

Woods PIPES Fund

ARSN 152 110 668

Annual Financial Statements

Year Ended 30 June 2015

Woods PIPES Fund (formerly BlackWall Sportsmed Property Trust)

ARSN 152 110 668

Responsible Entity: BlackWall Fund Services Limited

ABN 39 079 608 825

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Directors' Report

The Fund is a registered managed investment scheme. BlackWall Fund Services Limited is the Fund's Responsible Entity and wholly-owned by ASX-listed BlackWall Property Funds Limited (ASX: BWF). BlackWall is a vertically integrated property management, funds management and investment business. It provides property and asset management services to a range of property syndicates.

Review of Operations

The Fund does not trade, as a result its net result for the Fund for the financial year ended 30 June 2015 was \$Nil (2014: \$Nil).

Distribution to Unitholders

There were no distributions paid during the financial year.

Events Subsequent to Reporting Date and Likely Developments

In August 2015, the Fund issued a Product Disclosure Statement offering investors an opportunity to invest in the Woods Action Centre in Villawood, Sydney. The structure is forecast to generate quarterly income distributions of 8% per annum with a share of growth in the value of the property over the seven-year term.

This offer utilises the PIPES (Property Income and Participating Equity Securities) investment structure. PIPES was developed by BlackWall's funds management business in 2001 and offers retail investors participation in income producing real estate with some capital protection and an interest in improvement in the underlying property value. For property owners the PIPES structure allows them to extract capital from mature income producing property while maintaining a partial interest in any growth.

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

Officeholders

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

Richard Hill, Non-Executive Director (Independent Chairman)

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

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Joseph (Seph) Glew, Non-Executive Director

Seph has worked in the commercial property industry in New Zealand, the USA and Australia. Seph has driven large scale property development and financial structuring for real estate for over 30 years. In addition, since the early 1990s Seph has run many “turn-around” processes in relation to distressed properties and property structures for both private and institutional property owners.

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

Robin Tedder, Non-Executive Director

Robin has around 40 years’ experience in investment and financial markets. He has been an investor in BlackWall’s projects since 1997. Robin is the Chairman of Vintage Capital Pty Ltd, an investment company with interests in property, wealth management, logistics and healthcare. He is a former member of the ASX and has served on the boards of several investment banks in Australia and overseas. He is a Director of Probiotec Ltd (a pharmaceutical manufacturing company listed on the ASX). Robin is also a Fellow of the Financial Services Institute of Australasia.

Stuart Brown, Executive Director and Chief Executive Officer

Stuart has been involved in property investment for over 17 years. Stuart has run debt and equity raising in relation to listed and unlisted real estate structures with over a half a billion dollars in value.

In his earlier career, Stuart practised as a solicitor in the areas of real estate, mergers and acquisitions and corporate advisory with Mallesons and Gilbert + Tobin. Stuart is an independent Director of Coogee Boys’ Preparatory School.

Caroline Raw (Company Secretary from 18 February 2015)

Caroline Raw joined the BlackWall team in 2013 and is responsible for executing corporate and fund transactions across the BlackWall Group. Caroline has been practising as a solicitor in NSW since 2005 and has worked predominantly on IPOs, public and private capital raisings, funds management, corporate advisory, takeovers and mergers and acquisitions. Caroline holds a Bachelor of Commerce, Bachelor of Laws and Graduate Diploma in Applied Corporate Governance. Caroline is also a Chartered Secretary and Associate Member of the Governance Institute of Australia.

(Don Bayly - Company Secretary until 18 February 2015).

Meeting Attendances

Attendance at the Responsible Entity’s Board meetings held during the financial year are detailed below:

Director	Board Meetings
Meetings Held	10
Seph Glew	10
Stuart Brown	10
Robin Tedder	10
Richard Hill	10

Remuneration

No remuneration was paid to the Responsible Entity.

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Environmental Regulation

The Fund's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a State or a Territory other than those that pertain to the ownership and development of real estate.

Indemnities of Officers

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

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

Non-audit Services and Auditor

The Fund has not engaged the auditor for any non-audit services during the year.

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 of the Responsible Entity.

A handwritten signature in black ink, appearing to be 'Stuart Brown', with a long horizontal flourish extending to the right.

Stuart Brown

Director

Sydney, 8 September 2015



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

To the Directors of Blackwall Fund Services Limited ("the Responsible Entity")

As auditor for the audit of Woods PIPES Fund (Previously known as Blackwall Sportsmed Property Fund) for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

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

Dated at Sydney the 7th day of September 2015

A handwritten signature in blue ink, appearing to read 'ESV' followed by a stylized signature.

ESV Accounting and Business Advisors

A handwritten signature in blue ink, appearing to read 'Tim Valtwies'.

Tim Valtwies
Partner

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

	2015 \$	2014 \$
Total Revenue	-	-
Profit For the Year	-	-
Total Comprehensive Income For the Year	-	-

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 30 June 2015

	2015 \$	2014 \$
ASSETS		
Current Assets		
Total Current Assets	-	-
Non-Current Assets	-	-
Total Non-Current Assets	-	-
TOTAL ASSETS	-	-
LIABILITIES		
Current Liabilities		
Total Current Liabilities	-	-
Non-current Liabilities	-	-
Total Non-current Liabilities	-	-
TOTAL LIABILITIES	-	-

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Statement of Changes in Net Assets Attributable to Unitholders

For the Year Ended 30 June 2015

As the Fund has no equity, the Fund has not included any items of changes in equity for the current or comparative years.

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Statement of Cash Flows

For the Year Ended 30 June 2015

	2015 \$	2014 \$
Cash Flows From Operating Activities	-	-
Net Cash Flows From Operating Activities	-	-
Cash Flows From Investing Activities	-	-
Net Cash Flows Used in Investing Activities	-	-
Cash Flows From Financing Activities	-	-
Net Cash Flows Used in Financing Activities	-	-
Net Increase /(Decrease) in Cash Held	-	-
Cash and cash equivalent at the beginning of the period	-	-
Cash and Cash Equivalent at End of the Year	-	-

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1. Financial Risk Management

The Fund is not exposed to any market risk, credit risk and liquidity risk.

2. Contingent Liabilities and Contingent Assets

The Company had no contingencies as at 30 June 2015 (2014: Nil).

3. Commitments

No operating or capital lease commitments were in existence as at 30 June 2015 (2014: Nil).

4. Segment Reporting

The Fund currently operates in Australia with no trading activities.

5. Auditor's Remuneration

	2015	2014
	\$	\$
Remuneration of ESV (the auditor of the Fund) for:		
- Audit and other audit related services	500	500

The fees will be borne and paid by the Responsible Entity.

6. Related Party Transactions

In these financial statements, related parties are parties as defined by AASB 124 Related Party Disclosures. There were no related party transactions during the year as the Fund has not had any activities.

The Fund does not provide any short term or post employment benefits to its KMP. KMP include all Directors and the Chief Financial Officer (Tim Brown).

7. Fund Details

Principal place of business

Level 1, 50 Yeo Street
Neutral Bay, NSW, 2089

8. Statement of Significant Accounting Policies

The financial statements for the Fund were authorised for issue in accordance with the resolution of the Directors of the Responsible Entity on the date they were issued.

Basis of Preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting

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For the Year Ended 30 June 2015

Standards Board and the Corporations Act 2001. The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board.

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

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

New and amended standards adopted

None of the new standards and amendments to standards that are mandatory for the first time for the current financial year affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Going concern

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The Responsible Entity will meet any filing fees and other administrative expenses as they fall due.

Presentation of financial statements

Both the functional and presentation currency of the Fund is Australian dollars.

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Directors' Declaration

In the opinion of the Directors of BlackWall Fund Services Limited, the Responsible Entity of Wood PIPES Fund:

- (a) The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2015 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Fund 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 of the Responsible Entity.



Stuart Brown

Director

Sydney, 8 September 2015



INDEPENDENT AUDIT REPORT TO THE UNITHOLDERS OF WOODS PIPES FUND (PREVIOUSLY KNOWN AS BLACKWALL SPORTSMED PROPERTY FUND)

Report on the Financial Report

We have audited the accompanying financial report of Woods PIPES Fund (Previously known as Blackwall Sportsmed Property Fund) ("the Fund"), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of Blackwall Fund Services Limited ("the Responsible Entity") are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 8, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



INDEPENDENT AUDIT REPORT TO THE INVESTORS OF WOODS PIPES FUND (PREVIOUSLY KNOWN AS BLACKWALL SPORTSMED PROPERTY FUND)

Independence

In conducting our audit, 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 the Responsible Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of Woods PIPES Fund (Previously known as Blackwall Sportsmed Property Fund) is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the financial position of the Fund for the year ended 30 June 2015 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

The financial report also complies with International Financial Reporting Standards as disclosed in Note 8.

Dated at Sydney the 8th of September 2015

ESV Accounting and Business Advisors

Tim Valtwies
Partner

Woods PIPES Fund

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GLOSSARY

ASX	Australian Securities Exchange
BlackWall	BlackWall Property Funds Limited and, where applicable, its subsidiaries (including BlackWall Fund Services Limited)
Fund	Woods PIPES Fund (formerly BlackWall Sportsmed Property Trust)
IFRS	International Financial Reporting Standards
KMP	Key management personnel
PIPES	Property Income and Participating Equity Securities
Responsible Entity	BlackWall Fund Services Limited