2019 \$
Units on issue	21,870,597	21,870,597
Undistributed losses	(20,525,880)	(20,535,281)
Closing balance immediately prior to cancellation of units on issue	1,344,717	1,335,316
Cancellation of units on issue	(1,344,717)	-
Closing balance	-	1,335,316
Opening balance of net assets attributable to unitholders	1,335,316	1,335,680
Net (loss)/profit from operation before distributions to unitholders	(10,599)	19,636
Closing net assets attributable to unitholders immediately prior to cancellation of units on issue	1,344,717	1,335,316
Cancellation of units on issue	(1,344,717)	-
Closing balance of net assets attributable to unitholders	-	1,335,316

Units on issue

Date	Details	Units	\$
6 March 2020	Closing balance	-	-
30 June 2019	Closing balance	163,336,831	21,870,597

Ordinary units

The units of the Fund were cancelled on 6 March 2020.

10 Reconciliation of cash flows from operating activities

	Consolidated	
	Period ended 6 March 2020 \$	Year ended 30 June 2019 \$
Net (loss)/profit for the year	(10,599)	19,636
Adjustments for:		
<i>Investing activities</i>		
Share of net loss/(profit) of equity accounted investment	6,781	(9,234)
Operating loss before changes in working capital	(3,818)	10,402
<i>Changes in assets and liabilities during the year:</i>		
Decrease in trade and other receivables	66	551
Increase/(decrease) in trade and other payables	(2,013)	1,012
Net cash flow used in operating activities	(5,765)	11,965

11 Related parties

Responsible Entity

The Responsible Entity of the Fund is Brookfield Capital Management Limited.

Key management personnel

The Fund is required to have an incorporated Responsible Entity to manage the activities of the Fund. The Directors of the Responsible Entity are key management personnel of that entity.

F. Allan McDonald
Barbara Ward
Shane Ross

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

Notes to the Consolidated Financial Statements

continued

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Multiplex Development and Opportunity Fund

For the period 1 July 2019 to 6 March 2020

11 Related parties continued

Responsible Entity's fees and other transactions

Reimbursement of expenses

The Responsible Entity is entitled to claim reimbursement for most expenses incurred in the operation of the Fund, however has undertaken to limit the expenses it claims to 0.30% per annum of the gross asset value of the Fund.

Set out below is a summary of all transactions and balances with related parties.

	Consolidated	
	6 March 2020	30 June 2019
	\$	\$
Transactions with the Responsible Entity		
Management fees	–	–
Expense recoveries	(3,910)	(4,142)
Management fee payable	–	–
Expense recovery payable	–	(2,014)
Transactions with related parties of the Responsible Entity		
Capital reduction received from LBS Developer	(323,435)	–

Related party unitholders

The interests of related party unitholders in the Fund at period end are set out below:

	6 March 2020	30 June 2019
	Number Held	Number Held
Brookfield Funds Management Limited as custodian for BAO Trust	9,320,388	9,320,388
Brookfield Capital Management Limited	20,582,496	20,582,496

12 Investment in controlled entities

	Principal place of business / country of incorporation	Ownership and voting rights 6 March 2020	Ownership and voting rights 30 June 2019
Directly held subsidiaries			
Multiplex Residential Communities No 2 Pty Ltd	Australia	–	100%
Indirectly held subsidiaries			
MDOF Little Bay South Holdings Pty Ltd	Australia	–	100%
Brookfield MDOF LBS Landowner Pty Ltd	Australia	–	100%

The principal activity of all of the above entities is direct and indirect property investment.

13 Contingent assets and liabilities

The Consolidated entity has no contingent assets or liabilities at 6 March 2020 (2019: nil).

14 Capital and other commitments

The Consolidated entity has no capital or other commitments at 6 March 2020 (2019: nil).

15 Events subsequent to reporting date

Other than the wind-up of the Fund, there are no matters or circumstances which have arisen since the end of the financial period 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' Declaration

Multiplex Development and Opportunity Fund

For the period 1 July 2019 to 6 March 2020

In the opinion of the Directors of Brookfield Capital Management Limited, as Responsible Entity of Multiplex Development and Opportunity Fund:

- a The consolidated financial statements and notes, set out in pages 11 to 19, are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of the Consolidated Entity as at 6 March 2020 and of its 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*.
 - iii complying with International Financial Reporting Standards, as stated in Note 2 to the consolidated financial statements.

Signed in accordance with a resolution of the Directors of Brookfield Capital Management Limited required by Section 295(5) of the *Corporations Act 2001*.

Dated at Sydney this 9th day of March 2020.



Shane Ross
Director
Brookfield Capital Management Limited

Independent Auditor's Report to the Unitholders of Multiplex Development and Opportunity Fund

Opinion

We have audited the financial report of Multiplex Development and Opportunity Fund (the "Fund") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 6 March 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 6 March 2020 and of its financial performance for the period then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report included in the Group's financial report for the period ended 6 March 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, as they apply on a non-going concern basis as disclosed in Note 2 to the financial statements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern. As disclosed in Note 2, the financial report has been prepared on a non-going concern basis due to the termination of the Group on 6 March 2020.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the non-going concern basis of accounting. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

A. COLEMAN

Andrew J Coleman
Partner
Chartered Accountant
Sydney, 9 March 2020