



BLACKWALL
PROPERTY FUNDS

& Controlled Entities

ABN 37 146 935 131



Condensed Interim Consolidated Financial Report

Half-year Ended 31 December 2015

Financial Report

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For the half year to 31 December 2015 BlackWall generated an after-tax profit of \$1.4 million. The Directors have declared a **fully franked interim dividend of 1.7 cents** per share to be paid on 6 April 2016. A highlight in our result is the **26% growth in consolidated recurring revenue** from the 2014 corresponding period. An integral part of this increase has been the expansion of WOTSO WorkSpace.

WOTSO WorkSpace

WOTSO now has six sites in operation with a further two sites in development (a new operation in Adelaide and expansion of WOTSO at the Bakehouse Quarter in Sydney's inner west). Although the majority of our sites are in build-up phase, WOTSO is profitable.

WOTSO is a natural addition to BlackWall's operations. It reflects what we regard as a permanent change in attitude to office accommodation for a growing portion of the market. Today a significant percentage of businesses prefer flexible terms and a collaborative environment. Traditionally, such arrangements were limited to start ups or sole practitioners and were priced for short-term needs only.

WOTSO accommodates long-term customers on short-term commitments from corporate to start-up. We do not target specific industries or users. We give the "fintech" entrepreneur an opportunity to interact daily with the lawyer, accountant, programmer, caterer and travel agent.

At the heart of WOTSO's business model, however, are real estate fundamentals. WOTSO attracts users because its operations are well located and retains them with interesting and functional fit-out and best practice technology and service levels.

With scale we expect WOTSO's growth to accelerate however, even if we continue at current expansion rates, turnover would grow from \$3.8 million to beyond \$15 million within four years.

Our Traditional Property Activities

We generate fees from the management of a \$600 million property portfolio and the real estate investment trusts that control it. Periodically we earn significant performance or transaction fees. One of these trusts, known as the BlackWall Property Trust, is listed on the ASX under the stock code BWR. Below is a table showing the recent history and fee split for this part of our operations.

	December 2015 \$'000	December 2014 \$'000	December 2013 \$'000	December 2012 \$'000
BlackWall Property Fees				
Asset Management Fees	1,100	1,071	1,009	1,088
Property Management Fees	1,037	1,032	724	765
Transaction Fees	266	250	3,714	58
Total	2,403	2,353	5,447	1,911

Balance Sheet – Investment

BlackWall has gross assets of \$18.7 million of which \$5.7 million is held in cash. Our balance sheet is, in part, used to secure real estate opportunities, underwrite funds management activities and invest in real estate investment structures originated by the group. In this regard BlackWall has a significant position in BWR (7.5 million units or 16% of the trust).

In addition, the balance sheet can secure appropriate properties to house WOTSO operations. As a general rule where a property will be predominantly occupied by WOTSO we will bring it onto BlackWall's balance sheet with the aim of partially syndicating the ownership once the WOTSO operations are established. BlackWall recently contracted to acquire a commercial office building on the fringe of Adelaide's CBD for use as a WOTSO WorkSpace. The property is being acquired for \$2.8 million with settlement in early March. The acquisition will be funded with cash in the short term.

In the case of larger acquisitions where WOTSO can be one of a number of tenants the aim is that the property will be acquired either in BWR or in standalone syndicates.

Balance Sheet Summary	December 2015	June 2015
Net Tangible Assets	\$17,810,000	\$16,834,000
NTA Per Share	\$0.35	\$0.33
Closing Price*	\$0.41	\$0.33
<hr/>		
Shares On Issue	50,395,445	50,395,445
Market Cap	\$20,662,132	\$16,630,496

** Closing price on the day prior to release of results.*

Share Buy-Back

The share buy-back scheme was due to expire in March 2016 and has been extended until March 2017. No shares have been acquired since 30 June 2015.

Significant Changes in Affairs

Other than the matters set out in this report, there were no significant changes to the state of affairs of the Group during the financial period.

Events Subsequent to Reporting Date and Likely Developments

The Group exchanged contracts to purchase a property at 217-219 Flinders Street, Adelaide, South Australia for \$2.8 million. Settlement is expected to occur in March 2016.

To the best of the Directors' knowledge, since the end of the financial 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.

Officeholders

Richard Hill (Non-Executive Director and Independent Chairman)
 Joseph (Seph) Glew (Non-Executive Director)
 Robin Tedder (Non-Executive Director)
 Stuart Brown (Executive Director and Chief Executive Officer)
 Caroline Raw (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.

Rounding of Amounts

The Group is a group of the kind referred to in ASIC Class Order 98/100, 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.

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

**Stuart Brown**

Director

Sydney, 25 February 2016



Auditor's independence declaration to the directors of Blackwall Property Funds Limited and Controlled Entities

In accordance with the requirements of section 307C of the Corporations Act, as auditor for the review of Blackwall Property Funds Limited and Controlled Entities for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Dated at Sydney the 23th day of February 2016

A handwritten signature in blue ink, appearing to be 'ESV' followed by a checkmark-like flourish.

ESV Accounting and Business Advisors

A handwritten signature in blue ink, appearing to be 'Chris Kirkwood' followed by a long, sweeping flourish.

Chris Kirkwood
Partner

BlackWall Property Funds Limited and Controlled Entities

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-year Ended 31 December 2015

	Note	December 2015 \$'000	December 2014 \$'000
WOTSO WorkSpace income		1,409	816
BlackWall property fees			
Property management fees		1,037	1,032
Asset management fees		1,100	1,071
Transaction fees		266	250
Investment			
Unrealised gain on revaluation of financial assets		1,294	1,098
Investment income		143	174
Total Income		5,249	4,441
Business operating expenses	2	(3,091)	(2,510)
Depreciation		(95)	(90)
Finance costs		(4)	(16)
Other expenses		(8)	(9)
Profit Before Income Tax		2,051	1,816
Income tax expense		(602)	(548)
Profit For the Period		1,449	1,268
Total Comprehensive Income For the Period		1,449	1,268
Earnings Per Share			
Basic earnings per share	5	2.9 cents	2.5 cents
Diluted earnings per share	5	2.8 cents	2.5 cents

The accompanying notes form part of these consolidated financial statements.

BlackWall Property Funds Limited and Controlled Entities

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Consolidated Statement of Financial Position

As at 31 December 2015

	Note	December 2015 \$'000	June 2015 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		5,749	483
Trade and other receivables		347	629
Financial assets	3	1,524	-
Total Current Assets		7,620	1,112
Non-current Assets			
Equity accounted investments		5	5
Financial assets	3	9,925	16,024
Property, plant and equipment		1,127	831
Other assets		30	-
Total Non-current Assets		11,087	16,860
TOTAL ASSETS		18,707	17,972
LIABILITIES			
Current Liabilities			
Trade and other payables		374	632
Provisions		237	248
Total Current Liabilities		611	880
Non-current Liabilities			
Other payables		190	164
Deferred tax liabilities		1,772	1,388
Provisions		96	94
Total Non-current Liabilities		2,058	1,646
TOTAL LIABILITIES		2,669	2,526
NET ASSETS		16,038	15,446
EQUITY			
Share capital		11,247	11,247
Reserves		8	8
Retained earnings		4,783	4,191
TOTAL EQUITY		16,038	15,446

BlackWall Property Funds Limited and Controlled Entities

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Consolidated Statement of Changes in Equity

For the Half-year Ended 31 December 2015

	Ordinary shares \$'000	Retained earnings \$'000	Share options reserve \$'000	Total \$'000
Balance at 1 July 2015	11,247	4,191	8	15,446
Profit	-	1,449	-	1,449
Dividend paid	-	(857)	-	(857)
Balance at 1 December 2015	11,247	4,783	8	16,038
Balance at 1 July 2014	11,247	2,681	8	13,936
Profit	-	1,268	-	1,268
Dividend paid	-	(655)	-	(655)
Balance at 31 December 2014	11,247	3,294	8	14,549

BlackWall Property Funds Limited and Controlled Entities

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Consolidated Statement of Cash Flows

For the Half-year Ended 31 December 2015

	December 2015 \$'000	December 2014 \$'000
Cash Flows From Operating Activities		
BlackWall property fee receipts	2,367	2,917
WOTSO WorkSpace receipts	1,568	632
Transaction fee receipts	91	250
Investment income	143	90
Payments to suppliers and employees	(3,678)	(2,909)
Income tax paid	(277)	(177)
Bank charges and interests paid	(4)	(16)
Net Cash Flows From Operating Activities	210	787
Cash Flows From Investing Activities		
Proceeds from redemption of Bakehouse Bonds	5,420	-
Returns of capital from BWR	450	259
Net proceeds from Bald Rock Fund loan repayment	430	(10)
Payments for WOTSO WorkSpace fitout	(381)	(349)
Payments for fixed assets	(9)	(18)
Payments for Pymont Bridge Trust units	-	(500)
Net payments for BWR units	-	(179)
Net Cash Flows From / (Used in) Investing Activities	5,910	(797)
Cash Flows From Financing Activities		
Dividend paid	(854)	(635)
Net Cash Flows Used in Financing Activities	(854)	(635)
Net Increase / (Decrease) in Cash Held	5,266	(645)
Cash and cash equivalents at the beginning of the year	483	1,123
Cash and Cash Equivalents at End of the Period	5,749	478

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Half-year Ended 31 December 2015

1. Segment Information

The segment information for the Group is as follows. For information on segment reporting, refer to the Notes to the Financial Statements for more details.

Profit & Loss (\$'000)	Income	Gains	Total Revenue	Expenses	EBTDA	Pre-tax Profit
December 2015						
BlackWall Property	2,371	-	2,371	(1,567)	804	796
WOTSO WorkSpace	1,441	-	1,441	(1,261)	180	93
Investment	143	1,294	1,437	(231)	1,206	1,206
Unallocated	-	-	-	(44)	(44)	(44)
Consolidated	3,955	1,294	5,249	(3,103)	2,146	2,051
December 2014						
BlackWall Property	2,353	(92)	2,261	(1,457)	804	793
WOTSO WorkSpace	816	-	816	(778)	38	(2)
Investment	158	1,206	1,364	(258)	1,106	1,106
Unallocated	-	-	-	(81)	(81)	(81)
Consolidated	3,327	1,114	4,441	(2,574)	1,867	1,816
Balance Sheet (\$'000)						
	Assets	Liabilities	Net Assets	Assets	Liabilities	Net Assets
December 2015						
BlackWall Property	6,175	(619)	5,556	1,134	(713)	421
WOTSO WorkSpace	1,083	(184)	899	814	(316)	498
Investment	11,449	(1,866)	9,583	16,024	(1,497)	14,527
Consolidated	18,707	(2,669)	16,038	17,972	(2,526)	15,446
June 2015						
BlackWall Property	6,175	(619)	5,556	1,134	(713)	421
WOTSO WorkSpace	1,083	(184)	899	814	(316)	498
Investment	11,449	(1,866)	9,583	16,024	(1,497)	14,527
Consolidated	18,707	(2,669)	16,038	17,972	(2,526)	15,446

2. Business Operating Expenses

	December 2015	December 2014
	\$'000	\$'000
Employee & consultants' costs	1,381	1,312
WOTSO WorkSpace expenses	1,261	778
Administration expenses	449	420
Total	3,091	2,510

3. Current and Non-current Assets - Financial Assets

	December 2015	June 2015
	\$'000	\$'000
Financial assets (current)	1,524	-
Financial assets (non-current)	9,925	16,024
Total	11,449	16,024

(a) Financial assets

Financial assets (current)

Pelathon Pub Group (June 1015: non-current)	3(d)	1,524	1,354
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BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Half-year Ended 31 December 2015

Financial assets (non-current)	Note	December 2015 \$'000	June 2015 \$'000
BlackWall Property Trust	3(b)	9,825	9,150
Pelathon Management Group		100	100
Bakehouse Bonds	3(c)	-	5,420
Total current and non-current		11,449	16,024

(b) BlackWall Property Trust

BlackWall Property Trust is an ASX-listed real estate investment trust managed by BlackWall. BlackWall holds 16% of BWR units.

(c) Bakehouse Bonds

The Bakehouse Bonds are CPI linked debt instruments secured against a large scale mixed-use property known as the Bakehouse Quarter in North Strathfield, Sydney. The Bonds were fully redeemed in December 2015 for cash consideration of \$5.42 million.

(d) Pelathon Pub Group

The Group holds a legacy investment in a small pub investment fund. The Directors have determined that this investment is non-core and resolved to exit the position over the next 12 months. As a consequence, this investment has now been classified as a current asset.

	December 2015 \$'000	June 2015 \$'000
12,561,439 Ordinary units	1,018	904
6,250,000 Preferred units	506	450
Total	1,524	1,354

4. Dividends

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

	2015 \$'000	2014 \$'000
2015 final dividend of 1.7 cents paid on 6 Nov 2015 (2014: 1.3 cents in Oct 2014)	857	655
Total	857	655

In addition, the Board has declared an interim fully franked dividend of 1.7 cents per share to be paid on 6 April 2016.

5. Earnings Per Share

	December 2015	December 2014
Basic EPS	2.9 cents	2.5 cents
Diluted EPS	2.8 cents	2.5 cents
Calculated as follows:		
Profit attributable to the owners of the Group	\$1,449,000	\$1,268,000
Weighted average number of shares for basic EPS	50,395,445	50,395,445
Weighted average number of shares for diluted EPS	51,213,362	50,657,264

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Half-year Ended 31 December 2015

6. Contingencies

The Group had no contingent assets or liabilities at 31 December 2015 (31 December 2014: \$nil).

7. Subsequent Events

The Group exchanged contracts to purchase a property at 217-219 Flinders Street, Adelaide, South Australia for \$2.8 million. Settlement is expected to occur in March 2016. Refer to the Directors' Report for further details.

To the best of the Directors' knowledge, since the end of the financial 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.

8. Fair value measurement of Financial Instruments

(a) 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;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (as prices) or indirectly (derived from prices); and
- Level 3 - inputs for the asset 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. 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 balance \$'000
At 31 December 2015				
Financial assets at FVTPL	9,825	-	1,624	11,449
At 30 June 2015				
Financial assets at FVTPL	9,150	-	6,874	16,024

(b) 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, subject to recoverability assessment. All these instruments are included in Level 3.

(c) 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:

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Half-year Ended 31 December 2015

	\$'000
At 31 December 2015	
Balance at the beginning of year	6,874
Sale	(5,420)
Fair value movement	170
Balance at the end of period	<u>1,624</u>
At 30 June 2015	
Balance at the beginning of year	6,811
Purchase	225
Sale	(444)
Fair value movement	282
Balance at the end of year	<u>6,874</u>

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

9. Group Details

The principal place of business of the Group is:
Level 1, 50 Yeo Street
Neutral Bay NSW 2089

10. 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. The Directors believed it appropriate to raise no impairment provisions for the period ended 31 December 2015.

Key estimates - financial assets

Financial asset provisions have been raised with reference to the prevailing prices at 31 December 2015 of financial assets at FVTPL with gains and losses recognised in profit or loss. The fair value of the unlisted securities is determined by reference to the net assets of the underlying entities. The fair value of the listed securities is based on the closing price from the ASX as at the reporting date.

11. Statement of Significant Accounting Policies

BlackWall Property Funds Limited 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

The financial statements are general purpose financial reports which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134 *Interim Financial*

BlackWall Property Funds Limited and Controlled Entities

ABN 37 146 935 131

Notes to the Financial Statements

For the Half-year Ended 31 December 2015

Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the IFRS IAS 34 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 2015 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 Group is a group of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998 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 accounting policies adopted are consistent with those of the previous financial year ended 30 June 2015.

New and amended standards adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments (effective for annual reporting periods beginning on or after 1 January 2018)

The Group has early adopted the AASB 9 on 1 January 2013 except for the new hedging rules which will not have any material effects to the Group's financial statements.

AASB 15 Revenue from Contracts with Customers (effective for annual reporting periods beginning on or after 1 January 2018)

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The Group is currently assessing the effects of applying the new standard on the financial statements and has not identified any material changes.

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.

BlackWall Property Funds Limited and Controlled Entities

ABN 37 146 935 131

Notes to the Financial Statements

For the Half-year Ended 31 December 2015

Segment Reporting

AASB 8 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. There is only one geographical segment being Australasia. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group has adopted four reporting segments: BlackWall Property, WOTSO WorkSpace, Investments and Unallocated.

The BlackWall Property 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 BlackWall Property 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 WOTSO WorkSpace segment represents the serviced office and co-workspace business and generates recurring licence and services fees by providing short-term office accommodation, shared workspace and meeting and event venues. 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. The Unallocated segment represents general administrative functions at the head office (e.g. salaries).

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 2015 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.

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



Stuart Brown
Director
Sydney, 25 February 2016



Independent Review Report to the Investors of Blackwall Property Funds Limited and Controlled Entities ("the Group")

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Blackwall Property Funds Limited and Controlled Entities ("the Group"), which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 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 2015 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 Property Funds 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of Blackwall Property Funds Limited and Controlled Entities, would be in the same terms if given to the Directors as at the time of this auditor's report.



Independent Review Report to the Investors of Blackwall Property Funds Ltd and Consolidated Entities ("the Group")

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 Property Funds Limited and 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 2015 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 25th day of February 2016

ESV Accounting and Business Advisors

Chris Kirkwood
Partner

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BlackWall / BWF	BlackWall Property Funds Limited
BWR	BlackWall Property Trust
Company	BlackWall Property Funds Limited
Condensed interim consolidated financial report	Financial statements
EPS	Earnings per share
FVTPL	Fair value through profit and loss
Group	BlackWall Property Funds Limited & subsidiaries
IFRS	International Financial Reporting Standards
Outside Equity Interest	Non-controlling interest
p.a.	Per annum
PBT	Pymont Bridge Trust



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& Controlled Entities
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