



INTERIM FINANCIAL REPORT

HALF-YEAR ENDED
31 DECEMBER 2020

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BWF Directors' Report

BlackWall will be paying a fully franked dividend of 2.4 cents per share on 16 March 2021.

2020 was a year we will all remember. Hit by a global pandemic businesses spent most of the year navigating new codes, policies and practices. Reflecting back, we are proud that our business is nimble and flexible, responding quickly to the rapidly changing landscape. We were one of the first property fund managers to implement a relief program for our vulnerable tenants, providing 100% rent relief to all our gyms and cafés before the mandatory code was released.

The pandemic has negatively impacted our earnings for the period but our net operating cash flow, at \$1.7 million, is slightly ahead giving us the capacity to increase our dividend. BWF finishes the period with \$4.3 million in cash and receivables and has zero debt. Our strong balance sheet position and positive cash flow going forward gives us a sense of confidence as we face the challenges of 2021/22.

We continue to be concerned about asset prices but we have belief in the long game and will wait for our opportunities.

Dividend

Our interim dividend has grown to 2.4 cps. Annualised and on current share price (45 cps) this equates to a yield of 11%, fully franked this yield grows to 14%.

2.4 cps
Fully Franked Dividend

11%
Yield
(Annualised on share price
of \$0.45 / share)



WOTSO Property (WOT)

The stapling of BlackWall Property Trust (BWR) to WOTSO was completed on 18 February 2021 and the stapled group called **WOTSO Property** now trades under the ASX ticker **WOT**. This is a significant moment for our business. WOT is Australia's first listed flexible property investment vehicle and will become the growth engine for our funds management business.

Part of the stapling process resulted in WOT increasing its ownership in our Villawood property and taking ownership of a property at 120 Mulgoa Rd, Penrith. The Penrith property was developed by our group 25 years ago and has been in a fund managed by BWF. The property has been reconfigured over the past couple of years following the collapse of Toys R Us.

With the new stapled structure BWF's fees have been adjusted to 0.75% of WOT's gross assets plus a fee equal to 2% for the first \$20 million of WOTSO revenue and 5% for revenue above \$20 million. We think this aligns BWF and WOT's interests with both entities benefiting from the growth in the value of the group's property assets and WOTSO turnover.

WOT has a strong balance sheet with net gearing of 25%. We are building WOT's cash reserves as we continue to look for assets with which we can create real value through a WOTSO led turnaround. We believe that our strategy of focusing on flexibility rather than WALE puts us in a unique position but we will need to be patient.

In the meantime we are focusing on improving our current portfolio and hope to see some valuation uplift as a result. Our Sippy Downs property is a good example, its latest valuation grew by \$1.2 million (5%) following the opening of a large veterinary centre, expansion of WOTSO and a new café. As valuations grow so do our management fees and value of our investment in BWR (WOT).

WOTSO has bounced back well from COVID-19 (COVID) restrictions. Its annualised turnover now sits close to \$17 million being \$1 million above what it was pre-COVID. Some 3rd party landlords are starting to see the benefits of the flexible model and are becoming more open to joint venture or management arrangements that are less risky for WOT than vanilla leasing deals. BWF's investment in and management of the WOTSO business will allow it to benefit from WOTSO's success into the future.

With the stapling now complete, we look forward to concentrating on our assets and opportunities that may arise and are excited for what lies ahead.

Tim Brown and Jessie Glew

Joint Managing Directors



Financial Statements

Statement of Profit or Loss and other Comprehensive Income for the half-year ended 31 December 2020

	Note	31 Dec 2020 \$'000	Restated 31 Dec 2019 \$'000
REVENUE			
BlackWall			
Management fees	3	1,979	2,510
Government COVID stimulus	2	334	-
Staff payroll recovery		163	442
Performance and transaction fees	3	-	486
Total BlackWall		2,476	3,438
Investments			
Unrealised gain - BWR		747	1,436
Share of net loss - IndigoBlack		(29)	-
Other investment income	4	2	6
Total Investments		720	1,442
Total Revenue		3,196	4,880
EXPENSES			
Operating expenses	5	(1,847)	(2,491)
Depreciation - right of use asset		(47)	(40)
Depreciation - property, plant and equipment		(25)	(34)
Finance costs - interest expense		(14)	(7)
Finance costs - lease liability interest		(9)	(1)
Demerger costs - WOTSO		-	(60)
Total Expenses		(1,942)	(2,633)
Profit Before Income Tax From Continuing Operations		1,254	2,247
Income tax expense		(230)	(602)
Profit After Tax From Continuing Operations		1,024	1,645
Discontinued operation - WOTSO Franchise	8	(25)	98
Discontinued operation - WOTSO		-	(2,743)
Discontinued operation - Kirela		-	(101)
Profit / (Loss) for the Period		999	(1,101)
Other comprehensive income		-	-
Profit / (Loss) and Other Comprehensive Income		999	(1,101)
Profit / (Loss) and Other Comprehensive Income Attributable to:			
Owners of the Company		999	(1,101)
Non-controlling Interests		-	-
		999	(1,101)
Earnings Per Share			
Profit / (Loss) Attributable to the Ordinary Equity Holders:			
Basic and diluted earnings per share	10	1.6 cents	(1.7 cents)
Basic and diluted earnings per share (continuing operations)	10	1.6 cents	2.6 cents

Balance Sheet at 31 December 2020

	Note	31 Dec 2020 \$'000	30 Jun 2020 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		3,872	2,724
Trade and other receivables		399	548
Performance fee receivable - Penrith		-	598
Provision for tax receivable		-	354
Total Current Assets		4,271	4,224
Non-Current Assets			
Investment - BWR	6	16,657	16,313
Investment - WOTSO	6	3,893	3,893
Investment using equity method - IndigoBlack		42	72
Right of use lease asset		638	2,308
Property, plant and equipment	7	153	725
Total Non-Current Assets		21,383	23,311
Total Assets		25,654	27,535
LIABILITIES			
Current Liabilities			
Trade and other payables		385	517
Right of use lease liability		129	624
Provision for employee benefits		368	335
Provision for tax payable		11	-
Deferred rent payable - WOTSO Franchise		-	62
Tenant deposits - WOTSO Franchise		-	20
Total Current Liabilities		893	1,558
Non-Current Liabilities			
Deferred tax liabilities		2,657	2,373
Right of use lease liability		518	1,699
Provision for employee benefits		103	96
Total Non-Current Liabilities		3,278	4,168
Total Liabilities		4,171	5,726
Net Assets		21,483	21,809
EQUITY			
Share capital		14,080	14,080
Reserves		73	73
Retained earnings		7,330	7,656
Total Equity		21,483	21,809

Statement of Cash Flows for the half-year ended 31 December 2020

	31 Dec 2020 \$'000	Restated 31 Dec 2019 \$'000
Cash Flows From Operating Activities (continuing)		
Management fee receipts	2,318	2,968
Performance fee receipts	598	2,424
Income tax refund / (paid)	350	(913)
Government COVID stimulus	334	-
Payroll recovery receipts	163	442
Bank interest received	2	22
Payments to suppliers and employees	(2,093)	(3,459)
Interest paid	(14)	(7)
Net Cash Flows From Operating Activities (continuing)	1,658	1,477
Cash Flows From Investing Activities (continuing)		
Net proceeds on disposal of WOTSO Franchise	428	-
Returns of capital from BWR and other investments	402	402
Payment for BWF property, plant and equipment	(27)	(15)
Investment in WOTSO	-	(6,852)
Net Cash Flows From Investing Activities (continuing)	803	(6,465)
Cash Flows From Financing Activities (continuing)		
Dividends paid to shareholders	(1,325)	(1,325)
Repayment of right of use leases	(42)	(41)
Net Cash Flows From Financing Activities (continuing)	(1,367)	(1,366)
Net Increase / (Decrease) in Cash Held (continuing)	1,094	(6,354)
Reconciliation of Cash Balances:		
Cash and cash equivalents at the beginning of the year	2,724	11,493
Less WOTSO cash balance reclassified as held for sale	-	(50)
Net increase / (decrease) in cash held - continuing	1,094	(6,354)
Net increase / (decrease) in cash held - WOTSO Franchise	54	(397)
Net increase / (decrease) in cash held - Kirela	-	(1,452)
Cash at End of the Period	3,872	3,240

All items inclusive of GST where applicable

Reconciliation of Operating Cash Flows

	31 Dec 2020 \$'000	Restated 31 Dec 2019 \$'000
Profit for the Period (continuing)	1,024	1,645
Non-Cash Flows in Profit:		
Unrealised gains	(747)	(1,436)
Performance fee accrual	598	-
Depreciation on right of use lease asset	47	40
Depreciation on property, plant and equipment	25	34
Equity accounted loss - IndigoBlack	29	-
Interest expense on lease liability	9	1
Changes in Operating Assets and Liabilities:		
Decrease / (increase) in trade and other receivables	143	2,192
Increase / (decrease) in deferred tax liabilities	215	381
Increase / (decrease) in trade and other payables	(90)	(652)
Increase / (decrease) in income taxes payable	365	(664)
Increase / (decrease) in provisions	40	(64)
Net Cash Flows from Operating Activities (continuing)	1,658	1,477

Statement of Changes in Equity for the half-year ended 31 December 2020

	No. of Shares on Issue	Issued Capital \$'000	Retained Earnings \$'000	Reserves \$'000	Attributable to Owners of the Parent \$'000	Non-controlling Interests \$'000	Total \$'000
Balance at 1 July 2020	63,141,445	14,080	7,656	73	21,809	-	21,809
Profit for the period	-	-	999	-	999	-	999
Other comprehensive income	-	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	999	-	999	-	999
Transactions with Owners in Their Capacity as Owners:							
Dividend paid	-	-	(1,325)	-	(1,325)	-	(1,325)
Total Transactions with Owners	-	-	(1,325)	-	(1,325)	-	(1,325)
Balance at 31 December 2020	63,141,445	14,080	7,330	73	21,483	-	21,483
Balance at 1 July 2019	63,115,445	17,555	13,880	73	31,508	-	31,508
(Loss) for the period	-	-	(1,101)	-	(1,101)	-	(1,101)
Other comprehensive income	-	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	(1,101)	-	(1,101)	-	(1,101)
Transactions with Owners in Their Capacity as Owners:							
Dividend paid	-	-	(1,325)	-	(1,325)	-	(1,325)
Issue of shares	26,000	24	-	-	24	-	24
Total Transactions with Owners	26,000	24	(1,325)	-	(1,301)	-	(1,301)
Balance at 31 December 2019	63,141,445	17,579	11,454	73	29,106	-	29,106

Notes to the Financial Statements

1. Segment Information (\$'000)

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

	Income	Gains / (Losses)	Total Revenue	Expenses	EBITDA	Interest and Depn	Pre-tax
Profit or Loss December 2020							
BlackWall	2,476	-	2,476	(1,287)	1,189	(80)	1,109
Investments	(27)	747	720	(292)	428	(14)	414
Corporate	-	-	-	(269)	(269)	-	(269)
Continuing Operations	2,449	747	3,196	(1,848)	1,348	(94)	1,254
WOTSO Franchise	432	-	432	(126)	306	(312)	(6)
TOTAL Operations	2,881	747	3,628	(1,974)	1,654	(406)	1,248

Profit or Loss December 2019							
BlackWall	3,438	-	3,438	(1,973)	1,465	(82)	1,383
Investments	6	1,436	1,442	(266)	1,176	-	1,176
Corporate	-	-	-	(312)	(312)	-	(312)
Continuing Operations	3,444	1,436	4,880	(2,551)	2,329	(82)	2,247
WOTSO	4,070	-	4,070	(2,626)	1,444	(5,157)	(3,713)
WOTSO Franchise	838	-	838	(301)	537	(415)	122
Kirela	16	229	245	(19)	226	(327)	(101)
TOTAL Operations	8,368	1,665	10,033	(5,497)	4,536	(5,981)	(1,445)

Balance Sheet	December 2020			June 2020		
	Assets	Liabilities	Net Assets	Assets	Liabilities	Net Assets
BlackWall	1,393	(1,235)	158	1,140	(814)	326
Investments	24,261	(2,925)	21,336	23,487	(2,958)	20,529
Corporate	-	(11)	(11)	354	-	354
	25,654	(4,171)	21,483	24,981	(3,772)	21,209
WOTSO Franchise	-	-	-	2,554	(1,954)	600
Consolidated	25,654	(4,171)	21,483	27,535	(5,726)	21,809

2. COVID Impact

Property management fees are charged by BWF on a percentage of gross property income. In the current six months to December 2020 BWR has continued to provide rent relief to tenants in the form of rent waivers and deferrals as required by the mandatory code of conduct between landlords and tenants, and this has resulted in a reduction of property management fee income. There has also been a significant reduction in leasing fee income with less transactions taking place.

BWF qualified for the Government's JobKeeper program for both the September 2020 and December 2020 quarters. The Government stimulus revenue received for the six months to December 2020 was \$334,000.

3. Management and Performance Fees (\$'000)

	31 Dec 2020	31 Dec 2019
Fund management fees	1,328	1,328
Property management fees	292	378
Project management fees	98	145
Leasing fees	-	310
Expense recovery and other fees	261	349
Management Fees Total	1,979	2,510
Performance fee - Penrith (details below)	-	486
Performance and Transaction Fees Total	-	486

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

4. Other Investment Income (\$'000)

	31 Dec 2020	31 Dec 2019
Interest income	2	6
Total	2	6

5. Operating Expenses (\$'000)

	31 Dec 2020	31 Dec 2019
BlackWall employee & consultant expenses	1,446	1,802
BlackWall operating expense	401	689
BlackWall Expenses	1,847	2,491

Rent expense is now included under lease right of use asset depreciation and interest charges.

6. Investments - BWR and WOTSO

On 29 January 2021 the "stapling transaction" received the final round of approvals required. The transaction required BWR, WOTSO and Planloc to all be stapled together, and thereby create a new triple-stapled security called "WOTSO Property". The two separate investments of BWR and WOTSO currently held by BlackWall will be replaced by a single holding in the new stapled entity. The new stapled security was listed on the ASX under the code "WOT" and began trading on 18 February 2021.

Prior to the stapling, BWF held 13.0% of WOTSO shares and 8.1% of BWR units. Following the stapling transaction, BWF holds 8.7% of the stapled entity. At the current price (as of 15 February 2021) of \$1.39 / security, this equates to an investment of \$19.7 million.

7. Non-current Assets – Property, Plant and Equipment (\$'000)

	31 Dec 2020	30 Jun 2020
Continuing Operations:		
At cost	885	871
Less accumulated depreciation	(732)	(707)
Written Down Value	153	164
Discontinued Operations:		
At cost	-	1,267
Less accumulated depreciation	-	(706)
Written Down Value	-	561
Total	153	725

	Continuing Operations	Discontinued Operations	Total
31 Dec 2020			
Carrying amount at the beginning of year	164	561	725
Additions	14	11	25
Depreciation expense	(25)	(38)	(63)
Disposal due to sale of subsidiary	-	(534)	(534)
Carrying Amount at the End of Year	153	-	153
30 Jun 2020			
Carrying amount at the beginning of year	246	5,232	5,478
Additions	25	703	728
Depreciation expense	(107)	(142)	(249)
Disposal due to demerger and sale of subsidiary	-	(5,232)	(5,232)
Carrying Amount at the End of Year	164	561	725

8. Disposal of Subsidiary (\$'000)

WOTSO Franchise

On 31 October 2020 the Group disposed of its entire holding in BWF Franchise Pty Ltd to the WOTSO Group for cash proceeds of \$500,000. As BWF Franchise Pty Ltd was not considered a discontinued operation as at 31 December 2019, the comparative Statement of Profit or Loss and other Comprehensive Income and Cash Flow Statement have been restated to show this discontinued operation separately from continuing operations. BWF Franchise Pty Ltd is the Franchisee for the WOTSO site at Neutral Bay.

Assets and liabilities sold were as follows:

	31 Oct 2020
Cash and cash equivalents	72
Receivables and other assets	7
Lease Right of use asset	1,791
Property, plant and equipment	575
Deferred tax asset	70
Payables and other liabilities	(173)
Lease Right of use liability	(1,808)
Net Identifiable Assets Sold	534
Less: loss on disposal	(34)
Net Cash Proceeds Received	500

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

	To 31 Oct 2020
Revenue	432
Operating expenses	(438)
(Loss) Before Tax	(6)
Taxation	15
Profit After Tax	9

9. Dividends (\$'000)

Fully franked dividends paid to members during the period ended 31 December were as follows:

	31 Dec 2020	31 Dec 2019
2020 final dividend of 2.1 cents paid on 25 September 2020 (2019 final: 2.1 cents)	1,325	1,325
Total	1,325	1,325

In addition, the Board has declared an interim fully franked dividend of 2.4 cents per share to be paid on 16 March 2021.

10. Earnings Per Share

	31 Dec 2020	31 Dec 2019
Basic and diluted earnings per share	1.6 cents	(1.7 cents)
Basic and diluted earnings per share (continuing)	1.6 cents	2.6 cents
Calculated as Follows:		
Profit / (Loss) attributable to the owners of the Group	999,000	(\$1,101,000)
Profit attributable to the owners of the Group (continuing)	1,024,000	\$1,645,000
Weighted average number of shares for basic EPS	63,141,445	63,118,002
Weighted average number of shares for diluted EPS	63,141,445	63,118,002

11. Contingencies

The Group had no contingent assets or liabilities at 31 December 2020 (December 2019: \$nil).

12. Subsequent Events

The impact of the COVID pandemic is ongoing. It is not practical to estimate the potential impact, positive or negative, after the reporting date on the various revenue streams and the performance of the Group. The situation is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. A phased rollout of a vaccine is due to take place during the remainder of the 2021 year.

The Board has declared an interim fully franked dividend of 2.4 cents per share to be paid on 16 March 2021.

The stapling of BlackWall Property Trust (BWR) to WOTSO was completed on 18 February and the stapled group called WOTSO Property now trades under the ASX ticker of WOT. As part of the stapling BWF has changed its fee structure with WOT, as detailed in the Directors' Report.

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

13. Financial Risk Management (\$'000)

Fair Value Measurements

(i) Fair Value Hierarchy

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

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

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

The following table presents the Group's financial assets measured at fair value as at 31 December. Refer to the Critical Accounting Estimates and Judgment note for further details of assumptions used and how fair values are measured.

	Level 1	Level 2	Level 3	Total
At 31 December 2020				
Financial assets	16,657	-	3,893	20,550
At 30 June 2020				
Financial assets	16,313	-	3,893	20,206

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

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

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

The following table is a reconciliation of the movements in financial assets classified as Level 3 for the period ended 31 December:

At 31 December 2020	
Balance at the beginning of the year	3,893
Movement during period	-
Balance at the End of the Period	3,893
At 30 June 2020	
Balance at the beginning of the year	802
Repayment of loans due to demerger of WOTSO	(802)
Initial investment in WOTSO	1,193
Fair value movement of investment in WOTSO	2,700
Balance at the End of the Period	3,893

There were no transfers between Level 1, 2 and 3 financial instruments during the period.

14. Critical Accounting Estimates and Judgments

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

Key Estimates - Impairment

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

Key Estimates - Financial Assets

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

The fair value of the listed securities is based on the closing price from the Australian Securities Exchange as at the reporting date. The investment in the unlisted WOTSO group has been fair valued using a discounted cash flow model. The value is also the price that the stapling transaction was completed at on 8 February 2021.

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

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

15. Statement of Significant Accounting Policies

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

Statement of Compliance

These financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 Interim Financial Reporting.

The financial statements do not include notes of the type normally included in annual financial statements. It is recommended that the financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2020 and any public announcements made by the Group during the half-year in accordance with the continuous disclosure obligations of the ASX listing rules.

Basis of Preparation

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 accounting policies adopted are consistent with those of the previous financial year ended 30 June 2020.

The financial statements are presented in Australian dollars.

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.

Going Concern

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

Segment Reporting

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

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

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

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

New Accounting Standards and Interpretations

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Directors' Report

Continued

Information on Officeholders

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

Joseph (Seph) Glew (Non-Executive Director and Chairman)

Tim Brown (Joint Managing Director and CFO)

Jessie Glew (Joint Managing Director and COO)

Richard Hill (Non-Executive Director)

Robin Tedder (Non-Executive Director)

Alex Whitelum (Company Secretary)

Auditor

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

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

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



Tim Brown

Director

Sydney, 23 February 2021



Jessie Glew

Director

Sydney, 23 February 2021

Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards AASB 134 Interim Financial Reporting, 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 31 December 2020 and of its performance for the financial half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

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

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



Tim Brown

Director

Sydney, 23 February 2021



Jessie Glew

Director

Sydney, 23 February 2021

Auditors Independence Declaration and Review Report

Business advice
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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF BLACKWALL LIMITED AND ITS CONTROLLED ENTITIES

In accordance with the requirements of section 307C of the Corporations Act, as auditor for the review of BlackWall Limited and its Controlled Entities as at 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Dated at Sydney the 23rd of February 2021

ESV

ESV Business Advice and Accounting



David Robinson
Partner

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INDEPENDENT REVIEW REPORT TO THE MEMBERS OF BLACKWALL LIMITED AND ITS CONTROLLED ENTITIES

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of BlackWall Limited and its Controlled Entities ("the Group"), which comprises the consolidated balance sheet as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information on pages 5 to 12, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The Directors of the Group are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of BlackWall Limited and Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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INDEPENDENT REVIEW REPORT TO THE MEMBERS OF BLACKWALL LIMITED AND ITS CONTROLLED ENTITIES

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of BlackWall Limited and its Controlled Entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Dated at Sydney the 23rd of February 2021

ESV

ESV Business Advice and Accounting



David Robinson
Partner



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