30 August 2023

ASX Announcement

WOTSO LIMITED AND PLANLOC LIMITED 2023 FINANCIAL STATEMENTS

On 28 August 2023, WOTSO Property released its 2023 full year Financial Report.

In accordance with the requirement to lodge financial statements for each of WOTSO Limited and Planloc Limited (the 'Stapled Companies'), attached are the 2023 Financial Statements for each of these Stapled Companies.

The results of the Stapled Companies are consolidated into WOTSO Property's consolidated Financial Report. As WOTSO Property operates as a co-ordinated economic entity, reference should be made to WOTSO Property's consolidated Financial Report for an understanding of the results and operations of WOTSO Property as a whole.

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Authorised for lodgement by
Agata Ryan, Company Secretary

WOTSO LIMITED

ABN 39 636 701 267

FINANCIAL STATEMENTS
JUNE 2023

CONTENTS

Directors' Report

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity' and 'The Group') consisting of WOTSO Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Principal Activities
During the reporting period, the principal continuing activities of the Consolidated Entity consisted of flexible workspace, offering everything from a single desk to larger spaces for corporates and established teams.

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.

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.

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.

Risks
WOTSO has identified a number of material business risks including inflation, lease obligations and employee recruitment and retention, among others. These risks are subject to continuous assessment and review.
The key business risks' impacting the Company and how such risks are managed are outlined in WOTSO Property Group's 2023 Financial Report, which can be found at www.blackwall.com.au.

Funds from Operations
The statutory profit has been impacted by non-cash accounting transactions such as depreciation, amortisation and the application of AASB16 accounting for leases. The table below strips these numbers out to arrive at net flexspace income which highlights the actual operating performance of the Group, along with fund management fees and overheads.

	2023	2022
Profit or Loss	**$'000**	**$'000**
Flexspace income	25,894	20,772
Flexspace COVID-19 waivers given	(4)	(2,711)
Government assistance	8	267
Other income	-	375
Total Revenue	**25,898**	**18,703**
Rent expense – third parties	(5,664)	(8,683)
Rent expense – related parties	(7,258)	(3,023)
COVID-19 waivers received	18	4,051
Operating expenses	(4,611)	(4,541)
WOTSO site staff costs	(3,335)	(2,598)
Total Operating Expenses	**(20,850)**	**(14,794)**
Net Flexspace Income	**5,048**	**3,909**
Overhead and administration costs	(3,020)	(2,042)
Management fees	(688)	(361)
Distributions income	563	-
Interest Income	131	-
Depreciation – fit-out	(3,421)	(3,333)
Impact of AASB 16	415	(158)
Amortisation – WOTSO software development	(214)	(82)
Statutory Loss	**(1,186)**	**(2,067)**

WOTSO Limited – Financial Statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Revenue			
Revenue from WOTSO members	3	25,890	18,061
Government assistance	3	8	267
Property management fees	3	-	275
Other revenue	3	-	100
Total Revenue		**25,898**	**18,703**
Expenses			
COVID rent waivers received from landlords	4	18	4,051
Staff costs		(5,605)	(4,043)
Other operating expenses		(5,988)	(5,482)
Variable lease payments		(1,997)	(917)
Bad debt expenses		(54)	(18)
Total Expenses		**(13,626)**	**(6,409)**
Operating Profit		**12,272**	**12,294**
Depreciation – fit-out	11	(3,421)	(3,333)
Depreciation – right of use lease asset	12	(9,518)	(9,682)
Interest – right of use lease liability	12	(1,457)	(1,594)
Gain on lease terminations and modifications	5	464	330
Amortisation – WOTSO software development	10	(214)	(82)
Interest income		563	-
Finance income		131	-
Other non-operating expenses		(6)	-
Loss before income tax		**(1,186)**	**(2,067)**
Income tax expense		-	-
Loss for the year		**(1,186)**	**(2,067)**
Other comprehensive income		-	-
Total Loss and Other Comprehensive Loss		**(1,186)**	**(2,067)**
Attributable to members of the Group		(1,222)	(2,067)
Non-controlling interest		36	-
Total Loss and Other Comprehensive Loss		**(1,186)**	**(2,067)**

Balance Sheet as at 30 June 2023

	Note	2023 $'000	2022 $'000
Assets			
Current assets			
Cash and cash equivalents		406	274
Trade and other receivables	6	480	271
Interest receivable	7	578	-
WOTSO North Strathfield rental bond	9	-	4,000
Total current assets		**1,464**	**4,545**
Non-current assets			
Investment in Pyrmont Bridge Road Mortgage Fund	23	20,000	-
Investment in Pyrmont Bridge Notes Trust	23	14,000	-
Investment in Hamlet	10	162	-
WOTSO software development asset	10	896	840
Rental deposits	9	749	575
Loans receivable - related parties	8	13,420	-
Property, plant and equipment	11	13,930	12,796
Right of use lease asset	12	42,247	44,684
Total non-current assets		**105,404**	**58,895**
Total Assets		**106,868**	**63,440**
Liabilities			
Current liabilities			
Trade and other payables	13	1,562	4,624
Distributions payable	14	158	-
Unearned revenue		399	253
Deferred lease payments – COVID	4	159	192
Employee provisions	15	377	295
Tenant deposits		43	92
Make good provisions	15	477	-
Right of use lease liabilities	12	10,662	9,925
Total current liabilities		**13,837**	**15,381**
Non-current liabilities			
Loans payable – related party	16	48,219	7,007
Deferred lease payments – COVID	4	201	375
Make good provisions	15	1,436	1,495
Employee provisions	15	66	17
Right of use lease liabilities	12	36,136	40,142
Total non-current liabilities		**86,058**	**49,036**
Total Liabilities		**99,895**	**64,417**
Net Assets (Liabilities)		**6,973**	**(977)**
Share capital	19	11,615	11,689
Accumulated losses		(13,888)	(12,666)
Non-controlling interest in WOTSO Limited		9,246	-
Total Equity (Accumulated Deficiency)		**6,973**	**(977)**

Statement of Cash Flows for the Year ended 30 June 2023

	Note	2023 $'000	Restated See Note 21 2022 $'000
Cash flows from operating activities			
Members receipts		28,706	19,660
Government assistance		8	267
Operating expenditure		(8,425)	(3,322)
Employee payments		(5,643)	(4,045)
Property management fees		-	303
Landlord compensation – Neutral Bay		-	110
Payment of rental bank guarantee		(74)	-
(Payment) / receipt of security bond		(100)	2,000
Net cashflow from operating activities		**14,472**	**14,973**
Cash flows from investing activities			
Cash acquired on control of investments	22	16	-
Payments for property, plant and equipment		(4,555)	(2,073)
Payments for WOTSO software development asset		(270)	(242)
Payments for investment in Hamlet		(162)	-
Net cashflow used in investing activities		**(4,971)**	**(2,315)**
Cash flows from financing activities			
Proceeds (repayment) of borrowings		3,073	(5,109)
Lease payments		(12,472)	(7,716)
Interest received		30	-
Net cashflow used in financing activities		**(9,369)**	**(12,825)**
Net increase / (decrease) in cash and cash equivalents		**132**	**(167)**
Cash and cash equivalents at the beginning of the year		274	441
Cash and cash equivalents at the end of the year		**406**	**274**

All items are inclusive of GST where applicable.

Reconciliation of Operating Cash Flows

	Note	2023 $'000	2022 $'000
Loss for the year		**(1,186)**	**(2,067)**
Non-Cash Flows in Profit:			
Depreciation and amortisation	10,11,12	13,153	13,097
Net interest paid		1,327	1,594
Right of use lease modifications and terminations	5	(464)	(330)
Add / (deduct) net lease waivers and variable lease payments (included in financing cash flows)		1,980	(2,721)
Changes in Operating Assets and Liabilities:			
Increase in trade and other receivables		(202)	(56)
(Decrease) / increase in trade and other payables		(239)	3,333
(Increase) / decrease in rental deposits		(174)	2,000
Increase in provisions		131	80
Increase in unearned revenue		146	43
Net Cashflow from Operating Activities		**14,472**	**14,973**

WOTSO Limited – Notes to the Financial Statements

Statement of Changes in Equity for the Year ended 30 June 2023

	No. of Shares On issue*	Issued Capital $'000	Attributable to Owners of Parent WOTSO Limited Accumulated Losses $'000	Total $'000	Non-Controlling Interests $'000	Total Equity (Accumulated Deficiency) $'000
Balance at 1 July 2022	**163,360,291**	**11,689**	**(12,666)**	**(977)**	**-**	**(977)**
Profit (loss) for the year	-	-	(1,222)	(1,222)	36	(1,186)
Other comprehensive income	-	-	-	-	-	-
Total Profit (Loss) and Other Comprehensive Income (Loss) for the Year	**-**	**-**	**(1,222)**	**(1,222)**	**36**	**(1,186)**
Transactions with Owners in their Capacity as Owners						
Acquisition of investments	-	-	-	-	9,355	9,355
Buy-back of securities	(511,278)	(75)	-	(75)	-	(75)
Issue of securities	9,996	1	-	1	-	1
Distributions paid	-	-	-	-	(145)	(145)
Total Transactions with Owners in their Capacity as Owners	**(501,282)**	**(74)**	**-**	**(74)**	**9,210**	**9,136**
Balance at 30 June 2023	**162,859,009**	**11,615**	**(13,888)**	**(2,273)**	**9,246**	**6,973**

	No. of Shares On issue	Issued Capital $'000	Attributable to Owners of Parent Accumulated Losses $'000	Total $'000	Non-Controlling Interests $'000	Total (Accumulated Deficiency) Equity $'000
Balance at 1 July 2021	**162,921,662**	**11,617**	**(10,599)**	**1,018**	**-**	**1,018**
Loss for the year	-	-	(2,067)	(2,067)	-	(2,067)
Other comprehensive income	-	-	-	-	-	-
Total Loss and Other Comprehensive Loss for the Year	**-**	**-**	**(2,067)**	**(2,067)**	**-**	**(2,067)**
Transactions with Owners in their Capacity as Owners						
Issue of securities	438,629	72	-	72	-	72
Total Transactions with Owners in their Capacity as Owners	**438,629**	**72**	**-**	**72**	**-**	**72**
Balance at 30 June 2022	**163,360,291**	**11,689**	**(12,666)**	**(977)**	**-**	**(977)**

* Subsequent to 30 June 2023, 48,513 securities have been bought back by the Group.

WOTSO Limited – Notes to the Financial Statements

1. Segment Reporting

Identification of reportable operating segments:
WOTSO operates in three business segments, being flexspace, investments and corporate. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM)) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

	Flexspace $'000	Investment $'000	Corporate $'000	Total 2023 $'000	Flexspace $'000	Investment $'000	Corporate $'000	Total 2022 $'000
Profit or Loss								
Revenue from WOTSO members	25,890	-	-	25,890	18,061	-	-	18,061
Government assistance	8	-	-	8	267	-	-	267
Property management fees	-	-	-	-	275	-	-	275
Other revenue	-	-	-	-	100	-	-	100
Total Revenue	**25,898**	**-**	**-**	**25,898**	**18,703**	**-**	**-**	**18,703**
Expenses								
COVID rent waivers received from landlords	18	-	-	18	4,051	-	-	4,051
Staff costs	(5,605)	-	-	(5,605)	(4,043)	-	-	(4,043)
Other operating expenses	(5,988)	-	-	(5,988)	(5,482)	-	-	(5,482)
Variable lease payments	(1,997)	-	-	(1,997)	(917)	-	-	(917)
Bad debt expenses	(54)	-	-	(54)	(18)	-	-	(18)
Total Expenses	**(13,626)**	-	-	**(13,626)**	**(6,409)**	-	-	**(6,409)**
Operating Profit	**12,272**	**-**	-	**12,272**	**12,294**	**-**	**-**	**12,294**
Depreciation – fit-out	(3,421)	-	-	(3,421)	(3,333)	-	-	(3,333)
Depreciation – right of use lease asset	(9,518)	-	-	(9,518)	(9,682)	-	-	(9,682)
Interest – right of use lease liability	(1,457)	-	-	(1,457)	(1,594)	-	-	(1,594)
Gain on lease terminations and modifications	464	-	-	464	330	-	-	330
Amortisation – WOTSO software development	-	(214)	-	(214)	-	(82)	-	(82)
Interest income	-	563	-	563	-	-	-	-
Other non-operating expenses	-	(6)	-	(6)	-	-	-	-
Finance income	131	-	-	131	-	-	-	-
(Loss) / profit before income tax	**(1,529)**	**343**	-	**(1,186)**	**(1,985)**	**(82)**	-	**(2,067)**

	Flexspace $'000	Investment $'000	Corporate $'000	Total 2023 $'000	Flexspace $'000	Investment $'000	Corporate $'000	Total 2022 $'000
Balance Sheet								
Current assets								
Cash and cash equivalents	398	8	-	406	274	-	-	274
Trade and other receivables	480	-	-	480	271	-	-	271
Interest receivable	-	578	-	578	-	-	-	-
WOTSO North Strathfield rental bond	-	-	-	-	4,000	-	-	4,000
Total current assets	**878**	**586**	**-**	**1,464**	**4,545**	**-**	**-**	**4,545**
Non-current assets								
Investment in Pyrmont Bridge Road Mortgage Fund	-	20,000	-	20,000	-	-	-	-
Investment in Pyrmont Bridge Notes Trust	-	14,000	-	14,000	-	-	-	-
Investment in Hamlet	-	162	-	162	-	-	-	-
WOTSO software development asset	-	896	-	896	-	840	-	840
Rental deposits	749	-	-	749	575	-	-	575
Loans receivable - related parties	-	-	13,420	13,420	-	-	-	-
Property, plant and equipment	13,930	-	-	13,930	12,796	-	-	12,796
Right of use lease asset	42,247	-	-	42,247	44,684	-	-	44,684
Total non-current assets	**56,926**	**35,058**	**13,420**	**105,404**	**58,055**	**840**	**-**	**58,895**
Total Assets	**57,804**	**35,644**	**13,420**	**106,868**	**62,600**	**840**	**-**	**63,440**
Liabilities								
Current liabilities								
Trade and other payables	1,531	31	-	1,562	4,624	-	-	4,624
Distributions payable	-	158	-	158	-	-	-	-
Unearned revenue	399	-	-	399	253	-	-	253
Deferred lease payments – COVID	159	-	-	159	192	-	-	192
Employee provisions	377	-	-	377	295	-	-	295
Tenant deposits	43	-	-	43	92	-	-	92
Make good provisions	477	-	-	477	-	-	-	-
Right of use lease liabilities	10,662	-	-	10,662	9,925	-	-	9,925
Total current liabilities	**13,648**	**189**	**-**	**13,837**	**15,381**	**-**	**-**	**15,381**
Non-current liabilities								
Loans payable – related party	-	-	48,219	48,219	-	-	7,007	7,007
Deferred lease payments – COVID	201	-	-	201	375	-	-	375
Make good provisions	1,436	-	-	1,436	1,495	-	-	1,495
Employee provisions	66	-	-	66	17	-	-	17
Right of use lease liabilities	36,136	-	-	36,136	40,142	-	-	40,142
Total non-current liabilities	**37,839**	**-**	**48,219**	**86,058**	**42,029**	**-**	**7,007**	**49,036**
Total Liabilities	**51,487**	**189**	**48,219**	**99,895**	**57,410**	**-**	**7,007**	**64,417**
Net Assets (Liabilities)	**6,317**	**35,455**	**(34,799)**	**6,973**	**5,190**	**840**	**(7,007)**	**(977)**

2. Cash Flow Management

At the end of the year, the Balance Sheet showed current liabilities exceeded current assets by $12.4 million (30 June 2022 - $10.8 million). This is mainly driven by lease payments due over the next 12 months totalling $10.7 million (30 June 2022 - $9.9 million). The corresponding leased asset is not allowed to be classified as a current asset under accounting standards but would approximately offset this deficit.

This negative working capital position is a result of substantial growth over the past year, with significant upfront outlays to open three new WOTSO sites in New South Wales - Macarthur Square, North Head and Blacktown. Additionally, the group has invested in fitout to diversify the business, offering flexspace to health professionals and the cooking industry.

The Group has positive operating cash flow and closely monitors liquidity. WOTSO also has an available line of credit in the form of its loan agreement with BlackWall Property Trust (BWR), the trust that it is stapled to, to make up WOTSO Property. The majority of the lease liability referred to above is also payable to BlackWall Property Trust owned properties.

3. Revenue

Disaggregation of Revenue from Contracts with Customers	**2023 $'000**	**2022 $'000**
Offices	19,052	13,079
Coworking	3,090	2,478
Other Services*	3,748	2,504
Total Revenue from WOTSO Members	**25,890**	**18,061**
Government Assistance	8	267
Property Management Fees	-	275
Landlord Compensation**	-	100
Total Revenue	**25,898**	**18,703**

* Other Services include meeting room hire, parking, virtual office and other member services.

** WOTSO has entered into an option agreement with its Neutral Bay landlord that, if exercised, is expected to see its lease terminated. An option fee of $100,000 was received in 2022, and a further $4.9 million is receivable if the option is exercised. In September 2022 the option period was extended for another 12 months. The option is required to be exercised by 18 September 2023, and if exercised, the remaining fee is payable 6 months from the date of exercise.

4. Rent Waivers and Deferrals

$18,000 (2022 - $4.1 million) was received by WOTSO from landlords in the reporting period and has been treated as variable lease payments per AASB 16 and, as such, recognised within operating profit of the Group. The rent deferral received by WOTSO was also treated as a variable lease payment per AASB 16, but the difference has been recognised as a deferred rent liability. As at 30 June 2023, WOTSO had rent deferral liabilities totalling $360,000 (30 June 2022 - $567,000), for which deferred repayments will continue over the term of the leases.

5. Gain on Lease Terminations

	2023 $'000	**2022 $'000**
Gain on lease terminations and modifications	464	330
Total	**464**	**330**

The gain on lease terminations is the result of a transition from long term leases to month-to-month agreements with other members of the WOT Group.

6. Trade and Other Receivables

	2023 $'000	**2022 $'000**
Trade receivables from WOTSO members	93	111
Trade receivables from related parties	322	28
Expected credit loss allowance	(22)	(16)
Other receivables	87	148
Total	**480**	**271**

7. Interest Receivable

	2023 $'000	**2022 $'000**
Interest receivable from related parties	578	-
Total	**578**	**-**

8. Loan Portfolio

	2023 $'000	2022 $'000
Loan receivable – Planloc	13,370	-
Loan receivable – WRV	50	-
Total Non-Current Loan Portfolio	**13,420**	**-**

The loans to Planloc and WRV are unsecured loans and subject to a loan term of 5 years from June 2023 with interest chargeable at the discretion of the lender. No interest has been charged during the year.

9. Other Assets

	2023 $'000	2022 $'000
Secured bond – WOTSO North Strathfield	-	4,000
Total Current Other Assets	**-**	**4,000**
Lease rental deposits	749	575
Total Non-Current Other Assets	**749**	**575**
Total Other Assets	**749**	**4,575**

The WOTSO North Strathfield bond was held to secure WOTSO's lease at its North Strathfield site. As agreed by the landlord, this bond was released during the reporting period and offset against rent payable for this site.

10. WOTSO Software Development Asset

Over the last few years WOTSO has undertaken a project to develop in-house software to help manage its operations and customer invoicing. The software has been developed in conjunction with external developers and commenced commercialisation during 2022. The Group owns a perpetual licence of the software, and during the year increased its ownership in the software business to 31% (2022 – 25%). As at 30 June 2023 the Group has contributed $896,000, net of amortisation (2022 - $840,000), to fund the development of the software and has increased its investment in associate to $162,000 (2022 - $nil).

During 2022 it was determined that the software operating platform was sufficiently ready for use and the Group commenced amortising the WOTSO software development asset. During the year $214,000 (2022 - $82,000) of amortisation was recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income.

11. Property, Plant and Equipment

	2023 $'000	2022 $'000
Fit-out	26,229	21,674
Less: accumulated depreciation	(12,299)	(8,878)
	13,930	**12,796**

Reconciliations of the written down values at the beginning and end of the current reporting period are set out below:

	2023 $'000	2022 $'000
Carrying amount at the beginning of year	12,796	14,111
Additions	4,555	2,018
Depreciation expense	(3,421)	(3,333)
Carrying amount at the end of the year	**13,930**	**12,796**

12. Right of Use Assets and Lease Liabilities

Right of use lease assets relate to third party leases held by WOTSO. WOTSO leases premises to house its flexible workspace product under agreements of 5 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

	2023 $'000	2022 $'000
Right of use assets	76,774	71,488
Less: accumulated depreciation	(34,527)	(26,804)
	42,247	**44,684**

Reconciliations of the written down values at the beginning and end of the current reporting period are set out below:

	2023 $'000	2022 $'000
Carrying amount at the beginning of the period	44,684	34,080
Right of use assets – modifications *	2,642	10,819
Remeasurement of right of use assets **	1,753	605
Additions ***	6,019	9,805
Depreciation expense	(9,518)	(9,682)
Disposals ****	(3,333)	(943)
Carrying amount at the end of year	**42,247**	**44,684**

* Lease modifications mostly relate to additional leased area in WOTSO Fortitude Valley.
** Remeasurements reflect revised contractual payments within existing lease liabilities, including changes in an index or rate used to determine the amounts payable.

*** Additions relate to the new lease agreements for new WOTSO sites, North Head and Blacktown.

**** During the year, WOTSO and other members of the WOT Group, agreed to cancel certain existing leases and move to month-to-month tenancy agreements, with payments expensed as incurred on a monthly basis. This resulted in gain on lease terminations of $464,000.

WOTSO Neutral Bay
During 2021, the Group entered into an option deed with the property owners at the current WOTSO Neutral Bay site, that, if exercised, will see the Group give up the various leases it holds at that site and receive an additional $4.9 million from the property owners (the Group received $100,000 in October 2021). The option was extended for a further 12 months in September 2022.

Right of Use Lease Liabilities

Right of use lease liabilities are measured and repaid over the term of the lease. For lease commitment details refer to Note 27(d) – Financial Risk Management.

	2023	2022
	$'000	$'000
Opening Balance	50,067	39,355
Modifications and remeasurements	3,978	11,351
Additions	6,019	9,805
Disposals	(3,797)	(1,249)
Interest charged	1,457	1,594
Repayments	(10,926)	(10,789)
Total Lease Liabilities	**46,798**	**50,067**
Current lease liabilities	10,662	9,925
Non-current lease liabilities	36,136	40,142
Total Lease Liabilities	**46,798**	**50,067**

13. Trade and Other Payables

	2023	2022
	$'000	$'000
Trade and other payables	493	3,306
Payables with related party	148	413
Total Trade and Other Payables	**844**	**3,719**
Accrued expenses	581	719
Sundry payables	340	186
Total	**1,562**	**4,624**

As at 30 June 2022, WOTSO had outstanding rent payable of $2.92 million to the North Strathfield landlord, which was offset against the deposit of $4.00 million. Refer to Note 9 – Other Assets

14. Distributions Payable

	2023	2022
	$'000	$'000
Distributions payable to related parties	158	-
Total	**158**	**-**

15. Provisions

	2023	2022
	$'000	$'000
Current – employee benefits	377	295
Non-current – employee benefits	66	17
Total employee benefits provisions	**443**	**312**
Current – make good provision	477	-
Non-current – make good provision	1,436	1,495
Total make good provisions	**1,913**	**1,495**
Total provisions	**2,356**	**1,807**
Balance at the beginning of the year	**1,807**	**1,678**
Net provisions increase	549	129
Balance at the end of year	**2,356**	**1,807**

Employee benefit provisions relate to annual leave and long service leave payable to employees. The number of employees for the Group as at 30 June 2023 was 84 (2022: 70).

Make good provisions relate to estimated costs required to return leased property to the state required by the lease. These have been discounted at the same rate as the underlying lease liability, per AASB 16 *Leases*.

16. Borrowings

	2023 $'000	2022 $'000
Non-current		
Loan from related party - BWR	48,219	7,007
Total non-current borrowings	**48,219**	**7,007**

The borrowings from BWR are unsecured and subject to interest at a margin of 2.0% over the RBA cash rate and is subject to a loan term of 5 years from June 2021. Interest is chargeable at the discretion of the lender. No interest was charged during the year.

17. Deferred Tax Assets

WOTSO has not recognised deferred tax assets during this financial year. This is due to the uncertainty around the ability of the Group to recoup these in the short to medium term. The net deferred tax assets predominately relate to tax losses and therefore are available to offset against any deferred tax liabilities subject to meeting the relevant loss recoupment tests. This does not affect their ability to be utilised in the future. WOTSO estimates that net deferred tax asset is $3.73 million as detailed below.

	2023 $'000	2022 $'000
Right of use leases	1,616	1,720
Accruals and provisions	263	285
Prepayments	(14)	(11)
Fixed asset depreciation and amortisation	(2,224)	(1,556)
Carried forward tax losses	4,092	3,344
Total unrecognised net deferred tax assets	**3,733**	**3,782**

18. Auditor's Remuneration

	2023	2022
Remuneration of ESV for:	$	$
Audit and assurance services	69,000	63,170
Taxation and other services	13,095	13,338
Total	**82,095**	**76,508**

19. Issued Capital

	2023 Shares	2022 Shares	2023 $'000	Jun 2022 $'000
At the beginning of the period	163,360,291	162,921,662	11,689	11,617
Buy-back of issued securities	(511,278)	-	(75)	-
Issue of new units	9,996	438,629	1	72
At the end of the period	**162,859,009**	**163,360,291**	**11,615**	**11,689**

20. Contingencies

The Group had no contingent assets or liabilities at 30 June 2023 (2022: $nil).

21. Prior Period Adjustment

During the year, the Group assessed that the acquirer of Gymea Bay Unit Trust was erroneously determined as at 30 June 2022. Rather, BlackWall Property Trust (BWR), a member of the WOTSO Property stapled group, was the acquirer. The acquisition was satisfied by issuing stapled securities in WOTSO Property in consideration for Gymea Bay Unit Trust. As stapled securities in WOTSO Property were issued, the value of the stapled securities issued were apportioned across the respective members of the stapled group. Additionally, Gymea Bay Unit Trust incorrectly paid a cash distribution to the Group during the year ended 30 June 2022, which was eliminated upon consolidation. As a consequence of the above, the net cash received has been re-assessed as a loan from BWR. Accordingly, there is no net impact on the balances reported as at and for the year ended 30 June 2022.

22. Acquisition of Subsidiaries

WOTSO Healthspace
With 50% investment in WOTSO Healthspace Pty Ltd capital, the Group is expanding the business, offering flexspace solutions to health professionals. During the financial year, the group commenced operations in three sites across Australia: Pyrmont, Dickson and Gold Coast. Funded by WOTSO Limited as the parent entity, WOTSO health space invested $483,000 in fitout and commenced operations late in 2023 and incurred a small loss of $4,000.

WOTSO Cookspace
WOTSO is also developing flexspace solutions for the cooking industry, which will offer fully equipped cooking spaces ready to be used as per member's needs. Beyond holding 50% of WOTSO Cookspace Pty Ltd capital, WOTSO provides funding and exercises management control. WOTSO CookSpace is still in the development phase and has not commenced operations at 30 June 2023.

23. Acquisition of investments

On 17 June 2023, the Group acquired 64.44% of the issued units of Pyrmont Bridge Mortgage Fund, and 83.97% of the issued units of Pyrmont Bridge Notes Trust, therefore obtaining control of these entities. The acquired trusts are investment entities and are consolidated as per AASB 10.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	Pyrmont Bridge Mortgage Fund $'000	Pyrmont Bridge Notes Trust $'000	Pyrmont Bridge Unit Trust $'000	Eliminations on acquisition $'000	Total Acquisition $'000
Cash and cash equivalents	8	-	8	-	16
Accounts receivable	15	-	-	(8)	7
Investment in Pyrmont Bridge Unit Trust	20,000	-	-	(20,000)	-
Investment in Pyrmont Bridge Mortgage	-	-	20,000	-	20,000
Investment in Pyrmont Bridge Notes	-	14,000	-	-	14,000
Accounts payable	(23)	-	(3)	3	(23)
Total identifiable assets acquired and liabilities assumed	**20,000**	**14,000**	**20,005**	**(20,005)**	**34,000**
Excess of net assets acquired	-	-	-	-	-
Non-controlling interest	(7,111)	(2,244)	-	-	(9,355)
Total Consideration	**12,889**	**11,756**	**(20,005)**	**20,005**	**24,645**
Satisfied by:					
Loan from related party - BWR	12,889	11,756	-	-	24,645
Total Consideration Transferred	**12,889**	**11,756**	**-**	**-**	**24,645**

24. Controlled Entities

		2023 %	2022 %
Parent entity:			
WOTSO Limited	Australia	n/a	n/a
Subsidiaries of parent entity:			
Pyrmont Bridge Trust	Australia	64	-
Pyrmont Bridge Road Mortgage Fund	Australia	64	-
Pyrmont Bridge Notes Trust	Australia	84	-
WOTSO Services 1 Pty Ltd	Australia	100	100
WOTSO Services 2 Unit Trust	Australia	100	100
WOTSO Services 2 Pty Ltd	Australia	100	100
WOTSO Services 3 Pty Ltd	Australia	100	100
WOTSO Services Pty Ltd	Australia	100	-
WOTSO Employment Services Pty Limited	Australia	100	100
WOTSO Penrith Pty Ltd	Australia	100	100
WOTSO Adelaide Pty Ltd	Australia	100	100
WOTSO at RFW Manly Pty Ltd	Australia	100	100
WOTSO Barracks Pty Ltd	Australia	100	-
WOTSO Bella Vista Pty Ltd	Australia	100	-
WOTSO Blacktown Pty Ltd	Australia	100	100
WOTSO Bondi Junction Pty Ltd	Australia	100	100
WOTSO Botany Pty Ltd	Australia	100	-
WOTSO Brookvale Pty Ltd	Australia	100	100
WOTSO Canberra North Pty Ltd	Australia	100	100
WOTSO Canberra South Pty Ltd	Australia	100	100
WOTSO Chermside Pty Ltd	Australia	100	100
WOTSO Coffee Pty Ltd	Australia	100	100
WOTSO Cookspace Pty Ltd *	Australia	50	-
WOTSO Cremorne Pty Ltd	Australia	100	-
WOTSO External Pty Ltd	Australia	100	-
WOTSO Fortitude Valley Pty Ltd	Australia	100	-
WOTSO Gold Coast Pty Ltd	Australia	100	100
WOTSO Healthspace Pty Ltd *	Australia	50	-
WOTSO Hobart Pty Ltd	Australia	100	100
WOTSO Holdings Pty Ltd	Australia	100	-
WOTSO Internal Pty Ltd	Australia	100	-
WOTSO Macarthur Square Pty Ltd	Australia	100	100
WOTSO Mandurah Pty Ltd	Australia	100	100
WOTSO Neutral Bay Pty Ltd	Australia	100	100
WOTSO Newcastle Pty Ltd	Australia	100	100
WOTSO North Strathfield Pty Ltd	Australia	100	100

WOTSO Pyrmont Pty Ltd	Australia	100	100
WOTSO Robina Pty Ltd	Australia	100	-
WOTSO Sub Base Pty Ltd	Australia	100	-
WOTSO Sunshine Coast Pty Ltd	Australia	100	100
WOTSO Toowoomba Pty Ltd	Australia	100	-
WOTSO Woden Pty Ltd	Australia	100	100
WOTSO Zetland Pty Ltd	Australia	100	100
Kirela Development Unit Trust	Australia	100	100
Woods Pipes Fund	Australia	100	-
WOTSO Takapuna Limited	New Zealand	100	-

* Consolidated because WOTSO Limited exercises management control and provides funding.

25. Related Party Transactions

Related Parties, Associates
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 10 – WOTSO Software Development Asset.

Transactions With Related Entities
The Group pays rent for leased properties owned by related parties. The rent paid is determined with reference to arm's length commercial rates. Additionally, WOTSO pays for fit-out costs, management fees, distributions and general expenses such as car parking and cleaning. The Group receives revenue from related parties, including interest income and flexspace.

All transactions with related parties were made on normal commercial terms and conditions and at market rates and were approved by the Board where applicable. The following transactions occurred during the financial year and the balances were outstanding at the year-end between the Group and its related entities.

	2023	2022
Revenue:	**$**	**$**
Interest income	563,326	-
Other revenue	107,820	111,800
Property management fees	-	275,100
Total Revenue	**671,146**	**386,900**
Expenses:		
Rent and outgoings paid	7,258,209	3,023,302
Management fees	1,015,939	552,799
Fit-out	926,538	179,538
Software development costs	270,000	-
Staff costs	94,179	102,703
Other expenses	644,030	233,557
Total Expenses	**10,208,895**	**4,091,899**
Outstanding balances:		
Trade and other receivables	321,289	28,404
Trade and other payables	147,672	413,412
Interest receivable	578,461	-
Distributions payable	158,765	-
Deferred lease payments – COVID – current	87,843	85,800
Deferred lease payments – COVID – non-current	87,843	221,651
Loans receivable	13,420,000	-
Loans payable	48,218,903	7,007,000

26. Parent Entity Information

Results:	**2023 $'000**	**2022 $'000**
Loss after tax	(474)	(188)
Total comprehensive loss after tax	**(474)**	**(188)**
Financial position:		
Current assets	194	19,973
Non-current assets	58,444	560
Total assets	**58,638**	**20,533**
Current liabilities	-	(85)
Non-current liabilities	(48,185)	(9,447)
Total liabilities	**(48,185)**	**(9,532)**
Net assets	**10,453**	**11,001**
Share capital	11,615	11,689
Accumulated losses	(1,162)	(688)
Total equity	**10,453**	**11,001**

The parent entity had no contingencies or capital commitments at 30 June 2023 (2022: $nil).

27. Financial Risk Management

a) Financial Risk Management

The main risks the Group is exposed to through its financial instruments are market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's principal financial instruments are cash and cash equivalents, financial assets and loans payable. Additionally, the Group has various other financial instruments such as trade debtors, lease rental deposits 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:

	2023 $'000	2022 $'000
Cash and cash equivalents	406	274
Trade and other receivables	480	271
Interest receivable	578	-
WOTSO North Strathfield bond	-	4,000
Rental deposits	749	575
Loans receivable – related party	13,420	-
Trade and other payables	1,562	4,624
Distributions payable	158	-
Loans payable – related party	48,219	7,007
Lease liabilities	46,798	50,067

(b) Sensitivity analysis

Although the Group is exposed to currency risk through its subsidiary in New Zealand, which operates the flexspace business in New Zealand Dollars (NZD), management considers that this is a low risk due to the immaterial investment and the low volatility between both currencies, Australian and New Zealand Dollars

The Group is not exposed to any material credit, interest or liquidity risks.

(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, and purchase or sell assets.

(d) Liquidity risk

At 30 June 2023	Maturing In 1 year $'000	Maturing in 2 – 5 years $'000	Maturing over 5 years $'000	Total $'000
Financial liabilities				
Trade and other payables	1,562	-	-	1,562
Borrowings	-	48,219	-	48,219
Lease Liabilities	10,662	15,081	21,055	46,798
	12,224	**63,300**	**21,055**	**96,579**

At 30 June 2022	Maturing In 1 year $'000	Maturing in 2 – 5 years $'000	Maturing over 5 years $'000	Total $'000
Financial liabilities				
Trade and other payables	4,867	-	-	4,867
Borrowings	-	7,007	-	7,007
Lease Liabilities	9,925	24,161	15,981	50,067
	14,792	**31,168**	**15,981**	**61,941**

28. Subsequent Events

To the best of the Directors' knowledge, since the end of the reporting period, 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.

29. Critical Accounting Estimates and Judgments

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information.

Goodwill and Other Indefinite Life Intangible Assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 31 – Statement of Significant Accounting Policies.

Lease Term for Right of use Assets and Liabilities
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Make Good Provisions
Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the premises on which it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured. Judgement is exercised in estimating the present value of these costs. The Group reviews these estimates at each reporting period and adjusts if there is a significant event or change in circumstance.

Incremental Borrowing Rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

30. Basis of Preparation and Accounting Policies

WOTSO Limited is part of the listed WOT stapled group, 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 general purpose financial statements have been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial statements of the Company also comply with IFRS as issued by the International Accounting Standards Board ('IASB').

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.

The statutory financial information for the Group has been presented for the year ended 30 June 2023 and for the comparative year ended 30 June 2022. The comparative period statutory financial information does not include the results of all WOTSO subsidiaries. With the acquisition of Pyrmont Bridge Notes Trust and Pyrmont Bridge Road Mortgage Fund, described in Note 22 – Acquisition of Investments, WOTSO acquired control of these entities on 17th June 2023, and consolidated from this date. This means the current year's statutory financial information includes one month of consolidated results from these entities, whereas the comparative period has none.

The financial statements are presented in Australian dollars.

31. Statement of Significant Accounting Policies

The Group is a group of the kind referred to in ASIC Class Order 2016/191 and, in accordance with that Class Order, 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 the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

WOTSO reported a net loss for the year and is in a net current liability position, as described in Note 2- Cash Flow Management. However, many of the WOTSO sites are in the build-up phase and profitability is expected to improve. The Group has earned positive cash flows from operations during the year and projects it will have sufficient cash balances to pay debts as they fall due and forecasts for the next twelve months display enough liquidity for it to be appropriate for WOTSO to continue as a going concern.

Additionally, short-term funding may be obtained from related parties if needed.

Presentation of Financial Statements
Both the functional and presentation currency of WOTSO Limited and its Australian subsidiaries is Australian dollars. Functional currency New Zealand Dollars results are translated to presentation currency.

Principles of Consolidation
The consolidated financial statements comprise the financial statements of the Group and its subsidiaries. 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.

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.

Inter-company Balances
All inter-company 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.

Operating Segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (CODM). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

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
Leasehold Improvements	lesser of 10 years and expected remaining lease term.
Right of use assets	remaining lease terms, including any options where they are reasonably certain to be exercised.

At each balance sheet date, assets' residual values and useful lives are reviewed, particularly with reference to the remaining expected lease term of each site, and adjusted if appropriate.

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.

Internally Generated Intangible Assets
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised if, and only if, all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated on a straight-line basis over the expected useful lives of the intangible asset as follows:

Software development	5 years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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.

Right of Use Lease Assets

A right of use asset is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right of use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets not measured at amortised cost are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

(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 entities 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.

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 doubtful debts 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.

Interest Bearing Borrowings
Interest bearing borrowings are initially recognised at fair value less any related transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost.

Employee Benefits

Defined Contribution Plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution to defined contribution plans are recognised as a personnel expense in profit and loss when they are due.

Other Long Term Employee Benefits
The Group's net obligation in respect of long-term employee benefits other than defined benefit plans 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.

Provisions
Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Revenue
WOTSO income comprises rental and recovery of outgoings from property tenants. Rental income is accounted for on a straight-line basis over the lease term, if applicable.

Business Combination
The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

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
WOTSO Limited has elected to form a tax consolidated group with its wholly owned entities for income tax purposes under the tax consolidation regime. As a consequence, all members of the tax consolidated group are taxed as a single entity. The head entity within the tax consolidated group is WOTSO Limited.

In addition to its own current and deferred tax amounts, WOTSO Limited 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.

Comparative Figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current period. 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
The consolidated Entity has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

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 material impact on the Group.

Directors' Report (Continued)

Auditor and Non-audit Services
$69,000 and $13,095 were paid to the auditor for audit and non-audit services respectively during the financial year (2022: $63,170 and $13,338 respectively) as detailed in Note 17 - 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 Business Advice and Accounting 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.

Subsequent Events and Significant Changes in Affairs
To the best of the Directors' knowledge, since the end of the financial year, there have been no other matters or circumstances, except for those disclosed in Note 28 – Subsequent events, that have materially affected the Group's operations or may materially affect its operations, state of affairs or the results of operations in the current or future financial years.

Information on Officeholders

The names of the Officeholders during or since the end of the year are set out below. Unless otherwise stated, Officeholders have been in office since the beginning of the financial year to the date of these financial statements.

Joseph (Seph) Glew
Non-Executive Director and Chairman
Seph has worked in the commercial property industry in New Zealand, the USA and Australia. Seph 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
Executive Director and Joint Managing Director
Tim is Joint Managing Director and Chief Financial Officer for WOTSO and BlackWall. Tim joined the BlackWall Group in 2008 as Financial Controller and became Chief Financial Officer in 2009. He has a Bachelor of Commerce from the University of New South Wales and is a member of the Chartered Accountants 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
Executive Director and Joint Managing Director
Jessie is Joint Managing Director and Chief Operating Officer (COO) for WOTSO and BlackWall. Jessie has been with BlackWall since early 2011 and has a strong background in and passion for the property industry. For the past 13 years, Jessie has specialised in working with distressed properties and spaces, and the operations of the WOTSO business. Jessie holds a bachelor's degree in international communication from Macquarie University and NSW Real Estate License.

Jessie joined the Board of The Kids Cancer Project in 2021 and over the last 2 years has provided insights and operational knowledge to help support The Kids Cancer Project.

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 BlackWall'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 BlackWall 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 Blackwall's Audit Committee.

Agata Ryan
Company Secretary – Appointed on 10 March 2023
Agata joined WOTSO in February 2023 and oversees all aspects of WOTSO's corporate transactions, the corporate governance and regulatory functions and investor relations. Before joining WOTSO, Agata worked as a lawyer at a boutique property law firm and prior to that was legal counsel in the commercial property legal team at Stockland. Agata holds a Bachelor of Arts, Master of Commerce and Juris Doctor

degree from UNSW. She is admitted as a solicitor of the Supreme Court of New South Wales and the High Court of Australia.

Alex Whitelum
Company Secretary – Resigned 10 March 2023
Alex joined WOTSO Property and BlackWall in 2020 and was responsible for WOTSO's 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	6	6
Timothy Brown	6	6
Jessica Glew	6	6
Richard Hill	6	5
Robin Tedder	6	6

Registered office
Level 1 50 Yeo Street Neutral Bay, Sydney, NSW
Phone: +61 2 9033 8699 or 1800 4 WOTSO

Principal place of business
Level 1 50 Yeo Street, Neutral Bay, Sydney, NSW

Auditor
ESV Business Advice and Accounting
Level 13, 68 York Street, Sydney NSW 2000

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

Tim Brown
Director
Sydney, 30 August 2023

Jessie Glew
Director
Sydney, 30 August 2023

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 2023 and of its performance for the financial period 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 Chief Executive Officer 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, 30 August 2023

Jessie Glew
Director
Sydney, 30 August 2023

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

As auditor for the audit of WOTSO Limited and its controlled entities for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Dated at Sydney on the 30th day of August 2023.

ESV Business Advice and Accounting

Chris Kirkwood
Partner

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of WOTSO Limited ('the Company') and its controlled entities ('the Group'), which comprises the consolidated statement of financial position as at 30 June 2023, 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 year then ended, notes including a summary of significant accounting policies, and the directors' declaration.

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 2023 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 (including Independence Standards)* (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.

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.

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

Revenue	
Key Audit Matter	**How the scope of our audit responded to the risk**
The Group generates its rental income from short-term tenancies. During the year 2023, Group recorded $25.89 million (June 2022: $18.06 million) of rental revenue from short-term tenancies. Rental income from short-term tenancies is earned from leasing of desks, office space, meeting rooms and related services (co-working business) to short term tenants – operated by WOTSO Limited. Majority of premises used for operating of WOTSO co-working business is leased from related entity – BlackWall Property Trust and some are leased from third party landlords. Due to large number of short-term tenancies across numerous WOTSO locations, there is a risk that revenue is incorrectly recorded.	Our procedures included, but were not limited to: > For short-term rental income relating to co-working business, on sample basis of tenancies across different site locations we verified the monthly billing for desks, office space hired to the agreed terms as per information in the tenancy management database and the price list per location. We also performed comparison of monthly revenue per location with monthly revenue from prior period and investigated any unusual or significant movement. > Obtained bank transactions for all bank accounts to assess completeness of receipts of rental income. > Performed analytical procedures by comparing monthly performance per location and comparing with prior period and investigating material variances. > Assessed the disclosures included in the financial statement for revenue are in accordance with AASB 15. Based on our work performed, we conclude the revenue for the Group is free from material misstatement.

Other Information

Other information is financial and non-financial information in the Company's annual report which is provided in addition to the Financial Report and the Auditor's Report for the year ended 30 June 2023. The directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' report (page 3 and 21-22) which we obtained prior to the date of this auditor's report 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.

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

Directors' Responsibilities for the Financial Report

The directors of the Company 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 ability of the Company 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 Company 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 the 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.

Dated at Sydney on the 30th day of August 2023.

ESV Business Advice and Accounting

Chris Kirkwood
Partner

PLANLOC LIMITED
ABN 50 062 367 560

FINANCIAL STATEMENTS
JUNE 2023

CONTENTS

Directors' Report

The Directors present their report, together with the financial statements of Planloc Limited (referred to hereafter as the 'Company') for the year ended 30 June 2023.

Principal activities
Planloc Limited is a listed property investment company. The Company is stapled to two other entities (BlackWall Property Trust and WOTSO Limited) and forms the listed WOTSO Property (ASX: WOT). The Company has an investment in a retail mixed use property located in Penrith, NSW, and an entertainment precinct in Villawood, NSW.

The Penrith property, which was independently valued in June 2022 at $26.25 million, is fully occupied. The tenancies include Barbeques Galore, Boating Camping Fishing, Rashay's Restaurant, Tru Ninja, Factory Plus, Only About Children, and City Cave.

The Company also owns just under 50% of the WRV Unit Trust, which owns The Woods property. The property is an entertainment precinct in Sydney's west, approximately 28 kilometres from Sydney CBD. The property has great exposure to Woodville Road and is home to 8 different tenants including Zone Bowling, Chipmunks Playland, Sydney Indoor Climbing Gym, Jump Swim School, Flip Out and Cross Fit Bawn. It was also independently valued in June 2022 at $28.5 million.

Risks
Planloc has identified a number of material business risks including inflation, interest costs, valuations and unplanned capital expenditures, among others. These risks are subject to continuous assessment and review.
The key business risks' impacting the Company and how such risks are managed are outlined in WOTSO Property Group's 2023 Financial Report, which can be found at www.blackwall.com.au.

PLANLOC Limited – Financial Statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Revenue			
Property rental income		2,066	1,506
Finance income		69	57
Unrealised gains	3	1,362	7,937
Total Revenue		**3,497**	**9,500**
Expenses			
Property outgoings		(744)	(429)
Business operating expenses	4	(278)	(220)
Depreciation expense	9	(143)	(142)
Finance costs		(669)	(70)
Total Expenses		**(1,834)**	**(861)**
Profit before income tax		**1,663**	**8,639**
Income tax expense		(499)	(2,592)
Profit for the year		**1,164**	**6,047**
Other comprehensive income		-	-
Total Profit and Other Comprehensive Income		**1,164**	**6,047**

Balance Sheet as at 30 June 2023

	Note	2023 $'000	2022 $'000
Assets			
Current assets			
Cash and cash equivalents		58	28
Loan portfolio	5	196	200
Deferred rent receivable	6	26	26
Trade and other receivables	7	26	-
Total current assets		**306**	**254**
Non-current assets			
Deferred rent receivable	6	53	78
Loan portfolio	5	1,425	1,618
Financial assets	8	8,838	7,461
Investment property	9	26,250	26,250
Total non-current assets		**36,566**	**35,407**
Total Assets		**36,872**	**35,661**
Liabilities			
Current liabilities			
Trade and other payables	10	142	104
Borrowings	11	-	10,000
Total current liabilities		**142**	**10,104**
Non-current liabilities			
Borrowings	11	26,370	16,860
Deferred tax liabilities		5,195	4,696
Total non-current liabilities		**31,565**	**21,556**
Total Liabilities		**31,707**	**31,660**
Net Assets		**5,165**	**4,001**
Share capital	12	**-**	**-**
Retained earnings		**5,165**	**4,001**
Total Equity		**5,165**	**4,001**

PLANLOC Limited – Financial Statements

Statement of Cash Flows for the year ended 30 June 2023

	Notes	2023 $'000	2022 $'000
Cash Flows from Operating Activities			
Receipt from property tenants		2,142	1,604
Payments to suppliers		(1,104)	(922)
Interest received		69	57
Interest paid		(669)	(70)
Net Cash Flows from Operating Activities		**438**	**669**
Cash Flows from Investing Activities			
Loans advanced		-	(1,965)
Repayment of loan portfolio		197	147
Payments of capital expenditure	9	(115)	(66)
Net Cash Flows from (used in) Investing Activities		**82**	**(1,884)**
Cash Flows from Financing Activities			
Proceeds of borrowings		3,000	1,192
Repayment of borrowings		(3,490)	-
Net Cash Flows (used in) from Financing Activities		**(490)**	**1,192**
Net Increase (Decrease) in Cash and Cash Equivalents		**30**	**(23)**
Cash and cash equivalents, at the beginning of the year		28	51
Cash and Cash Equivalents, at End of the Year		**58**	**28**

Reconciliation of Operating Cash Flows

	2023 $'000	2022 $'000
Profit for the Year	**1,164**	**6,047**
Non-Cash Flows in Profit:		
Straight-line rental income	(43)	(21)
Unrealised gain on revaluation of WRV	(1,377)	(3,132)
Unrealised (gain) loss on revaluation of Property	15	(4,805)
Depreciation	143	142
Changes in Operating Assets and Liabilities:		
Increase in deferred tax liabilities	499	2,592
Decrease in trade and other receivables	-	4
Increase / (decrease) in trade and other payables	37	(158)
Net Cash Inflow from Operating Activities	**438**	**669**

Statement of Changes in Equity for the year ended 30 June 2023

	No. of Shares on Issue*	Ordinary Shares $'000	Retained Earnings (Accumulated Losses) $'000	Total $'000
Balance at 1 July 2022	**163,360,291**	**-**	**4,001**	**4,001**
Profit for the year	-	-	1,164	1,164
Other comprehensive income	-	-	-	-
Total Profit and Other Comprehensive Income for the Year	**-**	**-**	**1,164**	**1,164**
Transactions with Owners in Their Capacity as Owners				
Issue of securities	9,996	-	-	-
Buy-back of issued securities	(511,278)	-	-	-
Total Transactions with Owners in Their Capacity as Owners	**(501,282)**	**-**	**-**	**-**
Balance at 30 June 2023	**162,859,009**	**-**	**5,165**	**5,165**
Balance at 1 July 2021	**162,921,662**	**-**	**(2,046)**	**(2,046)**
Profit for the year	-	-	6,047	6,047
Other comprehensive income	-	-	-	-
Total Profit and Other Comprehensive Income for the Year	**-**	**-**	**6,047**	**6,047**
Transactions with Owners in Their Capacity as Owners				
Issue of securities	438,629	-	-	-
Total Transactions with Owners in Their Capacity as Owners	**438,629**	**-**	**-**	**-**
Balance at 30 June 2022	**163,360,291**	**-**	**4,001**	**4,001**

* Subsequent to 30 June 2023, 48,513 securities have been bought back by the Group.

1. COVID Impact

Even though COVID directly impacted the rent received from tenants and indirectly impacted the property valuations in previous years, there has been no impact in the current reporting year.

During the year, Planloc Limited (the "Company") provided no rent waivers (2022: $92,000) and no rent deferrals (2022: $27,000) to property tenants.

2. Segment Reporting

The Company operates in one business segment being the ownership and leasing of investment properties in Australia.

3. Unrealised Gains (Loss)

	2023 $'000	2022 $'000
Investment property in Penrith	(15)	4,805
Investment in WRV	1,377	3,132
	1,362	**7,937**

4. Business Operating Expenses

	2023 $'000	2022 $'000
Fund management fees	225	187
Consultants fees	22	6
Administration expenses	31	27
Total business operating expenses	**278**	**220**

5. Loan Portfolio

	2023 $'000	2022 $'000	Current Security $'000	Interest Rate	Details
Current – Vendor finance	196	200	3,500*	4.0%	See below
Non-current – Vendor finance	1,425	1,618	3,500*	4.0%	See below
	1,621	**1,818**			

* Same asset as security.

In 2021, BlackWall Property Trust (BWR), part of the stapled WOT Group, sold its Toowoomba property. The sale was executed through a vendor finance agreement with Planloc over a 10-year period and it is being repaid at an agreed interest rate of 4%. This loan is secured against the Toowoomba property through a registered first mortgage. The loan runs until 2031 when it will be fully repaid.

6. Deferred Rent Receivable

	2023 $'000	2022 $'000
Current - deferred rent receivable	26	26
Non-current - deferred rent receivable	53	78
Total deferred rent receivable	**79**	**104**

7. Trade and Other Receivables

	2023 $'000	2022 $'000
Other trade receivables	26	-
	26	**-**

8. Financial Assets

The Company's financial assets comprise an investment in WRV. The investment reflects a 49.88% (2022: 49.88%) holding of WRV Unit Trust, which owns The Woods. The property is an entertainment precinct in Sydney's west, approximately 28 kilometres from Sydney CBD.

The property has great exposure to Woodville Road and is home to 8 different tenants including Zone Bowling, Chipmunks Playland, Sydney Indoor Climbing Gym, Jump Swim School, Flip Out and Cross Fit Bawn. It was independently valued on June 2022 at $28.5 million.

	2023 $'000	2022 $'000
Balance at the beginning of the year	7,461	4,329
Revaluation increase	1,377	3,132
Balance at 30 June	**8,838**	**7,461**

As at year end the Company owned units in WRV as follows.

Entity	Holdings		Returns of Capital / Distribution Received	
	2023	2022	2023	2022
	'000	'000	$'000	$'000
WRV Unit Trust	1,995	1,995	-	-
			-	-

9. Investment Property

The Company has a property investment, which is a big box retail complex located at 120 Mulgoa Road, Penrith. Tenants in this fully occupied property include Boating Camping Fishing (BCF), Barbeques Galore, Only About Children, Tru Ninja, Factory Plus, City Cave and Rashay's restaurant.

The property was independently valued by certified practicing valuers in June 2022 at $26.25 million. The valuer adopted a market yield of 5.75% with net income of around $1.5 million p.a. Planloc has assessed the independent valuation and considers that this is appropriate as the fair value of this is determined with consideration to the highest and best use of the property, which is fully occupied. This Independent valuation was determined with reference to the direct comparison approach, market capitalisation method and the discount discounted cash flow method.

A reconciliation of the property values is as follows:

	$'000
Balance at 1 July 2022	26,250
Capital improvements	115
Depreciation	(143)
Revaluations	(15)
Movement in straight-line receivable	43
Balance at 30 June 2023	**26,250**

	$'000
Balance at 1 July 2021	21,500
Capital improvements	66
Depreciation	(142)
Movement in straight-line receivable	21
Revaluations	4,805
Balance at 30 June 2022	**26,250**

10. Trade and Other Payables

	2023 $'000	2022 $'000
Trade and other payables	105	44
Rental income in advance	6	29
Tenant deposits	31	31
Total Trade and Other Payables	**142**	**104**

11. Borrowings

	2023 $'000	2022 $'000
CBA	-	10,000
Total current borrowings	**-**	**10,000**
WOTSO Limited	13,370	-
CBA	13,000	-
BlackWall Property Trust (BWR)	-	16,860
Total non-current borrowings	**26,370**	**16,860**
Total Borrowings	**26,370**	**26,860**

The loan from CBA, which was renewed and increased by $3 million in August 2022 for a loan term to August 2024, is secured against the Company's Penrith property. The current margin of the facility is 2.20% over BBSY and the borrowings are unhedged.

The unsecured borrowings are from WOTSO Limited, which is stapled to Planloc and therefore a related party and forms part of the capital structure of WOT. Interest is chargeable at the discretion of the lender and it is subject to a term of five years from June 2023. No interest was charged during the year.

12. Share Capital

	2023 Shares	2022 Shares	2023 $'000	2022 $'000
At the beginning of the year	163,360,291	162,921,662	-	-
Buy-back of issued securities	(511,278)	-	-	-
Issue of new securities	9,996	438,629	-	-
At the end of the year	**162,859,009**	**163,360,291**	**-**	**-**

13. Income Tax Expense and Deferred Tax Liabilities

(a) Income tax expense

	2023 $'000	2022 $'000
Deferred tax expense	499	2,592
Total Income tax expense	**499**	**2,592**
Reconciliation of prima facie tax payable to income tax		
Profit before income tax	1,663	8,639
Expected tax expense at 30%	499	2,592
Total Income Tax Expense	**499**	**2,592**

(b) Deferred tax liabilities

	2023 $'000	2022 $'000
Financial assets	1,790	1,377
Investment properties	3,480	3,408
Tax losses	(75)	(89)
Total Deferred Tax Liabilities	**5,195**	**4,696**
Movements:		
Balance, at the beginning of the year	4,696	2,104
Charged to profit and loss	499	2,592
Balance, at the end of the year	**5,195**	**4,696**

14. Auditor's Remuneration

	2023 $	2022 $
Remuneration of ESV for:		
Audit and assurance services	18,500	20,028
Taxation and other services	2,717	3,000
	21,217	**23,028**

15. Commitments and Contingencies

The Company leases out its investment property held under operating leases. The future minimum lease payments receivables are disclosed as follows:

	2023 $'000	2022 $'000
Receivable within 1 year	2,040	1,678
Receivable within 2-5 years	5,739	4,240
Receivable over 5 years	3,808	4,582
	11,587	**10,500**

There are no other commitments and contingencies as at 30 June 2023 (2022: $nil).

16. Subsequent Events

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

17. Related Party Transactions

(a) Related Entities

In these financial statements, related parties are parties as defined by AASB 124 *Related Party Disclosures.*

Fees and Transactions

Management fees are charged to entities predominately for property management services and the fees charged are determined with reference to arm's length commercial rates.

These services principally relate to the provision of property management services, property portfolio advisory services, maintenance and insurance, strategic advice and management supervision services, administration, marketing and risk management services.

The Company paid performance fees and interest to related parties. The interest incurred on a mortgage related loan. All transactions with related parties were made on normal commercial terms and conditions and at market rates and were approved by the Board where applicable.

As at 30 June 2023, there were no outstanding receivables with related entities.

The following represents the transactions that occurred during the financial year, and the balances outstanding at year end, between the Company and its related entities.

	2023	2022
Expenses:	$	$
Fund management fee paid	225,500	187,600
Repairs and maintenance	161,702	-
Consulting and management fees paid	150,985	72,082
Interest adjustment	-	(137,099)
Outstanding balances:		
Trade and other payables	4,050	-
Borrowings	13,370,000	16,860,805

(b) Interests in Related Parties

As at year end the Company owned 49.88% (2022: 49.88%) of units in WRV Unit Trust, detailed in Note 8 – Financial Assets.

18. Financial Risk Management

a) Financial Risk Management

The main risks the Company is exposed to through its financial instruments are market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's principal financial instruments are the loan portfolio, financial assets and borrowings. Additionally, the Company has various other financial instruments such as cash and cash equivalents, trade debtors and trade creditors. This note presents information about the Company'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. They monitor the Company's risk exposure by regularly reviewing finance and property markets.

The Company holds the following major financial instruments:

	2023 $'000	2022 $'000
Financial Assets		
Cash and cash equivalents	58	28
Trade and other receivables	26	-
Deferred rent receivables	79	104
Loan portfolio	1,621	1,818
Financial assets	8,838	7,461
Financial liabilities		
Trade and other payables	142	104
Borrowings	26,370	26,860

(b) Material risk

(i) Interest rate risk

The Company has exposure to market risk for changes in interest rates on its loan portfolio and borrowings. The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the interest rates on borrowings is as follows:

	June 2023		June 2022	
	Interest rate %	Balance $'000	Interest rate %	Balance $'000
Assets				
Loan portfolio	4.00	1,621	4.00	1,818
Liabilities				
Borrowings – WOTSO	-	13,370	-	-
Borrowings - CBA	2.20 above BBSY	13,000	1.90 above BBSY	10,000
Borrowings - BWR	-	-	2.00	16,860

Sensitivity analysis

At 30 June 2023, if interest rates on the loan portfolio and borrowings had moved, as illustrated in the table below, with all other variables held constant, profit would be affected as follows:

Movement in interest rates	2023 $'000	2022 $'000
+ 1.0%	(130)	(250)
- 1.0%	130	250

(ii) Price risk

The major exposure is the Company's investments in financial assets. In relation to the investment in WRV units, a 10% decrease in the price (from the price at 30 June 2023, i.e. $4.43 per unit) would result in an unrealised loss of $884,000 (2022: $746,000).

(c) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Company has credit risk exposures to related parties investments in related and unrelated property structures under financial instruments and contractual arrangements entered into by the Company. The Company limits its exposure to credit risk by obtaining equitable mortgages over real property for related/unrelated party loan receivables and investments in related and unrelated property structures.

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

At the end of the year, the Company held the following financial arrangements:

	Maturing Within 1 year $'000	Maturing Within 2 – 5 years $'000	Maturing over 5 years $'000	Total $'000
At 30 June 2023				
Trade and other payables	142	-	-	142
Borrowings	-	26,370	-	26,370
	142	**26,370**	**-**	**26,512**
At 30 June 2022				
Trade and other payables	104	-	-	104
Borrowings	10,000	16,860	-	26,860
	10,104	**16,860**	**-**	**26,964**

(e) Fair value measurement

i) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- 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 Company is the current bid price and the quoted market price for financial liabilities is the current asking price.

The following table presents the Company's assets measured at fair value as at the reporting date. Refer to the Critical Accounting Estimates and Judgments 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 2023				
Loan portfolio	-	-	1,621	1,621
Investment properties	-	-	26,250	26,250
Financial assets	-	-	8,838	8,838
At 30 June 2022				
Loan portfolio	-	-	1,818	1,818
Investment properties	-	-	26,250	26,250
Financial assets	-	-	7,461	7,461

(ii) Valuation techniques used to derive Level 3 fair values

The fair value of the unlisted securities is determined by reference to the net assets of the underlying entities.

(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 2023:

At 30 June 2023	**$'000**
Balance, at beginning of the year	9,279
Loan repayment	(197)
Fair value movement	1,377
Balance, at end of the year	**10,459**
At 30 June 2022	**$'000**
Balance, at beginning of the year	4,329
Loan advanced	1,818
Fair value movement	3,132
Balance, at end of the year	**9,279**

19. Critical Accounting Estimates and Judgments

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information.

Impairment
The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Refer to note 8 - Financial Assets.

Financial assets
Investments in unlisted securities have been classified as financial assets and movements in fair value is recognised through profit and loss statement. The fair value of the unlisted securities is determined by reference to the net assets of the underlying entities.

Fair values of investment properties
The Company carries its investment property at fair value with changes in the fair values recognised through profit and loss statement. At the end of each reporting period, the Directors review and update their assessment of the fair value of the property, considering the most recent independent valuation.

The key assumptions used in this determination are set out in Note 8 – Financial Assets. Independent Valuer Yield represents the market rent divided by the property value and the market yield the independent valuer has applied to arrive to the valuation. If there are any material changes in the key assumptions due to changes in economic conditions, the fair value of the investment properties may differ and may need to be re-estimated. For this report the property is held at independent valuation carried out in June 2022. Based on the Directors' assessment, the valuation was appropriate and aligned with current occupancy rates and the market yield of 5.75%.

20. Basis of Preparation and Accounting policies

Planloc Limited is a public company, and part of the stapled WOTSO Property, which is incorporated and domiciled in Australia. The financial statements for the Company 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.

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

The financial statements are presented in Australian Dollars.

Going concern
These 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.

Presentation of Financial Statements
Both the functional and presentation currency of Planloc Limited is Australian Dollars.

Investment Properties
Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Impairment of Assets
At each reporting date, the Company reviews the carrying values of its 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 or 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.

Borrowing Costs
Borrowing costs directly attributable to the acquisition and construction of a qualifying asset are capitalised as part of the cost of the asset.

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 Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flow from the financial assets expire or if the Company 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 the trade date, i.e. the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Loans and Receivables
Loans and receivables including loans to related entities 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.

Financial Assets
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so, designated by management. Unrealised gains and losses arising from changes in the fair value of these assets are included in the profit or loss in the period in which they arise, unless they relate to reversal of previous unrealised loss, which were then recognised in profit or loss.

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

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 Company 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 or loss.

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.

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 the original invoice amount less a provision for any uncollectible debts. An estimate for expected credit losses is made when there is objective evidence that the Company 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 uncollectible.

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 Company at balance date. The amounts are unsecured and are usually paid within 30 days of recognition.

Interest Bearing Borrowings
Interest bearing borrowings are initially recognised at fair value less any related transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost.

Revenue
Rent comprises rental and recovery of outgoings from property tenants. Rental income from investment properties is accounted for on a straight-line basis over the lease term. Rent is recognised monthly in advance.

Investment
Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate.
Dividend revenue is recognised when the right to receive a dividend has been established, which in the case of quoted securities is the ex-dividend date.
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 comprehensive income as an unrealised gain.

Income Tax

Current Income Tax Expense
The charge for current income tax expense is based on the profit for the 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.
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.

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.

New Accounting Standards and Interpretations
The consolidated Entity has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.
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 material impact on the Company.

Directors' Report
(Continued)

Information on Officeholders
The names of the officeholders during or since the end of the year are set out below. Unless otherwise stated, officeholders have been in office since the beginning of the financial year to the date of these financial statements.

Joseph (Seph) Glew
Non-Executive Director and Chairman
Seph has worked in the commercial property industry in New Zealand, the USA and Australia. Seph 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
Executive Director and Joint Managing Director
Tim is Joint Managing Director and Chief Financial Officer for WOTSO Property and BlackWall. Tim joined the BlackWall Group in 2008 as Financial Controller and became Chief Financial Officer in 2009. He has a Bachelor of Commerce from the University of New South Wales and is a member of the Chartered Accountants 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
Executive Director and Joint Managing Director
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. In addition Jessica is a Board Member of The Kids' Cancer Project.

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 BlackWall'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 BlackWall 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 Blackwall's Audit Committee.

Agata Ryan – Appointed on 10 March 2023
Company Secretary – Appointed on 10 March 2023
Agata joined WOTSO Property in February 2023 and oversees all aspects of WOTSO's corporate transactions, the corporate governance and regulatory functions and investor relations. Before joining WOTSO, Agata worked as a lawyer at a boutique property law firm and prior to that was legal counsel in the commercial property legal team at Stockland. Agata holds a Bachelor of Arts, Master of Commerce and Juris Doctor degree from UNSW. She is admitted as a solicitor of the Supreme Court of New South Wales and the High Court of Australia.

Alex Whitelum
Company Secretary – Resigned 10 March 2023
Alex joined WOTSO Property and BlackWall in 2020 and was responsible for WOTSO's corporate governance functions. 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	6	6
Timothy Brown	6	6
Jessica Glew	6	6
Richard Hill	6	5
Robin Tedder	6	6

Environmental Regulation
The Company'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.

Indemnities of Officers
During the financial year, the Company paid premiums to insure each of the Directors named in this report along with officers of the Company 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 Company, 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 Company.

Auditor and Non-audit Services
$18,500 and $2,717 were paid to the auditor for audit and non-audit services respectively during the financial year (2022: $20,028 and $3,000 respectively) as detailed in Note 14 - 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 Business Advice and Accounting 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.

Subsequent Events and Significant Changes in Affairs
To the best of the Directors' knowledge, since the end of the financial year, there have been no other matters or circumstances, except for those disclosed in Note 16 – Subsequent Events, that have materially affected the Company's operations or may materially affect its operations, state of affairs or the results of operations in the current or future financial years.

Registered office
Level 1 50 Yeo Street Neutral Bay, Sydney, NSW
Phone: +61 2 9033 8699 or 1800 4 WOTSO

Principal place of business
Level 1 50 Yeo Street, Neutral Bay, Sydney, NSW

Auditor
ESV Business Advice and Accounting
Level 13, 68 York Street, Sydney NSW 2000

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

Tim Brown
Director
Sydney, 30 August 2023

Jessie Glew
Director
Sydney, 30 August 2023

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 Company's financial position as at 30 June 2023 and of its performance for the financial period ended on that date; and

(b) there are reasonable grounds to believe that the Company 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 Chief Executive Officer 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, 30 August 2023

Jessie Glew
Director
Sydney, 30 August 2023

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

As auditor for the audit of Planloc Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Dated at Sydney on the 30th day of August 2023.

ESV Business Advice and Accounting

Chris Kirkwood
Partner

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLANLOC LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Planloc Limited ('the Company'), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes including a summary of significant accounting policies, and the directors' declaration.

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

- giving a true and fair view of the Company's financial position as at 30 June 2023 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 Company 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 (including the Independence Standards)* (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.

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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLANLOC LIMITED

Valuation of Investment Property	
Key Audit Matter	**How the scope of our audit responded to the risk**
As of 30 June 2023, the investment property is valued at $26.25 million (June 2022: $26.25 million) which is significant to the balance sheet. The investment property is recorded at fair value. The valuation recorded as at year end is based on Directors' valuation which is based on the independent valuation obtained as at 30 June 2022. The external valuation make several property specific key estimates and assumptions; assumptions in relation to market comparable yields and estimates in relation to future rental income increases or decreases and discount rates and other inputs. The rising interest rates have resulted in economic uncertainty and a reduction in market transaction evidence. Management has addressed the higher risk by using external valuation experts to value some investment properties. The audit approach considered how rising interest rates is likely to affect property values and inputs into valuation models and included assessing lease expiry, rent waivers, growth rates and let up timeframes. The valuation of the property investment is the key driver of the net assets value and total return. Incorrect valuation could have significant impact on the investment valuation and, therefore, the return generated to the members of the company.	Our procedures included, but were not limited to: > Reconcile the recorded value of investment property in financial statements to underlying general ledger. > Obtained copies of independent valuers' valuation report and compared the values to recorded valuation in general ledger and made inquiries regarding changes in tenancy levels and level of capital expenditure incurred and assess the reasonableness of impact it has on the valuation of the property. > We performed following procedures: – Assessed reasonableness of key judgements, assumptions and inputs used, such as lease incentives, rental growth rates, let up periods, allowances for rent waivers and deferrals. – Compared the yield rates used in the calculation to other market participants. – Agreed key inputs to underlying tenancy schedule. – Review independent valuer's competence and objectivity as independent valuer. – Obtain tenancy schedule and considered if there are any significant movements that could result in a change in value. – Performed a sensitivity analysis on the significant assumptions. > Assessing the disclosures in the financial report including using our understanding obtained from the testing against the requirements of the accounting standard. There are increased economic and financial uncertainties as a result of rising interest rates. This may require management to increase the frequency of valuation and provide clear and full disclosure of valuations. Based on our work performed, we conclude the valuation of the investment property is not materially misstated as at year end

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLANLOC LIMITED

Other Information

Other information is financial and non-financial information in the Company's annual report which is provided in addition to the Financial Report and the Auditor's Report for the year ended 30 June 2023. The directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' report (pages 3 and 15-16) which we obtained prior to the date of this auditor's report 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 of the Company 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 ability of the Company 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 Company 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 the 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.

Dated at Sydney on the 30h day of August 2023.

ESV Business Advice and Accounting

Chris Kirkwood
Partner