



Manager of Australia's First Listed Flexible Property Security

Who We Are

BlackWall is a fund manager with capabilities across investment, asset, development and property management. This integrated offering means we see opportunities where others don't.

We put our money where our mouth is, and hold strategic positions in the funds that we manage – the largest being Australia's first listed flexible property security, WOTSO Property (ASX:WOT). We have a close-knit and diverse team of individuals who take an entrepreneurial approach to growing the BlackWall business and brand.



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Directors' Report

BlackWall Limited will pay a final dividend of 2.6 cents per share bringing the full year dividend to 5.0 cents per share.

BlackWall Limited (BlackWall, BWF or the Group) is now a simple business. We generate annuity income from the real estate investment structures that we manage. This income comes in the forms of management, transactional and performance fees as well as distribution income from the strategic investments we hold in our funds. We aim to grow our assets under management and therefore our fee income which results in dividend growth for our shareholders.

Our dividends over the past 5 years are shown below. Over this period our total shareholder return has averaged 18% p.a. The final dividend declared of 2.6 cps brings our full year dividend to 5.0 cps. This reflects a yield of 10% on a share price of \$0.52, rising to 12% when franking is included.

Dividends	2021	2020	2019	2018	2017
Interim	\$0.024	\$0.020	\$0.020	\$0.019	\$0.018
Final	\$0.026*	\$0.021	\$0.021	\$0.021	\$0.018
Total	\$0.050	\$0.041	\$0.041	\$0.040	\$0.036

*To be paid on 15 September 2021.

Review of Financial Performance

	2021 \$'000	2020 \$'000
Operating Income	6,234	6,285
Investment Income	1,558	4,395
Revenue	7,792	10,680
Expenses	(3,893)	(4,798)
Net Profit from Continuing Operations	3,899	5,882
Tax Expense	(845)	(1,590)
Net Profit after Tax from Continuing Operations	3,054	4,292

Net profit after tax from continuing operations was \$3.1 million in 2021, a decrease of \$1.2 million from 2020. However, this was largely driven by the decrease in non-cash investment income as a result of a one-off gain on the WOTSO demerger in 2020 (\$2.7 million). This aside, BWF's profitability has improved with operating revenue staying flat and expenses decreasing by \$0.9 million. Expenses have decreased due to a reduction in headcount as a result of the WOTSO demerger and a reduction in associated overheads. This has been a major driver in operating cash flows rising 42% to \$3.8 million.

Key Numbers



Financial

10%

dividend yield on price of 52 cps

18% p.a.

5 year total shareholder return

5 cps

fully franked dividend for the year, up 22%

\$3.8 million

operating cash flow



Operational

3

new properties acquired

130,000 sqm

of managed space



Corporate Social Responsibility

7

disability employment service employees

\$160,000

in contributions to not for profits since 2019 from the managed group

The Year that Was

“ The year started and ended in lockdown for much of Australia, yet BlackWall and its funds took some significant steps forward and are well positioned for the future. ”

Seph Glew, Chairman



Formation of WOTSO Property

The stapling of BlackWall Property Trust (BWR) to WOTSO Limited to form Australia's first listed flexible property vehicle, WOTSO Property, was successfully completed in February 2021. Following the acquisition of 3 new assets in the last 6 months, WOT owns over 87,000 sqm of property and operates nearly 37,000 sqm of flexible workspaces under the WOTSO brand. Property valuations grew by \$8.4 million, whilst net debt is at a modest 25%. We continue to look for acquisition opportunities focusing on suburban and regional assets that would suit the WOTSO flexi property offering.

The WOTSO WorkSpace business experienced healthy growth in its turnover as it recovered from the initial COVID restrictions. Its annualised turnover reached \$21 million in June 2021, some 30% above its pre-COVID levels. WOTSO's suburban focus has benefitted from the shift to flexible work practices and its near to home solution is helping businesses of all sizes adapt to these new workforce trends. The most recent lockdowns in Australia are having an effect on turnover as WOTSO again provides support to its members via a 'penalty-free' suspension policy. However, this is somewhat mitigated by government assistance being granted through payroll support and rent relief packages. Once restrictions ease, we expect to see WOTSO's revenue numbers quickly bounce back as they did last year. Further information on WOT can be found in its Annual Report.



Growth in management portfolio

We have grown our area under management to 130,000 sqm following the acquisition of 3 new properties in the last 6 months, 1 in Brookvale, NSW and 2 in Newcastle, NSW. We have also overseen the development of existing assets, namely the properties at North Strathfield, NSW and Fortitude Valley, QLD, which has seen an increase of approximately 1,600 sqm in net lettable area (NLA) and improvement of the assets.



Penrith Fund Completion

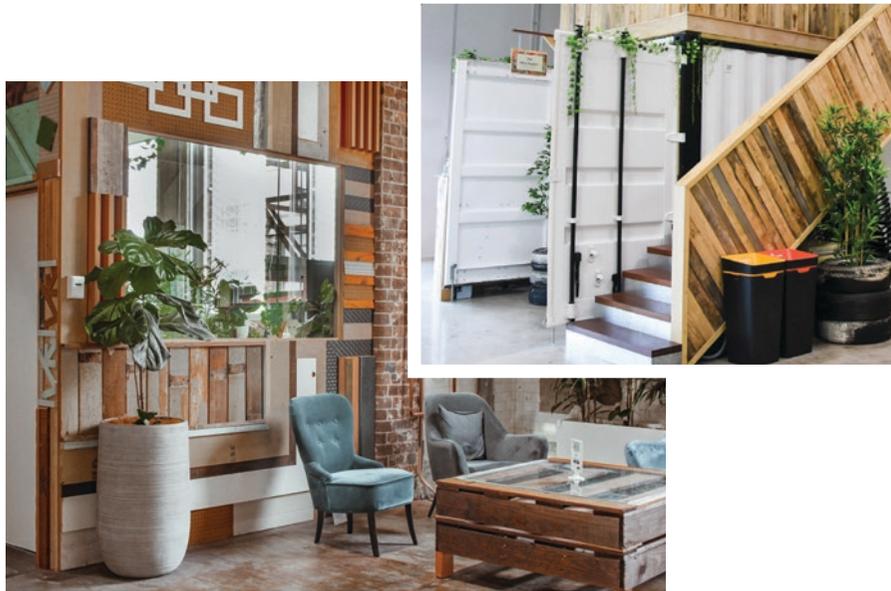
The PIPES Mortgage fund, secured against the property at 120 Mulgoa Rd, Penrith, came to the end of its 7 year period in December 2020. The fund paid annual distributions of 9% through its life and a final bonus of 16% bringing its total internal rate of return to 11%. The property also joined WOT as part of the stapling. BlackWall received performance fees of \$1,031,000. We think the PIPES structure will be applicable to future opportunities and remains attractive to investors as it allows participation in the capital growth of an asset whilst receiving fixed distributions.

What Being a Good Corporate Citizen Means to Us

It has become standard practice to comment on Corporate Social Responsibility (CSR) in Annual Reports. To us, CSR is about “doing the right thing” and this is what guides our corporate behaviour. Our COVID relief packages to our tenants and members reflected this and have resulted in the provision of \$4.8 million in rent relief since the start of the pandemic. We prefer to put into place smaller, more tangible programmes and practices rather than set grandiose goals such as “carbon neutrality”. Some examples of what we mean are below.

Sustainable Fit Outs

Walk into any WOTSO site and you will immediately know you are in one. Why? Our reuse of materials. We’ve been known to turn go-kart tyres into lights, computer floor tiling into walls or server racks into tables. We upcycle, reuse and as a result reduce waste in all of our buildings. It has also helped set the “vibe” for WOTSO’s flexible spaces and communities. The workspaces are homely and the community created tends to be a supportive one as a result.



COVID and The Year Ahead

As we all continue to suffer from pandemic fatigue, we are firmly of the view that wide-spread vaccination is the only path out of COVID. WOTSO’s Vaccine for Caffeine incentive programme is our way of encouraging and supporting Australia’s vaccination efforts. WOTSO members who have received at least one vaccine dose will have the chance to win a share of \$27,000 worth of vouchers to spend at their favourite local cafe, restaurant or business. Hopefully, by the time we are writing our half year report, life will be somewhat returning to normal. As a business, we are well placed across the board for what comes next and are confident that our flexible property strategy will allow us to capitalise on opportunities in a unique market.

Tim Brown and Jessie Glew (Joint Managing Directors)

Charity and Not for Profit Support

There are thousands of worthy not for profits deserving of resources, which makes the decision of who and how to support them a difficult one. We commit to a small group of organisations that have a personal affiliation with our leaders and staff. We have long lasting relationships with local sporting groups and charities such as The Kid’s Cancer Project (TKCP). We like engaging with groups that our staff can be involved in as well. In September all of our staff and WOTSO sites are participating in the TKCP Better Challenge (betterchallenge.org.au) to run walk or roll 90km.



Employee Development

Across our businesses we have a young workforce. The newly established BlackWOT Academy gives our employees access to personal development courses that are not related to their employment. The goal is for our employees to grow personally as well as professionally. Sometimes this may even lead to a career change, something that we would support as we recognise the long-term benefits for our business and that individual.

We are particularly proud of our Disability Employment Service initiative in which many of our WOTSO sites now participate. We have 7 employees (and growing) who each have a real impact on the WOTSO communities they work within.

Financial Statements

Statement of Profit or Loss and other Comprehensive Income for the year ended 30 June 2021

	Note	2021 \$'000	Restated* 2020 \$'000
REVENUE			
BlackWall			
Management fees	3	5,107	4,725
Performance and transaction fees	3	339	598
Staff payroll recovery	3	284	737
Government COVID stimulus	2	504	225
Total BlackWall		6,234	6,285
Investments			
Unrealised gain	4	1,567	4,308
Share of net (loss) / profit of equity accounted investment	22	(14)	72
Other investment income		5	15
Total Investments		1,558	4,395
Total Revenue		7,792	10,680
EXPENSES			
Operating expenses	5	(3,699)	(4,594)
Depreciation - right of use asset		(118)	(73)
Depreciation - property, plant and equipment	9	(51)	(107)
Finance costs - lease liability interest		(21)	(16)
Finance costs - interest expense		(4)	(8)
Total Expenses		(3,893)	(4,798)
Profit Before Income Tax From Continuing Operations		3,899	5,882
Income tax expense	6	(845)	(1,590)
Profit After Tax From Continuing Operations		3,054	4,292
Discontinued operation - WOTSO Franchise	16	(25)	(75)
Discontinued operation - WOTSO Limited		-	1,195
Discontinued operation - Kirela		-	(876)
Profit for the Year		3,029	4,536
Other comprehensive income		-	-
Profit and Other Comprehensive Income		3,029	4,536
Profit and Other Comprehensive Income Attributable to:			
Owners of the Company		3,029	4,536
Non-controlling Interests		-	-
		3,029	4,536
Earnings Per Share			
Profit Attributable to the Ordinary Equity Holders:			
Basic and diluted earnings per share	18	4.8 cents	7.2 cents
Basic and diluted earnings per share (continuing operations)	18	4.8 cents	6.8 cents

*2020 restated for WOTSO Franchise discontinued operation.

Balance Sheet at 30 June 2021

	Note	2021 \$'000	2020 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		3,133	2,724
Trade and other receivables	7	332	548
Performance fee receivable	3	-	598
Provision for tax receivable	15	-	354
Total Current Assets		3,465	4,224
Non-current Assets			
Investments	8	22,602	20,206
Investment using equity method	22	58	72
Right of use lease asset	10	579	2,308
Property, plant and equipment	9	141	725
Total Non-current Assets		23,380	23,311
Total Assets		26,845	27,535
LIABILITIES			
Current Liabilities			
Trade and other payables	11	482	517
Right of use lease liability	14	132	624
Provision for employee benefits	12	390	335
Provision for tax payable	15	396	-
Deferred rent payable		-	62
Tenant deposits		-	20
Total Current Liabilities		1,400	1,558
Non-current Liabilities			
Deferred tax liabilities	13	2,870	2,373
Right of use lease liability	14	464	1,699
Provision for employee benefits	12	114	96
Total Non-current Liabilities		3,448	4,168
Total Liabilities		4,848	5,726
Net Assets		21,997	21,809
EQUITY			
Share capital		14,080	14,080
Reserves		73	73
Retained earnings		7,844	7,656
Total Equity		21,997	21,809
Statutory net assets per share		\$0.35	\$0.35

Statement of Cash Flows for the year ended 30 June 2021

	Note	2021 \$'000	Restated* 2020 \$'000
Cash Flows From Operating Activities (continuing)			
Management fee receipts		6,761	8,303
Government COVID stimulus	2	504	165
Income tax refund / (paid)		370	(1,079)
Payroll recovery receipts		284	737
Bank interest received		4	8
Payments to suppliers and employees		(4,133)	(5,466)
Interest paid		(4)	(8)
Net Cash Flows From Operating Activities (continuing)		3,786	2,660
Cash Flows From Investing Activities (continuing)			
Returns of capital from BWR investment		804	804
Proceeds on disposal of WOTSO Franchise (net of cash disposed)	16	428	-
Investment in WOTSO Property		(1,633)	-
Payment for property, plant and equipment	9	(28)	(25)
Loans paid		-	(858)
Investment in WOTSO Limited		-	(6,852)
Cash leaving group on disposal of Kirela		-	(13)
Net Cash Flows From Investing Activities (continuing)		(429)	(6,944)
Cash Flows From Financing Activities (continuing)			
Dividends paid to shareholders	17	(2,841)	(2,588)
Repayment of right of use leases		(129)	(81)
Net Cash Flows From Financing Activities (continuing)		(2,970)	(2,669)
Net Increase in Cash Held (continuing)		387	(6,953)
Reconciliation of Cash Balances:			
Cash and cash equivalents at the beginning of the year		2,724	11,493
Less WOTSO Limited cash balance reclassified as held for sale		-	(50)
Net increase / (decrease) in cash held - continuing		387	(6,953)
Net increase / (decrease) in cash held - WOTSO Franchise		22	50
Net increase / (decrease) in cash held - Kirela		-	(1,816)
Cash at End of the Year		3,133	2,724

All items inclusive of GST where applicable.

*Refer to Note 27 for further information.

Reconciliation of Operating Cash Flows

	2021 \$'000	2020 \$'000
Profit for the Year (continuing)	3,054	4,292
Non-Cash Flows in Profit:		
Unrealised gains	(1,567)	(4,308)
Depreciation on right of use lease asset	118	73
Depreciation on property, plant and equipment	51	107
Interest expense on lease liability	21	16
Equity accounted profit - IndigoBlack	14	(72)
Changes in Operating Assets and Liabilities:		
Decrease / (increase) in trade and other receivables	807	2,438
Increase / (decrease) in deferred tax liabilities	465	1,643
Increase / (decrease) in trade and other payables	-	(358)
Increase / (decrease) in income taxes payable	750	(1,132)
Increase / (decrease) in provisions	73	(39)
Net Cash Flows from Operating Activities (continuing)	3,786	2,660

Statement of Changes in Equity for the year ended 30 June 2021

	No. of Shares on Issue	Issued Capital \$'000	Retained Earnings \$'000	Reserves \$'000	Total \$'000
Balance at 1 July 2020	63,141,445	14,080	7,656	73	21,809
Profit for the year	-	-	3,029	-	3,029
Other comprehensive income	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	3,029	-	3,029
Transactions with Owners in Their Capacity as Owners:					
Dividend paid	-	-	(2,841)	-	(2,841)
Total Transactions with Owners	-	-	(2,841)	-	(2,841)
Balance at 30 June 2021	63,141,445	14,080	7,844	73	21,997
Balance at 1 July 2019	63,115,445	17,555	13,880	73	31,508
Profit for the year	-	-	4,536	-	4,536
Other comprehensive income	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	4,536	-	4,536
Transactions with Owners in Their Capacity as Owners:					
Dividend paid	-	-	(2,588)	-	(2,588)
Demerger of WOTSO Limited	-	(3,498)	(8,172)	-	(11,670)
Issue of shares	26,000	23	-	-	23
Total Transactions with Owners	26,000	(3,475)	(10,760)	-	(14,235)
Balance at 30 June 2020	63,141,445	14,080	7,656	73	21,809

Share Capital and Reserves

(a) Summary Table

	2021 \$'000	2020 \$'000
63,141,445 ordinary shares (June 2020: 63,141,445)	14,080	14,080
Total	14,080	14,080

(b) Movement in Shares on Issue

Number of Shares	2021 \$'000	2020 \$'000
At the beginning of reporting period	63,141,445	63,115,445
Issue of shares to employees	-	26,000
At reporting date	63,141,445	63,141,445

No further shares have been issued since 30 June 2021. No amounts are unpaid on any of the shares. Ordinary shares participate in dividends. All ordinary shares carry one vote per share without restriction. All shares are fully paid.

(c) Reserves

	2021 \$'000	2020 \$'000
Share options reserve	73	73
Total	73	73

The following options are on issue at the date of this report:

Options	Expiry Date	Exercise Price	Number
Employee and Directors options	05 October 2023	\$0.55	4,800,000

Notes to the Financial Statements

1. Segment Information

The segment information for the Group is as follows. For information on segment reporting, refer to the Statement of Significant Accounting Policies for more details.

	Income \$'000	Gains / (Losses) \$'000	Total Revenue \$'000	Expenses \$'000	EBITDA \$'000	Interest and Depn \$'000	Pre-tax \$'000
Profit or Loss 2021							
BlackWall	6,234	-	6,234	(2,610)	3,624	(190)	3,434
Investments	5	1,553	1,558	(578)	980	(4)	976
Corporate	-	-	-	(511)	(511)	-	(511)
Continuing Operations	6,239	1,553	7,792	(3,699)	4,093	(194)	3,899
WOTSO Franchise	432	-	432	(122)	310	(312)	(2)
TOTAL Operations	6,671	1,553	8,224	(3,821)	4,403	(506)	3,897

Profit or Loss 2020							
BlackWall	6,285	-	6,285	(3,143)	3,142	(196)	2,946
Investments	87	4,308	4,395	(527)	3,868	(8)	3,860
Corporate	-	-	-	(924)	(924)	-	(924)
Continuing Operations	6,372	4,308	10,680	(4,594)	6,086	(204)	5,882
WOTSO Limited	4,070	-	4,070	(2,626)	1,444	(5,157)	(3,713)
WOTSO Franchise	1,434	-	1,434	(626)	808	(938)	(130)
Kirela	1,973	1,065	3,038	(2,170)	868	(1,451)	(583)
TOTAL Operations	13,849	5,373	19,222	(10,016)	9,206	(7,750)	1,456

Balance Sheet	2021			2020		
	Assets \$'000	Liabilities \$'000	Net Assets \$'000	Assets \$'000	Liabilities \$'000	Net Assets \$'000
BlackWall	4,181	(1,473)	2,708	1,140	(814)	326
Investments	22,664	(2,979)	19,685	23,487	(2,958)	20,529
Corporate	-	(396)	(396)	354	-	354
	26,845	(4,848)	21,997	24,981	(3,772)	21,209
WOTSO Franchise	-	-	-	2,554	(1,954)	600
Consolidated	26,845	(4,848)	21,997	27,535	(5,726)	21,809

2. COVID Impact

Property management fees are charged by BWF on a percentage of gross property income. In the current financial year WOTSO Property has continued to provide rent relief to tenants in the form of rent waivers and deferrals as required by the mandatory code of conduct between landlords and tenants, and this has resulted in a reduction of property management fee income.

BWF qualified for the government's JobKeeper program until the program ceased at the end of March 2021. The government stimulus revenue received for the current financial year was \$504,000 (2020: \$225,000).

3. Revenue

Revenue is earned through management, performance and transaction fees from real estate investment structures.

	2021 \$'000	2020 \$'000
Revenue from Contracts with Customers		
Fund management fees	3,176	3,096
Property management fees	633	747
Project management fees	287	226
Leasing fees	505	310
Expense recovery and other fees	506	346
Management Fees Total	5,107	4,725
Performance fee - Penrith (details below)	-	598
Transaction fee - Asset acquisitions (Newcastle and Brookvale)	189	-
Transaction fee - Capital raising	150	-
Performance and Transaction Fees Total	339	598
Staff Payroll Recovery	284	737
Total Revenue from Contracts with Customers	5,730	6,060
Timing of revenue recognition:		
- recognition over time	5,391	5,462
- recognition at a point in time	339	598
	5,730	6,060
Other		
Government stimulus	504	225
Total BlackWall Revenue	6,234	6,285

BWF (as manager of BlackWall Penrith Fund No.3) was entitled to a fee equating to 30% of the property value in excess of \$16.5 million (the property value when the fund was established) plus any capex expenditure. The performance fee of \$598,000 was taken up in full in the June 2020 financial year, and the 7 year fund came to an end in December 2020 with all fees paid out at that date.

4. Net Unrealised Gains on Investments

	2021 \$'000	2020 \$'000
Unrealised gain - WOTSO Property	1,567	-
Unrealised gain - BWR	-	1,608
Unrealised gain - WOTSO Limited	-	2,700
Total	1,567	4,308

For additional information refer to Note 8 - Investments.

5. Operating Expenses

	2021 \$'000	2020 \$'000
BWF employee and consultant expenses	2,806	3,369
BWF operating expense	893	1,225
BWF Expenses	3,699	4,594

6. Income Tax Expense

	2021 \$'000	2020 \$'000
Current tax	348	568
Deferred tax	497	1,022
Total	845	1,590
Prima facie tax payable on profit from ordinary activities before income tax at 26.0% (2020: 27.5%)	1,014	1,618
Add / (less) tax effect of:		
Non-deductible items	5	14
Deductible items	(10)	(17)
Change in tax rate - restatement of deferred tax balances	(115)	(137)
Under / (over) provision in prior years	(49)	112
Total	845	1,590

7. Current Assets – Trade and Other Receivables

	2021 \$'000	2020 \$'000
Trade receivables:		
Related parties	237	447
Other parties	82	91
Total Trade Receivables	319	538
Other receivables	13	10
Total	332	548

Further information relating to trade and other receivables to related parties is set out in Note 24 - Related Party Transactions. None of the receivables were impaired as at 30 June 2021 (2020: \$nil).

8. Investments

The two separate investments in BWR and WOTSO Limited previously held by BlackWall have been replaced by a single holding in a new stapled entity called “WOTSO Property”. The new stapled security was listed on the ASX under the code “WOT” and began trading on 18 February 2021. A reconciliation of investments is set out below:

	WOT Securities	WOT \$'000	BWR Units	BWR \$'000	WOTSO Limited Shares	WOTSO Limited \$'000
June 2021						
Balance at the beginning of the year	-	-	11,487,838	16,313	10,519,241	3,893
Return of capital	-	-	-	(804)	-	-
Conversion to stapled securities	14,172,027	19,402	(11,487,838)	(15,509)	(10,519,241)	(3,893)
Purchases	1,203,174	1,633	-	-	-	-
Mark to market valuation	-	1,567	-	-	-	-
Balance at the End of the Year	15,375,201	22,602	-	-	-	-
June 2020						
Balance at the beginning of the year	-	-	11,487,838	15,509	-	-
Return of capital	-	-	-	(804)	-	-
Demerger of WOTSO Limited	-	-	-	-	10,519,241	1,193
Mark to market valuation	-	-	-	1,608	-	2,700
Balance at the End of the Year	-	-	11,487,838	16,313	10,519,241	3,893

9. Non-current Assets – Property, Plant and Equipment

	2021 \$'000	2020 \$'000
Continuing Operations:		
At cost	899	871
Less accumulated depreciation	(758)	(707)
Written Down Value	141	164
Discontinued Operations:		
At cost	-	1,267
Less accumulated depreciation	-	(706)
Written Down Value	-	561
Total	141	725

	Continuing Operations \$'000	Discontinued Operations \$'000	Total \$'000
2021			
Carrying amount at the beginning of year	164	561	725
Additions	28	52	80
Depreciation expense	(51)	(38)	(89)
Disposal due to sale of subsidiary	-	(575)	(575)
Carrying Amount at the End of Year	141	-	141
2020			
Carrying amount at the beginning of year	246	5,232	5,478
Additions	25	703	728
Depreciation expense	(107)	(142)	(249)
Disposal due to demerger and sale of subsidiary	-	(5,232)	(5,232)
Carrying Amount at the End of Year	164	561	725

10. Non-current Assets – Right of Use Lease Asset

	2021 \$'000	2020 \$'000
Right of use lease asset	770	3,090
Less: Accumulated depreciation	(191)	(782)
Written down value of Right of Use Lease Assets	579	2,308

BWF leases its head office located in Neutral Bay NSW. The term of the lease is five years with the option to extend, and contains a market related escalation clause. On renewal, the terms of the lease are renegotiated. The reduction in the balance is due to the WOTSO Franchise subsidiary leaving the group - refer to the Disposal of Subsidiary Note 16 for further details.

11. Current Liabilities – Trade and Other Payables

	2021 \$'000	2020 \$'000
Trade payables:		
Related parties	-	1
Other parties	403	439
Total Trade Payables	403	440
Sundry payables and accrued expenses	79	77
Total	482	517

Further information relating to trade payables from related parties is set out in Note 24 - Related Party Transactions.

12. Current and Non-current Liabilities – Provisions

	2021 \$'000	2020 \$'000
Current – employee benefits	390	335
Non-current – employee benefits	114	96
Total Provisions	504	431
Balance at the beginning of year	431	553
Net additional provision increase / (decrease)	73	(122)
Balance at the End of Year	504	431

The number of BWF employees as at 30 June 2021 was 20 (2020: 23).

13. Non-current Liabilities – Deferred Tax Liabilities

	2021 \$'000	2020 \$'000
Deferred Tax Liabilities / (Assets) Balance Comprises:		
Financial assets	3,003	2,537
Provision for employee benefits	(126)	(112)
Accrued expenses	(7)	(52)
Total	2,870	2,373
Movements:		
Balance at the beginning of year	2,373	1,351
Charged to the profit and loss	497	1,022
Balance at the End of Year	2,870	2,373

14. Lease Liabilities

	2021 \$'000	2020 \$'000
Opening balance	2,323	-
Interest charged	45	103
Repayments	(393)	(870)
Additions	301	3,090
Disposals	(1,808)	-
Modifications	128	-
Total Lease Liabilities	596	2,323
Current	132	624
Non-current	464	1,699
Total	596	2,323

The reduction in the balance is due to the WOTSO Franchise subsidiary leaving the group - refer to the Disposal of Subsidiary Note 16 for further details.

15. Provision for Tax Payable

	2021 \$'000	2020 \$'000
(Refund) / payable at the beginning of year	(354)	778
Current year tax liability	396	-
Refunds received / (Payments made)	347	(1,235)
Under / (over) provision in prior years	7	103
Payable / (Refund) at the End of Year	396	(354)

16. Disposal of Subsidiary

WOTSO Franchise

On 31 October 2020 the Group disposed of its entire holding in BWF Franchise Pty Ltd to WOTSO Limited for cash proceeds of \$500,000. The operations to date of disposal in the current year are shown as discontinued, and the prior year comparative information has also been restated where relevant to show that information as discontinued. BWF Franchise Pty Ltd was the Franchisee for the WOTSO site at Neutral Bay.

Assets and liabilities sold were as follows:

	31 Oct 2020
	\$'000
Cash and cash equivalents	72
Receivables and other assets	7
Lease right of use asset	1,791
Property, plant and equipment	575
Deferred tax asset	32
Payables and other liabilities	(173)
Lease right of use liability	(1,808)
Net Identifiable Assets Sold	496
Add: profit on disposal	4
Net Cash Proceeds Received	500

The following were the results of BWF Franchise operations to the date of disposal:

	To 31 Oct 2020
	\$'000
Revenue	432
Operating expenses	(434)
(Loss) Before Tax	(2)
Taxation	(23)
Loss After Tax	(25)

17. Dividends

Fully franked dividends paid to shareholders during the financial year were as follows:

	2021	2020
	\$'000	\$'000
2020 final dividend of 2.1 cents paid on 25 September 2020 (2019 final: 2.1 cents)	1,325	1,325
2021 interim dividend of 2.4 cents paid on 16 March 2021 (2020 interim: 2.0 cents)	1,516	1,263
Total	2,841	2,588

In addition, the Board has declared a final fully franked dividend of 2.6 cents per share to be paid on 15 September 2021.

	2021	2020
	\$'000	\$'000
Franking credits available for the subsequent periods based on a tax rate of 25.0% (2020: 26.0%)	2,026	3,032

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:

- (a) franking credits that will arise from the payment of the amount of the provision for income tax;
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

18. Earnings Per Share

	2021	2020
Basic and diluted earnings per share	4.8 cents	7.2 cents
Basic and diluted earnings per share (continuing)	4.8 cents	6.8 cents
Calculated as follows:		
Profit attributable to the owners of the Group	\$3,029,000	\$4,536,000
Profit attributable to the owners of the Group (continuing)	\$3,054,000	\$4,292,000
Weighted average number of shares for basic EPS	63,141,445	63,129,692
Weighted average number of shares for diluted EPS	63,141,445	63,129,692

19. Auditor's Remuneration

	2021	2020
Remuneration of ESV for:		
Audit and assurance services	51,000	67,000
Taxation services	11,000	44,000
Other services	23,000	26,000
Total	85,000	137,000

20. Contingencies

The Group had no contingent assets or liabilities at 30 June 2021 (2020: \$nil).

21. Subsequent Events

The impact of the COVID pandemic is ongoing. It is not practical to estimate the potential impact, positive or negative, after the reporting date on the various revenue streams and the performance of the Group. The situation is dependent on measures imposed by the federal and state governments, and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

The Board has declared a final fully franked dividend of 2.6 cents per share to be paid on 15 September 2021.

To the best of the Directors' knowledge, since the end of the financial year there have been no other matters or circumstances that have materially affected the Group's operations or may materially affect its operations, state of affairs or the results of operations in future financial years.

22. Equity Accounted Investments

IndigoBlack Constructions Pty Ltd is a start up construction company in which BWF owns a 25% stake. The investment has resulted in a \$14,000 share of associates loss being taken up in the current year.

23. Controlled Entities

	Country of Incorporation	Percentage Owned	
		2021 (%)	2020 (%)
Parent entity:			
BlackWall Limited	Australia	n/a	n/a
Subsidiaries of parent entity:			
BlackWall Management Services Pty Ltd	Australia	100	100
BlackWall Fund Services Limited	Australia	100	100
APG Asset Management Pty Ltd	Australia	100	100
BlackWall Management (NZ) Ltd	New Zealand	100	100
Bakehouse Management Pty Ltd	Australia	99.99	99.99
BWF Franchise Pty Ltd	Australia	-	100

24. Related Party Transactions

(a) Related Parties, Associates, Managed Funds

In these financial statements, related parties are parties as defined by AASB 124 Related Party Disclosures rather than the definition of related parties under the Corporations Act 2001 and ASX Listing Rules.

Associates

Interests held in associates by the Group are set out in Note 22 - Equity Accounted Investments.

Managed Funds

The Group holds investments in a number of property funds for which it acts as either manager or responsible entity.

Fees and Transactions

Management fees are charged to these entities predominantly for property and fund management services. The management fees are paid under a management agreement and the fees charged are determined with reference to arm's length commercial rates.

These services principally relate to:

- funds management: provision of strategic investment advice, asset management and investment portfolio services; and
- property management: property portfolio advisory services, maintenance and insurances, strategic advice and management supervision services, administration, leasing, project management, marketing and risk management services.

The Group recharges its related parties, associates and managed funds, for administration services which include accounting and bookkeeping fees, corporate secretarial services and those expenses that are incurred by members of the Group on behalf of the related parties, associates and managed funds. In addition, the Group pays the following fees to related entities:

- rent for BWF head office. The rent paid is determined with reference to arm's length commercial rates; and
- director fees.

Other transactions and outstanding balances with related parties, associates and managed funds relate to loans payable and receivable and distributions from managed funds. All transactions with related parties were made on arm's length commercial terms and conditions and at market rates, and were approved by the Board where applicable.

The following table discloses the revenue and expenses between related parties as well as the balances outstanding at year end between BWF and its related parties.

	2021	2020
Revenue:		
Management fees	4,404,085	4,102,019
Transaction and performance fees	990,488	457,857
Distribution / returns of capital from funds	804,149	804,149
Expenses:		
Rent and outgoings paid	397,392	457,854
Outstanding Balances:		
Trade and other receivables – current	236,981	447,038
Trade and other payables - current	-	1,329

(b) Interests in Related Parties

As at year end the Group owned units in the following related entities:

Entity	Holdings		Distribution>Returns of Capital/Interest	
	2021 No.	2020 No.	2021 \$	2020 \$
WOTSO Property	15,375,201	-	-	-
BWR	-	11,487,838	804,149	804,149
WOTSO Limited	-	10,519,241	-	-
			804,149	804,149

(c) Key Management Personnel Compensation

	2021	2020
Total remuneration paid	820,000	1,111,261

Detailed remuneration disclosures and relevant interests are provided in the Directors' Report.

25. Parent Entity Information

	2021 \$'000	2020 \$'000
Results:		
(Loss) / Profit after tax	(2,217)	6,328
Total Comprehensive Income After Tax	(2,217)	6,328
Financial Position:		
Current assets	3	603
Non-current assets	714	2,737
Total Assets	717	3,340
Current liabilities	(495)	(225)
Non-current liabilities	(2,165)	-
Total Liabilities	(2,660)	(225)
Net Assets	(1,943)	3,115
Share capital	14,080	14,080
Accumulated losses	(16,082)	(11,024)
Reserves	59	59
Total Equity	(1,943)	3,115

The parent entity had no contingencies or capital commitments at 30 June 2021 (2020: Nil). The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 29.

26. Financial Risk Management

(a) Financial Risk Management

The main risks the Group is exposed to through its financial instruments are market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's principal financial instruments are cash, financial assets and borrowings. Additionally, the Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Board has overall responsibility for the establishment and overseeing of the risk management framework. It monitors the Group's risk exposure by regularly reviewing finance and property markets. The Group holds the following major financial instruments:

	2021 \$'000	2020 \$'000
Cash and cash equivalents	3,133	2,724
Investment in WOTSO Property	22,602	-
Investment in BWR	-	16,313
Investment in WOTSO Limited	-	3,893

(b) Sensitivity Analysis

The Group is not exposed to any material credit, interest or liquidity risks. There are no subsidiaries in the group subject to material foreign exchange risk.

Investment in WOT securities are subject to price risk, a 10% decrease in the ASX trading price (from the price at 30 June 2021, i.e. \$1.47 per security) would result in an unrealised loss after tax of \$1,639,000.

(c) Capital Management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, buy-back shares, purchase or sell assets.

(d) Liquidity Risk

	Maturing Within 1 Year \$'000	Maturing 2-5 Years \$'000	Maturing over 5 Years \$'000	Total \$'000
At 30 June 2021				
Financial Liabilities				
Trade and other payables	482	-	-	482
Lease liabilities	132	464	-	596
	614	464	-	1,078
At 30 June 2020				
Financial Liabilities				
Trade and other payables	517	-	-	517
Lease liabilities	624	1,699	-	2,323
	1,141	1,699	-	2,840

(e) Fair Value Measurements

(i) Fair Value Hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making measurements. The fair value hierarchy has the following levels:

- **Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- **Level 3** – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial assets traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Group is the current bid price.

The following table presents the Group's financial assets measured at fair value as at 30 June. Refer to the Critical Accounting Estimates and Judgment note for further details of assumptions used and how fair values are measured.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 30 June 2021				
Financial assets	22,602	-	-	22,602
At 30 June 2020				
Financial assets	16,313	-	3,893	20,206

(ii) Valuation Techniques Used To Derive Level 3 Fair Values

The fair value of the unlisted securities is determined using a discounted cash flow model.

(iii) Fair Value Measurements Using Significant Observable Inputs (Level 3)

The following table is a reconciliation of the movements in financial assets classified as Level 3 for the year ended 30 June:

	\$'000
At 30 June 2021	
Balance at the beginning of the year	3,893
Reduction due to WOTSO Limited forming part of the WOTSO Property stapled security	(3,893)
Balance at the End of the Year	-
At 30 June 2020	
Balance at the beginning of the year	802
Repayment of loans due to demerger of WOTSO Limited	(802)
Initial investment in WOTSO Limited	1,193
Fair value movement of investment in WOTSO Limited	2,700
Balance at the End of the Year	3,893

There were no transfers between Level 1, 2 and 3 in the prior year. In the current year the investment in WOTSO Limited (Level 3) was converted into Level 1 as a result of forming part of the listed stapled security WOTSO Property.

27. Reclassification of Cash Flow Comparatives

The 2020 comparative numbers in the Statement of Cash Flows have been reclassified to report the cash flows from each entity that was discontinued. A reconciliation is provided below:

	Original classification \$'000	Updated Kirela \$'000	Updated WOTSO Franchise \$'000	Updated classification \$'000
June 2020				
Net cash flows from operating activities (continuing)	1,668	1,816	(824)	2,660
Net cash flows from investing activities (continuing)	(6,991)	-	47	(6,944)
Net cash flows from financing activities (continuing)	(3,396)	-	727	(2,669)
Net Increase in Cash Held (continuing)	(8,719)	1,816	(50)	(6,953)
Reconciliation of Cash Balances:				
Cash and cash equivalents at the beginning of the year	11,493	-	-	11,493
Less WOTSO Limited cash balance reclassified as held for sale	(50)	-	-	(50)
Net increase / (decrease) in cash held - continuing	(8,719)	1,816	(50)	(6,953)
Net increase / (decrease) in cash held - WOTSO Franchise	-	-	50	50
Net increase / (decrease) in cash held - Kirela	-	(1,816)	-	(1,816)
Cash at End of the Year	2,724	-	-	2,724

28. Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends in economic data, obtained both externally and within the Group.

Key Estimates - Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets.

Key Estimates - Financial Assets

All financial assets at Fair Value Through the Profit or Loss (FVTPL) have been classified as financial assets, with gains and losses recognised as profit or loss.

The fair value of the listed securities is based on the closing price from the Australian Securities Exchange as at the reporting date.

The fair value of financial instruments not traded in an active market is determined using valuation techniques including a discounted cash flow model. The main inputs used include:

- discount rates for financial assets and financial liabilities are determined using a capital asset pricing model to calculate a rate that reflects the risk specific to the asset;
- revenue growth rates for locations currently below capacity is based on growth rates achieved in the past or at similar locations where there is no past evidence;
- sales prices for products are related to the product being offered and are adapted for each location with consideration given to economic factors prevailing at the location and competitor prices; and
- current economic environment operates within a range similar to the past. The impact of COVID or similar economic event is not possible to quantify reliably.

29. Statement of Significant Accounting Policies

BlackWall Limited (“BWF”) is a publicly listed company, incorporated and domiciled in Australia. The financial statements for the Group were authorised for issue in accordance with a resolution of the Directors on the date they were issued.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements of the Company also comply with IFRS as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

BWF is a group of the kind referred to in ASIC Instrument 2016/191 and, in accordance with that Instrument, amounts in the Directors’ Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Segment Reporting

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group’s primary format for segment reporting is based on business segments. The business segments are determined based on the Group management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets

The Group has adopted three reporting segments: BlackWall, Investments, and Corporate.

The BlackWall segment engages in funds and asset management as well as property services that include property management, leasing and general property consultancy. Income earned by the segment includes recurring income from fund and asset management mandates and transaction-based income typically related to those mandates. Management treats these operations as one fee earning operating segment. The assets assigned to the segment are those it is required to hold to comply with its AFSL capital adequacy requirements.

The Investments segment includes interests in property related investments such as units in related party listed and unlisted unit trusts, loans and cash. It generates income from dividends, distributions and interest.

Presentation of Financial Statements

Both the functional and presentation currency of BWF and its Australian subsidiaries is Australian dollars. Various functional currencies including New Zealand Dollar results are translated to presentation currency.

Principles of Consolidation

The consolidated financial statements comprise the financial statements of BWF and its subsidiaries. A list of controlled entities is contained in Note 23 - Controlled Entities. All controlled entities have a June financial year end and use consistent accounting policies. Investments in subsidiaries held by the Group are accounted for at cost, less any impairment charges (refer to Note 25 - Parent Entity Information).

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany Balances

All intercompany balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Associates

Interests in associates are accounted for using the equity method. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post acquisition profits or losses of the investee in profit or loss. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. The carrying amount of equity accounted investments is tested for impairment in accordance with these policies.

Non-Controlling Interests

Non-controlling interests (not held by the Group) are allocated their share of net profit and comprehensive income after tax in the statement of profit or loss and other comprehensive income and are presented within equity in the consolidated balance sheet, separately from parent shareholders' equity. Comprehensive income after tax in the statement of profit or loss and other comprehensive income are presented within equity in the consolidated balance sheet, separately from parent shareholders' equity.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit and loss as incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The estimated useful lives used for each class of depreciable assets are:

Furniture, fixtures and fittings	over 2 to 10 years
Office equipment	over 4 to 10 years

Right of use assets are depreciated on a straight-line basis, with reference to the remaining lease term, including options to extend if reasonably certain to extend the lease term.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, either the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, or the income of the asset is capitalised at its relevant capitalisation rate.

An impairment loss is recognised if the carrying value of an asset exceeds its recoverable amount. Impairment losses are expensed to the profit and loss.

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 the 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 has been recognised.

Financial Instruments

Non-derivative Financial Instruments

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

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

Recognition

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

Financial Assets

All financial assets at FVTPL have been classified as financial assets, with gains and losses recognised in profit or loss. The Group classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value and those to be measured at amortised cost. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

(i) Equity Investments

All equity investments are measured at fair value. Equity investments that are held for trading are measured at fair value through profit or loss.

(ii) Loans and Receivables

Loans and receivables including loans to related parties are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Fair Value

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance date. For investments in related party unlisted unit trusts, fair values are determined by reference to published unit prices of these investments which are based on the net tangible assets of each of the investments.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. A financial instrument 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. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

An impairment loss in respect of a financial instrument measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial instruments are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Impairment losses are recognised in the profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial instruments measured at amortised cost, the reversal is recognised in profit and loss.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting where significant influence is exercised over an investee. Significant influence exists where the investor has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies.

Under the equity method of accounting, investments in the associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of the interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectable debts. An estimate for credit loss impairment is made when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor and default payments are considered objective evidence of impairment. Bad debts are written off when identified as uncollectable.

Trade and Other Payables

Liabilities for trade creditors are carried at cost which is the fair value of the consideration to be paid in the future for goods or services received, whether or not billed to the Group at balance date. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee Benefits

Other Long Term Employee Benefits

The Group's net obligation in respect of long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. These employee benefits have not been discounted to the present value of the estimated future cash outflows to be made for those benefits.

Short Term Benefits

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs.

Revenue

BWF Property Fees include management fees and transaction fees. They are recognised when it becomes legally due and payable to the Group.

Investment Income

Finance income comprises interest on funds invested and gains on the disposal of financial assets. Interest income is recognised as interest accrues using the effective interest method. Dividend and distribution revenue is recognised when the right to receive income has been established.

In-specie distributions and returns of capital are brought on to the balance sheet by an adjustment in the carrying value of the relevant investment and then reflected in the profit and loss as an unrealised gain.

All revenue is stated net of the amount of GST.

Leases

AASB 16 was adopted by the Group on 1 July 2019, applying the modified retrospective approach. Right of use assets and liabilities are recognised for all leases with a lease term of more than 12 months; unless the underlying asset is of a low value. Initial recognition of both the right of use asset and corresponding lease liability is calculated using the present value of remaining lease payments; discounted using the rate implicit in the lease or, if not easily determinable, the lessee's incremental borrowing rate. The right of use asset is adjusted for any prepaid or accrued lease payments or onerous lease contracts.

Income Tax

Current Income Tax Expense

The charge for current income tax expense is based on the profit year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Accounting for Deferred Tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred Tax Calculation

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred Income Tax Assets

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. 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.

Benefit Brought to Account

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax Consolidation

BWF has elected to form a tax consolidated group with its wholly-owned entities for income tax purposes under the tax consolidation regime with effect from 1 January 2011. As a consequence, all members of the tax consolidated group are taxed as a single entity from that date. The head entity within the tax consolidated group is BWF.

In addition to its own current and deferred tax amounts, BWF also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group in conjunction with any tax funding arrangement amounts.

The Group 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.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

GST

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

The final dividend for June period is declared and authorised after the end of the reporting period, therefore provision for dividend is not booked in the current year accounts.

EPS

The Group presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Any change of presentation has been made in order to make the financial statements more relevant and useful to the user.

New Accounting Standards and Interpretations

BWF has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial year. Several amendments apply for the first time in the current year. However, they do not impact the annual consolidated financial statements of the Group. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Based on our preliminary assessment, we do not expect them to have a material impact on the Group.



Head Office - 50 Yeo St, Neutral Bay NSW

Directors' Report

Continued

ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The shareholder information set out below was current as at 5 August 2021.

1. Shareholders

The Group's top 20 largest shareholdings were:

Investor	Shares No.	Shares %
1 Vintage Capital Pty Limited	5,734,678	9.08
2 Seno Management Pty Ltd	5,570,000	8.82
3 Lymkeesh Pty Ltd	4,304,742	6.82
4 National Nominees Limited	3,776,011	5.98
5 Frogstorm Pty Ltd <Rockahula>	3,400,000	5.38
6 Sandhurst Trustees Ltd	2,762,000	4.37
7 Glenahilty Pty Ltd	2,724,515	4.31
8 Koonta Pty Ltd	2,250,985	3.56
9 SAO Investments Pty Ltd	2,225,000	3.52
10 Kiut Investments Pty Ltd	1,976,175	3.13
11 Bin24 Business Advisors Pty Limited	1,950,000	3.09
12 Pinnatus Pty Ltd	1,178,434	1.87
13 Mr Richard Hill & Mrs Evelyn Hill	1,151,295	1.82
14 Mr Archibald Geoffrey Loudon	986,973	1.56
15 Methuselah Capital Management Pty Ltd	939,263	1.49
16 Oyama Pty Limited	934,669	1.48
17 Frolic Events Pty Ltd	900,000	1.43
18 Tampopo Pty Ltd	777,983	1.23
19 Frogstorm Pty Ltd <Bossanova Superfund>	708,338	1.12
20 Balpina Pty Ltd	600,000	0.95

2. Distribution of Shareholders

The distribution of shareholders by size of holding was:

Category	No. of Shareholders
1 – 1,000	255
1,001 – 5,000	453
5,001 – 10,000	213
10,001 – 100,000	253
100,001 and over	58
Total Number of Shareholders	1,232

BWF has 63,141,445 ordinary shares on issue. All shares carry one vote per share without restrictions. All shares are quoted on the Australian Securities Exchange (ASX:BWF).

3. Substantial Shareholders

BWF's substantial shareholders are set out below:

Investor	Shares No.	Shares %
Seph Glew	9,962,770	15.78
Paul Tresidder	8,728,258	13.82
Robin Tedder	8,195,017	12.98
Stuart Brown	4,114,038	6.52
Archibald Geoffrey Loudon	4,080,959	6.46
EGP Capital Pty Ltd	3,767,859	5.97

4. Directors' and KMPs' Relevant Interests

Details of each KMP's relevant interests in BWF is shown below:

Investor	14 August 2020	Net Change	5 August 2021
Timothy Brown (Joint MD and CFO)	1,456,537	3,463	1,460,000
Jessica Glew (Joint MD and COO)	535,000	15,178	550,178
Seph Glew (Non-Executive Chairman)	9,237,770	725,000	9,962,770
Richard Hill (Non-Executive Director)	1,969,278	-	1,969,278
Robin Tedder (Non-Executive Director)	8,150,424	44,593	8,195,017
Total	21,349,009	788,234	22,137,243

Information on Officeholders

The names of the Officeholders during or since the end of the year are set out below.

Joseph (Seph) Glew

Non-Executive Director and Chairman

Seph has worked in the commercial property industry in New Zealand, the USA and Australia and has driven large scale property development and financial structuring for real estate for over 40 years. In addition, since the early 1990s Seph has run many “turn-around” processes in relation to distressed properties and property structures for both private and institutional property owners.

While working for the Housing Corporation of New Zealand and then AMP, Seph qualified as a registered valuer and holds a Bachelor of Commerce. In the 1980s he served as an Executive Director with New Zealand based property group Chase Corporation and as a Non-Executive Director with a number of other listed companies in New Zealand and Australia.

Timothy Brown

Joint Managing Director and CFO

Tim is Joint Managing Director and Chief Financial Officer for the BlackWall Group and its funds. Tim joined the Group in 2008 as Financial Controller and became Chief Financial Officer in 2009. He took on the Managing Director role along with Jessie in late 2019. He has a Bachelor of Commerce from the University of New South Wales and is a member of the of Chartered Accountants of Australia and New Zealand. With over 20 years’ experience in the financial services and property industries, he started his career with Deloitte and joined Lend Lease Corporation in 2002. Tim is also on the board of Eastern Suburbs Cricket Club and Coogee Boy’s Preparatory School.

Jessica Glew

Joint Managing Director and COO

Jessie is Joint Managing Director and Chief Operating Officer (COO) for the BlackWall Group and its funds. Jessie has been with BlackWall since early 2011. She was made COO in early 2018 and took on the Managing Director role along with Tim in late 2019. Jessie has a Bachelor of International Communication from Macquarie University and finalising a Bachelor of Property Economics at the University of Technology Sydney.

Richard Hill

Non-Executive Director

Richard Hill has extensive investment banking experience and was the founding partner of the corporate advisory firm Hill Young & Associates. Richard has invested in the Group’s projects since the early 1990s. Prior to forming Hill Young, Richard held a number of Senior Executive positions in Hong Kong and New York with HSBC. He was admitted as an attorney in New York State and was registered by the US Securities & Exchange Commission and the Ontario Securities Commission. Richard has served as a director (Chairman) of the Westmead Institute for Medical Research and director (Chairman) of Sirtex Medical Limited (Sirtex), formerly listed on ASX.

Robin Tedder

Non-Executive Director

Robin began his career on the dealing desk of a merchant bank in 1976. In 1981 he founded Hatmax Capital Markets which grew rapidly through organic development and merger with Australian Gilt Securities in 1988, such that by the time he departed after 14 years as CEO in 1995, over 80 people were employed across debt capital markets, both the Sydney Futures Exchange and ASX, in asset management and corporate finance. In 1995 Robin established Vintage Capital which became an active investor in funds management, commercial property, retailing, healthcare and logistics. He has been an investor in the Group’s projects since 1997, is a former member of ASX, and has served on various boards of both listed and private companies since 1984. He is the Chairman of the Group’s Board Audit Committee.

Alexander Whitelum

Company Secretary

Alex joined the BlackWall Group in 2020 and executes all aspects of the Group’s corporate and fund transactions, is responsible for corporate governance functions and oversees investor relations. Previously, Alex was a lawyer at Clayton Utz in their Corporate, M&A and Capital Markets team. Alex holds a Bachelor of Laws (Hons) and a Bachelor of Commerce (Economics) from Macquarie University. He is admitted as a solicitor to the Supreme Court of New South Wales and the High Court of Australia.

Meeting Attendances

Director	No. of Board Meetings Held	Board Meeting Attendance
Seph Glew	12	12
Timothy Brown	12	12
Jessie Glew	12	12
Richard Hill	12	12
Robin Tedder	12	12

The Audit Committee, comprised of Richard Hill and Robin Tedder, met twice during the reporting period. Both committee members attended each meeting.

Environmental Regulation

The Group’s operations are not regulated by any environmental regulation under a law of the Commonwealth or of a State or a Territory other than those that pertain to the ownership and development of real estate. However, the Group believes that it has adequate systems in place for the management of its environmental requirements and is not aware of any instances of non-compliance of those environmental requirements as they apply to the Group.

Indemnities of Officers

During the financial year the Group has paid premiums to insure each of the Directors named in this report along with Officers of the Group against all liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Officer of the Group, other than conduct involving a wilful breach of duty.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor to the Group.

Corporate Governance Statement

A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be accessed at blackwall.com.au

Auditor and Non-audit Services

An amount of \$85,000 was paid to the auditor for audit and non-audit services during the year (2020: \$137,000) as detailed in Note 19 - Auditor's Remuneration. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out in these financial statements.

ESV continues in office in accordance with section 327 of the Corporations Act 2001.

Rounding of Amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, and in accordance with that legislative instrument amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Remuneration Report (Audited)

The Board is responsible for determining the remuneration of KMP. For the reporting period the Board has determined that KMP included the Managing Director (MD), Chief Financial Officer (CFO), and the Chief Operating Officer (COO). KMP determine the employees' remuneration.

When determining the remuneration of KMP, senior executives or employees, the following is taken into consideration:

- remuneration is aligned with the delivery of returns to shareholders;
- responsibilities, results, innovation and entrepreneurial behaviour are recognised and rewarded; and
- the Group's financial position and market conditions.

The remuneration payable to KMP is reviewed at times deemed appropriate by the Board. There are no performance conditions for Board members or contracts for KMP. Any performance payments are at the discretion of the Board. The nature and the amount of each element of remuneration paid to the Board members and KMP for the reporting period are listed below:

	Short Term		Post-employment		Total			
	Directors' Fees	Salary and Other	Superannuation	Total				
	2021	2020	2021	2020	2021	2020		
	\$	\$	\$	\$	\$	\$		
Timothy Brown (Joint MD and CFO)	-	-	251,142	251,142	23,858	23,858	275,000	275,000
Jessie Glew (Joint MD and COO)	-	-	251,142	251,142	23,858	23,858	275,000	275,000
Seph Glew (Non-Executive Chairman)	100,000	95,833	-	-	-	-	100,000	95,833
Richard Hill (Non-Executive Director)	85,000	85,000	-	-	-	-	85,000	85,000
Robin Tedder (Non-Executive Director)	85,000	85,000	-	-	-	-	85,000	85,000
Stuart Brown*	-	-	-	276,469	-	18,959	-	295,428
Total	270,000	265,833	502,284	778,753	47,716	66,675	820,000	1,111,261

*Stuart Brown resigned 24 January 2020.

Share Options

(a) Unissued Options

The following options are currently on issue.

	Expiry Date	Exercise Price	Number Under Option
Seph Glew	05 October 2023	55 cents	600,000
Timothy Brown	05 October 2023	55 cents	1,500,000
Jessie Glew	05 October 2023	55 cents	1,500,000
Richard Hill	05 October 2023	55 cents	300,000
Robin Tedder	05 October 2023	55 cents	300,000
Employees	05 October 2023	55 cents	600,000
Total			4,800,000

(b) Shares Issued on the Exercise of Options

No ordinary shares were issued during the year in the exercise of options. No shares have been issued since 30 June 2021. No amounts are unpaid on any of the shares on issue.

	<u>Exercise Date</u>	<u>Issue Price of Shares</u>	<u>Number of Shares Issued</u>
Employees	n/a	n/a	n/a

Subsequent Events and Significant Changes in Affairs

The impact of the COVID pandemic is ongoing. It is not practical to estimate the potential impact, positive or negative, after the reporting date on the various revenue streams and the performance of the Group. The situation is dependent on measures imposed by the federal and state governments, and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

The Board has declared a final fully franked dividend of 2.6 cents per share to be paid on 15 September 2021.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Signed in accordance with a resolution of the Board of Directors.



Tim Brown

Director

Sydney, 17 August 2021



Jessie Glew

Director

Sydney, 17 August 2021

Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Statement of Significant Accounting Policies confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Joint Managing Directors and Chief Financial Officer required by section 295A of the Corporations Act 2001.

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



Tim Brown

Director

Sydney, 17 August 2021



Jessie Glew

Director

Sydney, 17 August 2021

Auditors Independence Declaration and Audit Report

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As auditor for the audit of BlackWall Limited and its Controlled Entities for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Dated at Sydney on the 17th of August 2021.

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ESV Business advice and accounting



David Robinson
Partner

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKWALL LIMITED AND CONTROLLED ENTITIES

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Blackwall Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statements of cash flows for the year then ended on pages 6,7,8, notes comprising a summary of significant accounting policies and other explanatory information on pages 9 to 21, and the directors' declaration of the Group.

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

- giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition	
Key Audit Matter	How the scope of our audit responded to the key audit matter
<p>Revenue Recognition Revenue for the Group consists primarily of:</p> <ul style="list-style-type: none"> - Asset Management Fees - Property Management Fees - Transaction Fees - Investment Income - WOTSO Franchisee Income (discontinued operation) <p>Revenue from Asset Management Fees and Transaction Fees are primarily received from Property Funds that, Blackwall Fund Services Limited, a subsidiary of the Group acts as a responsible entity for. These fees are based on a fixed amount or a percentage of the total assets under management or total rental income.</p> <p>Property Management Fees are received by BlackWall Management Services Pty Ltd, a subsidiary of the Group that manages the properties owned by related entities. Revenue from WOTSO Franchisee Income is received from third parties for short-term tenancies.</p> <p>The Group also earns revenue in the form of distributions and interest income. Given the number of different revenue streams that the Group has, there is a risk that revenue is incorrectly recorded.</p>	<p>Our procedures included but were not limited to:</p> <p>For Asset Management Fees and Property Management Fees, we have performed substantive analytical procedures by creating an expectation and comparing with the actual fees recorded and investigating material variances.</p> <p>For Transaction Fees, we have verified the underlying calculation for the fees to be charged and if revenue recognition criteria have been met.</p> <p>For WOTSO Franchisee Income, we have performed tests in order to obtain comfort over the completeness and occurrence of revenue by confirming management oversight of detailed monthly revenue. On a sample basis, we have tested the invoicing and collection of rent from tenants and have performed substantive analytical review procedures.</p> <p>For Investment Income, we verified the revenue with supporting dividend/ distribution statements.</p> <p>We also considered whether the revenue recognition policies adopted and followed by the Group as disclosed in Note 3 & 29 of the consolidated financial report are consistent with the accounting standards. Based on our procedures, we can conclude that the revenue for the Group is not materially misstated.</p>

Financial Assets – Investment in WOTSO Property	
Key Audit Matter	How the scope of our audit responded to the key audit matter
<p>Financial Assets – Investment in WOTSO Property As at yearend the Group has a total investment of \$22,601,545 in ASX listed stapled security – WOTSO Property (WOT).</p> <p>The investments are recorded at fair value which is calculated based on the closing market value of the listed security on 30 June 2021.</p>	<p>Our procedures included, but were not limited to:</p> <p>Verifying the investments are held in the name of the Group by obtaining the chess issuer statement and the units register of the stapled security.</p> <p>Verifying the investments are not held as collateral or pledged as security and the Group has unrestricted rights to the investment.</p> <p>Verifying the investments are recorded at fair value at yearend by independently obtaining the closing market value of the security and reperforming the investment valuation.</p> <p>Verifying the disclosures in relation to financial assets as disclosed in Note 8 & 26 of the consolidated financial report are consistent with the accounting standards.</p> <p>Based on our procedures, we can conclude that investment in WOTSO Property is held at fair value and free from material misstatement.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 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 accordingly 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.

Directors' Responsibilities for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on page 24 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Blackwall Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Dated at Sydney on the 17th of August 2021.

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David Robinson
Partner



162 Macquarie St, Hobart TAS



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