



**BLACKWALL**

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**INTERIM FINANCIAL REPORT**  
HALF-YEAR ENDED DECEMBER 2021

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# Manager of Australia's First Listed Flexible Property Security

## Who We Are

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

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



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# Directors' Report

BlackWall Limited announces a 23% increase in profit after tax to \$1.3 million for the half year and will pay an interim fully franked dividend of 2.6 cents per share.

We ended the 2021 annual report hopeful that life would be somewhat returning to normal by the time we were writing this report. It's fair to say that we are not quite there but there is light at the end of the tunnel. Despite the headwinds of COVID, BlackWall Limited (BlackWall, BWF or the Group) has had a successful first 6 months of FY 2022. Our largest fund, WOTSO Property (ASX:WOT) has continued to grow through its first full 6 months as Australia's first listed flexible property security. As a result, BWF has seen growth in its management fees and profit which should continue with returns to normalised property and WOTSO income numbers. We have announced an interim fully franked dividend of 2.6cps.

It has been pleasing to see some share price uplift in BWF in the new calendar year although our grossed up dividend yield still remains a healthy 6.9% at a share price of \$1.00. Our Total Shareholder Return over the last 5 years at this share price is 26% pa.

## Review of Financial Performance

	Dec 2021 \$'000	Dec 2020 \$'000	Variance
Operating Income	2,946	2,476	19%
Investment Income	822	720	14%
<b>Revenue</b>	<b>3,768</b>	<b>3,196</b>	<b>18%</b>
Expenses	(2,196)	(1,942)	13%
<b>Net Profit from Continuing Operations</b>	<b>1,572</b>	<b>1,254</b>	<b>25%</b>
Tax Expense	(310)	(230)	35%
<b>Net Profit after Tax from Continuing Operations</b>	<b>1,262</b>	<b>1,024</b>	<b>23%</b>

Net profit after tax from continuing operations was \$1.3 million in the period ending 31 December 2021, an increase of 23% from 2020. This was largely driven by an uplift in management fees of \$0.5 million from WOTSO Property following the stapling transaction in February 2021. Project management fees have also grown as we have undertaken improvements and expansions at a number of our properties and WOTSO's under management. Transaction fees have been derived from the acquisition of new properties in WOT.

BWF also increased its ownership interest of WOT by 1.15 million securities and now holds 10.1% of WOT. This investment in its largest fund puts BWF in a strong position to benefit from the growth of the WOTSO business and WOT real estate portfolio.

## Key Numbers



### Financial

2.6 cps

fully franked interim dividend, up 8%

26% p.a.

total shareholder return over 5 years to February

23%

increase in profit after tax to \$1.3 million

\$2.35 million

management fees, up 19%



### Operational

5

new properties acquired since start of pandemic

124,000 sqm

of managed space



## Funds Update

BWF now manages over 124,000 sqm of property and workspaces through a mixture of managed funds, property syndicates and 3rd party owned properties.

## WOTSO Property

WOT acquired 2 new properties and divested 1 legacy asset in the half growing gross assets to \$446 million. This means that since the start of the pandemic 5 new properties have been acquired by WOT. The new WOTSO's are starting to welcome their first members and pleasingly our Newcastle space that opened in December now has over 60 members.

The WOTSO flexible workspace business navigated the various lockdowns in Australia and member numbers are back to 98% of what they were in June 21. The business is well positioned for growth and is seeing opportunities arise from the move to flexible work practices spurred on by the pandemic.

## Other Funds

Two of our managed funds, Pyrmont Bridge Trust and The Woods PIPES fund are coming to the end of their term in the next twelve months and we are putting together new funds for investors to move into if they wish. The first will be a new mortgage fund over our asset at 55 Pyrmont Bridge Road, details of which will be released in the coming weeks.

### Tim Brown and Jessie Glew

(Joint Managing Directors)

2 Ada Ave, Brookvale NSW



# Financial Statements

Statement of Profit or Loss and other Comprehensive Income for the half-year ended 31 December 2021

	Note	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>REVENUE</b>			
<b>BlackWall</b>			
Management fees	3	2,347	1,979
Performance and transaction fees	3	259	-
Government COVID stimulus	2	223	334
Staff payroll recovery		117	163
<b>Total BlackWall</b>		<b>2,946</b>	<b>2,476</b>
<b>Investments</b>			
Unrealised gain	4	566	747
Share of net gain / (loss) of equity accounted investment	10	255	(29)
Other investment income		1	2
<b>Total Investments</b>		<b>822</b>	<b>720</b>
<b>Total Revenue</b>		<b>3,768</b>	<b>3,196</b>
<b>EXPENSES</b>			
Operating expenses	5	(2,094)	(1,847)
Depreciation - right of use lease asset		(69)	(47)
Depreciation - property, plant and equipment		(21)	(25)
Finance costs		(2)	(14)
Finance costs - lease liability interest		(10)	(9)
<b>Total Expenses</b>		<b>(2,196)</b>	<b>(1,942)</b>
<b>Profit Before Income Tax From Continuing Operations</b>		<b>1,572</b>	<b>1,254</b>
Income tax expense		(310)	(230)
<b>Profit After Tax From Continuing Operations</b>		<b>1,262</b>	<b>1,024</b>
Discontinued operation - WOTSO Franchise		-	(25)
<b>Profit for the Period</b>		<b>1,262</b>	<b>999</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income</b>		<b>1,262</b>	<b>999</b>
<b>Earnings Per Share</b>			
<b>Profit Attributable to the Ordinary Equity Holders:</b>			
Basic earnings per share	12	2.0 cents	1.6 cents
Diluted earnings per share	12	1.9 cents	1.6 cents

Balance Sheet at 31 December 2021

	Note	31 Dec 2021 \$'000	30 Jun 2021 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		2,087	3,133
Trade and other receivables		283	332
<b>Total Current Assets</b>		<b>2,370</b>	<b>3,465</b>
<b>Non-current Assets</b>			
Investments	6	24,287	22,602
Investment using equity method	10	313	58
Right of use lease asset	8	513	579
Property, plant and equipment	7	130	141
<b>Total Non-current Assets</b>		<b>25,243</b>	<b>23,380</b>
<b>Total Assets</b>		<b>27,613</b>	<b>26,845</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		519	482
Right of use lease liability	9	135	132
Provision for employee benefits		656	493
Provision for tax payable		152	396
<b>Total Current Liabilities</b>		<b>1,462</b>	<b>1,503</b>
<b>Non-current Liabilities</b>			
Deferred tax liabilities		3,028	2,870
Right of use lease liability	9	398	464
Provision for employee benefits		21	11
<b>Total Non-current Liabilities</b>		<b>3,447</b>	<b>3,345</b>
<b>Total Liabilities</b>		<b>4,909</b>	<b>4,848</b>
<b>Net Assets</b>		<b>22,704</b>	<b>21,997</b>
<b>EQUITY</b>			
Share capital		15,221	14,080
Reserves		73	73
Retained earnings		7,410	7,844
<b>Total Equity</b>		<b>22,704</b>	<b>21,997</b>
Statutory net assets per share		\$0.35	\$0.35

## Statement of Cash Flows for the half-year ended 31 December 2021

Note	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Cash Flows From Operating Activities</b>		
Management fee receipts	2,631	2,318
Performance and transaction fee receipts	259	598
Government COVID stimulus	223	334
Payroll recovery receipts	117	163
Bank interest received	1	2
Payments to suppliers and employees	(2,118)	(2,093)
Income tax (paid) / refund	(396)	350
Interest paid	(2)	(14)
<b>Net Cash Flows From Operating Activities</b>	<b>715</b>	<b>1,658</b>
<b>Cash Flows From Investing Activities</b>		
Returns of capital from WOTSO Property	469	402
Proceeds from disposal of investments	56	-
Purchase of investments	(1,644)	-
Payment for BWF property, plant and equipment	(10)	(27)
Net proceeds on disposal of WOTSO Franchise	-	428
<b>Net Cash Flows From Investing Activities</b>	<b>(1,129)</b>	<b>803</b>
<b>Cash Flows From Financing Activities</b>		
Issue of shares	1,141	-
Dividends paid to shareholders	(1,696)	(1,325)
Repayment of right of use leases	(77)	(42)
<b>Net Cash Flows From Financing Activities</b>	<b>(632)</b>	<b>(1,367)</b>
<b>Net Increase / (Decrease) in Cash Held</b>	<b>(1,046)</b>	<b>1,094</b>
<b>Reconciliation of Cash Balances:</b>		
Cash and cash equivalents at the beginning of the year	3,133	2,724
Net Increase / (Decrease) in Cash Held - continuing	(1,046)	1,094
Net Increase / (Decrease) in Cash Held - WOTSO Franchise	-	54
<b>Cash at End of the Period</b>	<b>2,087</b>	<b>3,872</b>

All items inclusive of GST where applicable.

## Reconciliation of Operating Cash Flows

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Profit for the Period</b>	<b>1,262</b>	<b>1,024</b>
<b>Non-Cash Flows in Profit:</b>		
Unrealised gains	(566)	(747)
Performance fee accrual	-	598
Depreciation on right of use lease asset	69	47
Depreciation on property, plant and equipment	21	25
Equity accounted (profit) / loss – IndigoBlack	(255)	29
Interest expense on lease liability	10	9
<b>Changes in Operating Assets and Liabilities:</b>		
Decrease / (increase) in trade and other receivables	49	143
Increase / (decrease) in deferred tax liabilities	158	215
Increase / (decrease) in trade and other payables	38	(90)
Increase / (decrease) in income taxes payable	(244)	365
Increase / (decrease) in provisions	173	40
<b>Net Cash Flows from Operating Activities</b>	<b>715</b>	<b>1,658</b>

## Statement of Changes in Equity for the half-year ended 31 December 2021

	No. of Shares on Issue	Issued Capital \$'000	Retained Earnings \$'000	Reserves \$'000	Total \$'000
<b>Balance at 1 July 2021</b>	<b>63,141,445</b>	<b>14,080</b>	<b>7,844</b>	<b>73</b>	<b>21,997</b>
Profit for the period	-	-	1,262	-	1,262
Other comprehensive income	-	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>1,262</b>	<b>-</b>	<b>1,262</b>
<b>Transactions with Owners in Their Capacity as Owners:</b>					
Dividend paid	-	-	(1,696)	-	(1,696)
Issue of shares	2,085,630	1,141	-	-	1,141
<b>Total Transactions with Owners</b>	<b>2,085,630</b>	<b>1,141</b>	<b>(1,696)</b>	<b>-</b>	<b>(555)</b>
<b>Balance at 31 December 2021</b>	<b>65,227,075</b>	<b>15,221</b>	<b>7,410</b>	<b>73</b>	<b>22,704</b>
<b>Balance at 1 July 2020</b>	<b>63,141,445</b>	<b>14,080</b>	<b>7,656</b>	<b>73</b>	<b>21,809</b>
Profit for the period	-	-	999	-	999
Other comprehensive income	-	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>999</b>	<b>-</b>	<b>999</b>
<b>Transactions with Owners in Their Capacity as Owners:</b>					
Dividend paid	-	-	(1,325)	-	(1,325)
<b>Total Transactions with Owners</b>	<b>-</b>	<b>-</b>	<b>(1,325)</b>	<b>-</b>	<b>(1,325)</b>
<b>Balance at 31 December 2020</b>	<b>63,141,445</b>	<b>14,080</b>	<b>7,330</b>	<b>73</b>	<b>21,483</b>



# Notes to the Financial Statements

## 1. Segment Information

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

	Income \$'000	Gains / (Losses) \$'000	Total Revenue \$'000	Expenses \$'000	EBITDA \$'000	Interest and Depn \$'000	Pre-tax \$'000
<b>Profit or Loss December 2021</b>							
BlackWall	2,946	-	2,946	(1,420)	1,526	(100)	1,426
Investments	1	821	822	(350)	472	(2)	470
Corporate	-	-	-	(324)	(324)	-	(324)
<b>TOTAL Operations</b>	<b>2,947</b>	<b>821</b>	<b>3,768</b>	<b>(2,094)</b>	<b>1,674</b>	<b>(102)</b>	<b>1,572</b>
<b>Profit or Loss December 2020</b>							
BlackWall	2,476	-	2,476	(1,287)	1,189	(80)	1,109
Investments	(27)	747	720	(292)	428	(14)	414
Corporate	-	-	-	(269)	(269)	-	(269)
<b>Continuing Operations</b>	<b>2,449</b>	<b>747</b>	<b>3,196</b>	<b>(1,848)</b>	<b>1,348</b>	<b>(94)</b>	<b>1,254</b>
WOTSO Franchise*	432	-	432	(126)	306	(312)	(6)
<b>TOTAL Operations</b>	<b>2,881</b>	<b>747</b>	<b>3,628</b>	<b>(1,974)</b>	<b>1,654</b>	<b>(406)</b>	<b>1,248</b>

\*WOTSO Franchise was disposed on 31 October 2020.

	December 2021			June 2021		
<b>Balance Sheet</b>	<b>Assets \$'000</b>	<b>Liabilities \$'000</b>	<b>Net Assets \$'000</b>	<b>Assets \$'000</b>	<b>Liabilities \$'000</b>	<b>Net Assets \$'000</b>
BlackWall	3,008	(1,721)	1,287	4,181	(1,473)	2,708
Investments	24,605	(3,035)	21,570	22,664	(2,979)	19,685
Corporate	-	(153)	(153)	-	(396)	(396)
<b>Consolidated</b>	<b>27,613</b>	<b>(4,909)</b>	<b>22,704</b>	<b>26,845</b>	<b>(4,848)</b>	<b>21,997</b>



## 2. COVID Impact

Property management fees are charged by BWF on a percentage of gross property income. In the current six months to December 2021 WOTSO Property has continued to provide rent relief to tenants in the form of rent waivers and deferrals as required by the mandatory code of conduct between landlords and tenants, and this has continued to impact property management fee income.

Fund management fees are charged to WOTSO based on WOTSO turnover, and given that WOTSO results were significantly impacted by COVID lockdowns in the current period this meant that BWF likewise received lower management fees than expected.

BWF qualified for the government's Job Saver programme during the current reporting period. The government stimulus revenue received for the current six months is \$223,000.

## 3. Revenue

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

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Revenue from Contracts with Customers</b>		
Fund management fees	1,520	1,328
Property management fees	323	292
Project management fees	223	98
Leasing fees	42	-
Expense recovery and other fees	239	261
<b>Management Fees Total</b>	<b>2,347</b>	<b>1,979</b>
Transaction fee - Asset acquisitions	224	-
Transaction fee - Asset disposal	35	-
<b>Performance and Transaction Fees Total</b>	<b>259</b>	<b>-</b>
<b>Staff Payroll Recovery</b>	<b>117</b>	<b>163</b>
<b>Total Revenue from Contracts with Customers</b>	<b>2,723</b>	<b>2,142</b>
Timing of revenue recognition:		
- recognition over time	2,464	2,142
- recognition at a point in time	259	-
	<b>2,723</b>	<b>2,142</b>
<b>Other</b>		
Government stimulus	223	334
<b>Total BlackWall Revenue</b>	<b>2,946</b>	<b>2,476</b>

## 4. Net Unrealised Gains on Investments

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Unrealised gain - WOTSO Property	566	-
Unrealised gain - BWR	-	747
<b>Total</b>	<b>566</b>	<b>747</b>

## 5. Operating Expenses

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Employee and consultant expenses	1,737	1,446
Operating expense	357	401
<b>BlackWall Expenses</b>	<b>2,094</b>	<b>1,847</b>

## 6. Investments

The two separate investments in BWR and WOTSO Limited previously held by BlackWall have been replaced by a single holding in a new stapled entity called "WOTSO Property". The new stapled security was listed on the ASX under the code "WOT" and began trading on 18 February 2021. The closing ASX price for the listed WOT stapled security at 31 December 2021 was \$1.47 (June 2021 \$1.47).

A reconciliation of investments is set out below:

	WOT \$'000	BWR \$'000	WOTSO Limited \$'000	Total \$'000
<b>December 2021</b>				
Balance at the beginning of the period	22,602	-	-	22,602
Return of capital	(469)	-	-	(469)
Purchases	1,588	-	-	1,588
Mark to market valuation	566	-	-	566
<b>Balance at the End of the Period</b>	<b>24,287</b>	<b>-</b>	<b>-</b>	<b>24,287</b>
<b>June 2021</b>				
Balance at the beginning of the period	-	16,313	3,893	20,206
Return of capital	-	(804)	-	(804)
Conversion to stapled securities	19,402	(15,509)	(3,893)	-
Purchases	1,633	-	-	1,633
Mark to market valuation	1,567	-	-	1,567
<b>Balance at the End of the Year</b>	<b>22,602</b>	<b>-</b>	<b>-</b>	<b>22,602</b>

## 7. Property, Plant and Equipment

	31 Dec 2021 \$'000	30 Jun 2021 \$'000
<b>Continuing Operations:</b>		
At cost	909	899
Less accumulated depreciation	(779)	(758)
<b>Total Written Down Value</b>	<b>130</b>	<b>141</b>

	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Carrying amount at the beginning of period	141	164
Additions	10	28
Depreciation expense	(21)	(51)
<b>Carrying Amount at the End of Period</b>	<b>130</b>	<b>141</b>

## 8. Right of Use Lease Asset

	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Right of use lease asset	772	770
Less: Accumulated depreciation	(259)	(191)
<b>Written Down Value of Right of Use Lease Assets</b>	<b>513</b>	<b>579</b>

BWF leases its head office located in Neutral Bay NSW. The term of the lease is five years with the option to extend, and contains a market related escalation clause. On renewal, the terms of the lease are renegotiated. BWF has entered into an option agreement with its Neutral Bay landlord that is expected to see its lease terminated as part of a sale of the asset. An option fee of \$10,000 has been received and \$490,000 is receivable if the option is exercised.

## 9. Lease Liabilities

	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Opening balance	596	2,323
Interest charged	10	45
Repayments	(76)	(393)
Additions	-	301
Disposals	-	(1,808)
Modifications	3	128
<b>Total Lease Liabilities</b>	<b>533</b>	<b>596</b>
Current	135	132
Non-current	398	464
<b>Total</b>	<b>533</b>	<b>596</b>

The disposal in 2021 was due to the WOTSO Franchise subsidiary leaving the group.

## 10. Equity Accounted Investments

BlackWall holds 25% of IndigoBlack Constructions (IB) a small building company that predominantly works on BlackWall properties. It also holds a 25% interest in the related entity GyMEA Bay Road Trust that developed a residential duplex in GyMEA in Sydney's south. The houses were sold in the half year and generated a profit to both BWF and IB resulting in a \$255 thousand gain accruing to BWF and its investment on the balance sheet.

## 11. Dividends

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

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
2021 final dividend of 2.6 cents paid on 15 September 2021 (2020 final: 2.1 cents)	1,696	1,325
<b>Total</b>	<b>1,696</b>	<b>1,325</b>

In addition, the Board has declared an interim fully franked dividend of 2.6 cents per share to be paid on 07 April 2022.

## 12. Earnings Per Share

	31 Dec 2021	31 Dec 2020
Basic earnings per share	2.0 cents	1.6 cents
Diluted earnings per share	1.9 cents	1.6 cents
<b>Calculated as follows:</b>		
Profit attributable to the owners of the Group	\$1,262,000	\$999,000
Profit attributable to the owners of the Group (continuing)	\$1,262,000	\$1,024,000
Weighted average number of shares for basic EPS	64,623,040	63,141,445
Weighted average number of shares for diluted EPS	64,742,707	63,141,445

## 13. Contingencies

The Group had no contingent assets or liabilities at 31 December 2021 (December 2020: \$nil).

## 14. Subsequent Events

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

The Board has declared an interim fully franked dividend of 2.6 cents per share to be paid on 07 April 2022.

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.

## 15. Financial Risk Management

### 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 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>At 31 December 2021</b>				
Financial assets	24,287	-	-	24,287
<b>At 30 June 2021</b>				
Financial assets	22,602	-	-	22,602

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

There are currently no Level 3 financial assets. The fair value of the financial assets are usually determined by reference to the net assets of the underlying entities.

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

There were no balances classified as Level 3 financial assets during the current period. There were no transfers between Level 1, 2 and 3 during the current period.

## 16. 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.

## 17. Statement of Significant Accounting Policies

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

### 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 2021 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 2021.

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.

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

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

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

The Corporate segment relates to company taxation and selected corporate overheads.

## 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.



22 Omsby Terrace, Mandurah WA



# 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)

**Timothy Brown** (Joint Managing Director and CFO)

**Jessie Glew** (Joint Managing Director and COO)

**Richard Hill** (Non-Executive Director)

**Robin Tedder** (Non-Executive Director)

**Alexander 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, 22 February 2022



**Jessie Glew**

Director

Sydney, 22 February 2022

# 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 2021 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 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, 22 February 2022



**Jessie Glew**

Director

Sydney, 22 February 2022

# Auditors Independence Declaration and 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 2021, 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 22<sup>nd</sup> of February 2022



ESV Business Advice and Accounting



Chris Kirkwood  
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

### Conclusion

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 2021, 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, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' Responsibility for the Half-Year Financial Report

The Directors of BlackWall Limited 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.

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

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, requires us to conclude whether 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 2021 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*.

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.

Dated at Sydney the 22<sup>nd</sup> of February 2022



ESV Business Advice and Accounting



Chris Kirkwood  
Partner

194 Varsity Pde, Varsity Lakes QLD



# BlackWall Limited

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