



WOTSO  
PROPERTY

Property by name  
flexible by nature

# INTERIM REPORT

HALF-YEAR ENDED  
31 DECEMBER 2023



Blacktown, NSW





# CONTENTS

- 3 Directors' Report
- 8 Statement of Profit or Loss and Other Comprehensive Income
- 9 Balance Sheet
- 10 Statement of Cash Flows
- 11 Statement of Changes in Equity
- 12 Notes to the Financial Statements
- 23 Directors' Report - Continued
- 25 Directors' Declaration
- 26 Auditor's Independence Declaration and Report

# DIRECTORS' REPORT

WOTSO Property (WOT or Group) has produced headline revenue growth of 11% to \$26 million for the period ended 31 December 2023 and will pay an interim distribution of 1.0 cent per security.

**1.0** cent

Interim distribution

**\$28.8** million

Flexspace annualised  
income at December 2023  
(current monthly income multiplied by 12)

**\$1.50**

Statutory net asset value  
(NAV) per security

**\$1.84**

Adjusted NAV  
per security

**91,000** sqm

Owned and leased NLA

**We are pleased to present our WOTSO Property December 2023 half year report announcing a significant milestone.**

WOTSO Property was built on the foundations laid by the former Reed Property Trust, evolving to become BlackWall Property Trust, managed by BlackWall Limited (ASX:BWF). This lineage saw the birth of WOTSO Property in 2021, originally the brainchild of BlackWall Limited. Through the strategic stapling of WOTSO to BlackWall Property Trust WOTSO Property was created, marking a pivotal moment in our journey. Throughout these years, the management of our assets was entrusted to external entities.

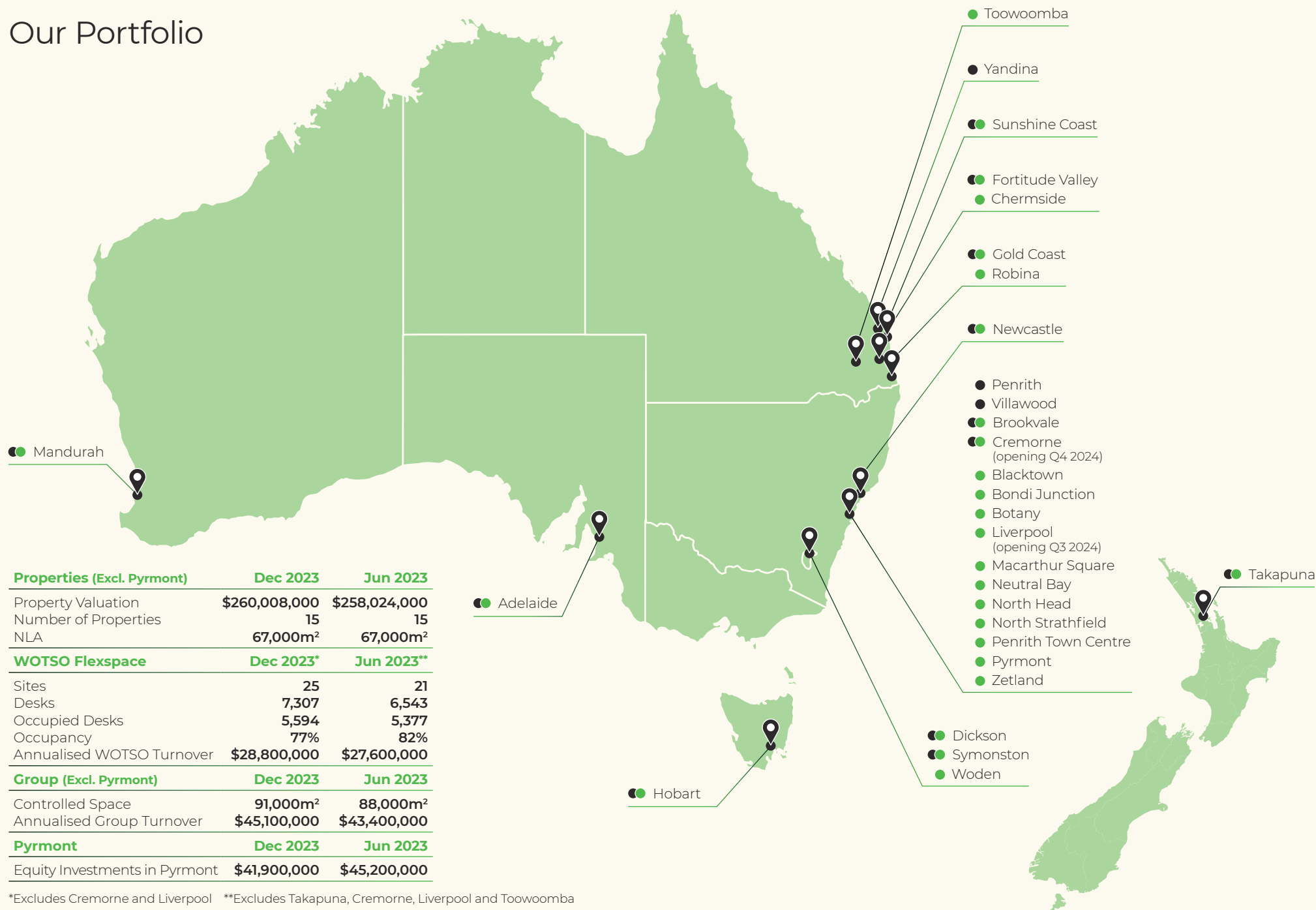
Today it is with immense pride that we announce WOTSO Property has fully transitioned to an autonomous entity, now exclusively owning, operating, and managing both its real estate and the WOTSO operating business. This evolution is not merely a change in structure but a reflection of WOT's stable and organic evolution from a dependent property trust with a limited asset base to a growing and self-sufficient business with a diverse portfolio and the in-house experience and know-how to supercharge growth through strategic acquisitions and leasing deals.

Our current position is robust, with a property portfolio valued at just over \$300 million inclusive of our equity interest in the landmark Pyrmont property (which is currently consolidated in statutory accounts). Our network has expanded to encompass 25 flexspaces across Australia and New Zealand, with 11 of these locations in our property portfolio. This growth trajectory underscores our strategic vision and operational efficiency, positioning WOTSO Property as a leader in the Australian and New Zealand flexible workspace sector.

The transition to direct ownership and management of our assets marks a significant chapter in our history allowing us to more closely align our operations with our long-term vision to:

- acquire and repurpose distressed assets in the suburbs and regions of Australia and New Zealand
- produce higher returns in the real estate we own
- strategically lease for our WOTSO business.

# Our Portfolio



Properties (Excl. Pyrmont)	Dec 2023	Jun 2023
Property Valuation	\$260,008,000	\$258,024,000
Number of Properties	15	15
NLA	67,000m <sup>2</sup>	67,000m <sup>2</sup>
WOTSO Flexspace	Dec 2023*	Jun 2023**
Sites	25	21
Desks	7,307	6,543
Occupied Desks	5,594	5,377
Occupancy	77%	82%
Annualised WOTSO Turnover	\$28,800,000	\$27,600,000
Group (Excl. Pyrmont)	Dec 2023	Jun 2023
Controlled Space	91,000m <sup>2</sup>	88,000m <sup>2</sup>
Annualised Group Turnover	\$45,100,000	\$43,400,000
Pyrmont	Dec 2023	Jun 2023
Equity Investments in Pyrmont	\$41,900,000	\$45,200,000

\*Excludes Cremorne and Liverpool \*\*Excludes Takapuna, Cremorne, Liverpool and Toowoomba

● Properties with WOTSOs ● Properties without WOTSOs ● WOTSO sites at third party properties



# Operational Highlights

## Growth and Expansion

During the period from July to December 2023 WOT experienced remarkable growth, driven by strong customer demand for functional, sustainable, and locally situated office spaces. This period was characterised by our strategic expansion across suburbs and regions in Australia and New Zealand, aligning with changing customer needs and market dynamics.

We proudly launched four new WOTSO locations, enhancing our portfolio and increasing our total desk count to over 7,300. This expansion included our inaugural entry into New Zealand, opening in our Takapuna property purchased late 2022, alongside favorable lease arrangements in Toowoomba, Botany and Robina. While the introduction of new locations initially impacts total occupancy rates as we grow our member base, we concluded the half-year with an occupancy rate of 77%.

## Financial Performance and Group Turnover

In December 2022, we reported annualised flexspace turnover of \$25.5 million, which has since grown to nearly \$29 million.

Reflective of our operational success and strategic expansion, our annualised group turnover, encompassing both the WOTSO business and traditional leasing activities, has surpassed \$45 million, excluding our interest in the landmark Pyrmont property.

## Operational Enhancements and Asset Management

Throughout the half-year, we undertook a number of refurbishments across our network, focusing on both minor upgrades and significant redevelopment efforts. Notable projects included the expansion of the WOTSO space at our Dickson property and the repositioning of our Cremorne asset, which is slated for WOTSO occupancy in April 2024.

Our non-WOTSO property portfolio maintained a robust 96% occupancy, underscored by a strong tenancy base and favorable, long-term leasing arrangements. This stability reflects our comprehensive asset management strategy and our ability to attract and retain quality tenants.

## Looking Ahead

As we move forward, WOT remains committed to leveraging opportunities for growth through both property acquisition and strategic leasing. In order to capitalise on opportunities we are seeing in the market both from a leasing and acquisition perspective we are looking at a capital raise towards the second half of 2024. With our focus on expanding our footprint, strategic asset management and financial discipline, we believe we are positioned well for continued success in the evolving flexible space landscape.

In conjunction with the internalisation of management we have a new Board of Directors as follows:

- **Joseph (Seph) Glew** (Chairman)
- **Jessie Glew** (CEO)
- **Paul Tresidder** (Non executive)
- **Richard Hill** (Non executive)



# The Numbers

## Performance

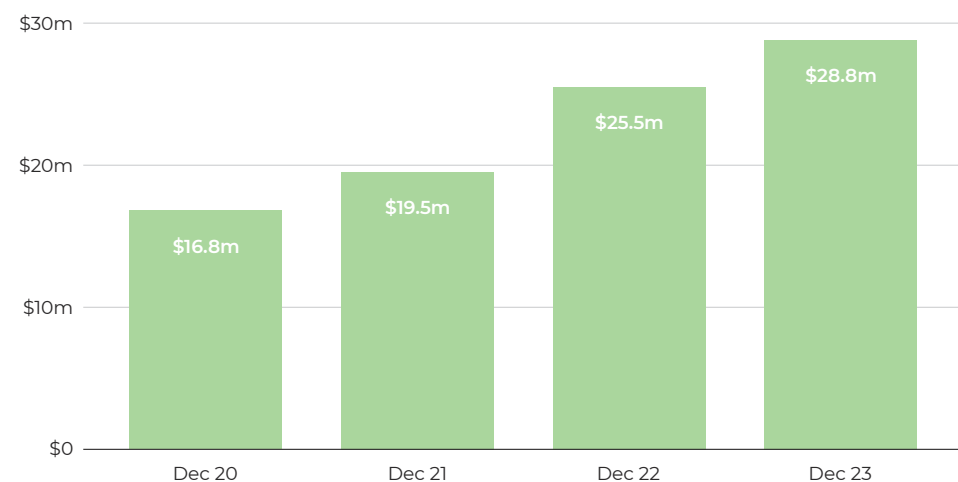
Headline total revenue which includes revenue from our flexspace and ordinary lease income streams has increased by 11% to \$26 million off the back of rising WOTSO flexspace occupancy levels, which now sit at 77%, and growth in available inventory with the addition of just under 800 available desks, as WOTSO sites continue to mature and we continue to refine our approach with new leased sites.

Despite inflationary pressures, Net Rental Income has increased by 6% to \$12.4 million as WOT's pricing structures and favourable leasing arrangements have spurred Total Revenue to outpace the increase in operating expenditure.

Funds From Operations (FFO) have increased by \$4.1 million after being bolstered by the WOTSO Neutral Bay lease variation fee. However, the impact of rising interest rates continues to put downward pressure on FFO, contributing to an increase in borrowing costs of \$1.3 million. Nevertheless as our growing revenue streams drive Net Rental Income growth to accelerate faster than the increase in borrowing costs, WOT remains in a good position to weather the higher interest rate environment and produce excess funds from operations.

After statutory adjustments of revaluation gains and losses, depreciation and the impact of AASB 16 headline statutory profit returned \$4.1 million for the period.

## Annualised Flexspace Turnover



	Dec 2023 \$'000	Dec 2022 \$'000
<b>Profit or Loss</b>		
Property lease income	11,630	11,175
Flexspace income	14,534	12,489
Other income	52	-
Government assistance	-	6
<b>Total Revenue</b>	<b>26,216</b>	<b>23,670</b>
Property outgoings	(5,833)	(5,267)
External WOTSO rent expense	(3,525)	(3,305)
WOTSO site staff costs	(1,940)	(1,532)
WOTSO operating expenses	(2,553)	(1,910)
<b>Total Operating Expenses</b>	<b>(13,851)</b>	<b>(12,014)</b>
<b>Net Rental Income</b>	<b>12,365</b>	<b>11,656</b>
WOTSO Neutral Bay lease variation fee	4,900	-
Overhead and administration costs	(2,274)	(2,009)
Fund management fees	(1,940)	(2,153)
Borrowing costs	(4,457)	(3,125)
Loan portfolio income	167	273
<b>Funds From Operations</b>	<b>8,761</b>	<b>4,642</b>
Net (loss) / gain on assets	(747)	6,983
Depreciation and amortisation	(3,932)	(3,630)
Impact of AASB 16	(13)	(119)
One-time utility recharges	-	(617)
<b>Statutory Profit Before Tax</b>	<b>4,069</b>	<b>7,259</b>

## Distribution

WOT's objective is to generate sustainable returns for securityholders while at the same time growing WOT's balance sheet. In considering distribution rates, the Group considers multiple factors including forecast earnings and expected capital outlays over the next several years. We are excited about the potential of our WOTSO Flexspace business and we want to take advantage of the opportunities that are being presented to us. However this will require capital and may impact our earnings in the short term. To assist in conserving funds we had reduced the distribution for the current half year to 1.0 cps.

## Balance Sheet

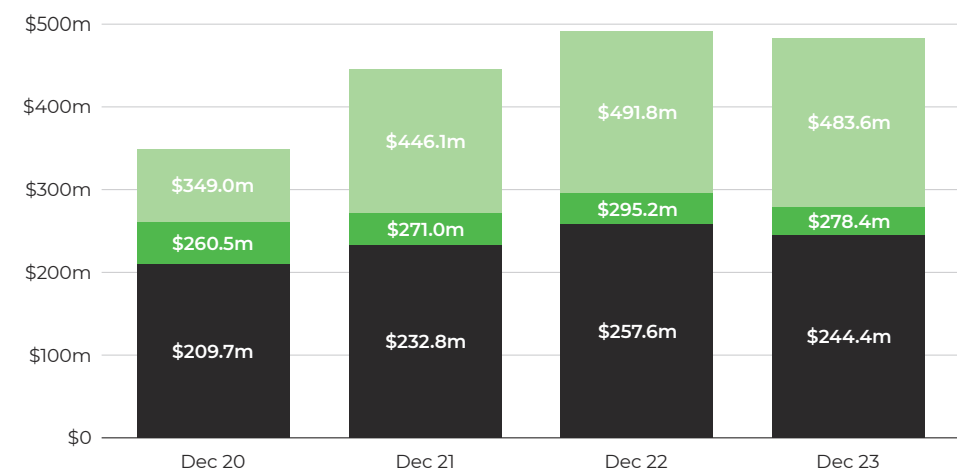
Our balance sheet on the right shows a picture where the Pymont assets and liabilities have been deconsolidated and only the fair value of our investments in Pymont are included. For ease of comparison we have presented the 30 June 2023 comparative figures in a similar fashion here to help present a more straight-forward view of WOT's balance sheet.

This balance sheet highlights a healthy position with low net gearing of 27% and a strong statutory NAV of \$1.50 per security. This position has remained steady over the past 6 months as the Group has focused on investing in future growth by continuing to develop the Cremorne and Takapuna properties as well as WOTSO fitouts at new sites in Botany, Toowoomba and Robina.

The sale of the Neutral Bay property and resulting fee paid to WOTSO to vary the WOTSO Neutral Bay lease has also injected a further \$4.9 million into the Group's balance sheet which will be received in March 2024 and will provide sufficient cash buffer to move quickly as opportunities arise.

Unfortunately, the value created through the growth of our WOTSO flexspace business model does not translate easily to our balance sheet nor tell the full story for the value of that portion of our business. With this in mind, we have recently embarked on a valuation of our flexspace business which has yielded an indicative value of \$80 million. Incorporating this valuation our assessment of adjusted NAV increases to \$1.84 per security.

## Balance Sheet Growth



■ Statutory Net Assets Attributable to WOT Equity Holders ■ Statutory Net Assets ■ Statutory Gross Assets

## Balance Sheet

	Dec 2023 \$'000	Jun 2023 \$'000
Cash and cash equivalents	2,717	7,359
Loan portfolio	1,550	1,621
Other current assets	5,780	1,360
Investment property portfolio	260,008	258,024
Investments in Pymont property & associated funds	41,871	45,175
Property, plant and equipment	14,453	13,929
Other non-current assets	2,380	2,001
Flexspace business valuation*	80,000	80,000
<b>Total Assets</b>	<b>408,759</b>	<b>409,469</b>
Other current liabilities	(5,326)	(4,585)
Borrowings	(93,193)	(93,151)
Other non-current liabilities	(457)	(612)
Net ROU Lease Liabilities	(5,965)	(5,869)
Deferred tax liability	(5,339)	(5,195)
<b>Total Liabilities</b>	<b>(110,280)</b>	<b>(109,412)</b>
Attributable to NCI	(208)	(221)
<b>Adjusted NAV Attributable to WOT Owners</b>	<b>298,271</b>	<b>299,836</b>
Statutory adjustments:		
Flexspace business valuation	(80,000)	(80,000)
Goodwill	26,150	26,150
Investments in Pymont property & associated funds	(41,871)	(45,175)
Pymont investment property	134,300	134,300
Pymont borrowings	(60,000)	(60,000)
Pymont other working capital	1,344	1,303
Pymont related NCI	(33,773)	(30,428)
<b>Statutory NAV attributable to WOT owners</b>	<b>244,421</b>	<b>245,986</b>

\*Flexspace business valuation has been included in the June 2023 comparatives for comparison and consistency purposes.

**\$1.50**

Statutory NAV  
per Security  
(Jun - \$1.51)

**\$1.84**

Adjusted NAV  
per Security  
(Jun - \$1.84)

**27%**

Net Gearing\*\*  
(Excl. Pymont)  
(Jun - 26%)

**36%**

Statutory  
Net Gearing\*\*  
(Jun - 35%)

\*\*Net gearing is calculated as borrowings less liquid assets divided by total assets less liquid assets, flexspace business valuation and right of use lease assets.

# Financial Statements

## Statement of Profit or Loss and Other Comprehensive Income

for the period ended 31 December 2023

	Note	Dec 2023 \$'000	Dec 2022 \$'000
Revenue	2	26,216	23,670
Direct costs	3	(13,293)	(12,197)
<b>Net Rental Income</b>		<b>12,923</b>	<b>11,473</b>
Administration expenses	4	(4,214)	(4,162)
<b>Trading Profit</b>		<b>8,709</b>	<b>7,311</b>
Net (loss) / gain on assets		(747)	6,983
<b>Operating Profit</b>		<b>7,962</b>	<b>14,294</b>
Depreciation and amortisation	5 & 11	(3,932)	(3,630)
Finance costs	6	(5,107)	(3,678)
Finance income		167	273
WOTSO Neutral Bay lease variation	2	4,900	-
Gain on lease modification		79	-
<b>Profit Before Income Tax</b>		<b>4,069</b>	<b>7,259</b>
Income tax expense		(144)	(396)
<b>Total Profit</b>		<b>3,925</b>	<b>6,863</b>
Foreign currency translation gains		72	267
<b>Total Profit and Other Comprehensive Income</b>		<b>3,997</b>	<b>7,130</b>
Total profit and other comprehensive income attributable to:			
Members of BlackWall Property Trust		(884)	8,089
Members of Ostow Limited		3,793	(2,112)
Members of Planloc Limited		804	925
<b>Attributable to Members of Group</b>		<b>3,713</b>	<b>6,902</b>
Non-controlling interest		284	228
<b>Total Profit and Other Comprehensive Income</b>		<b>3,997</b>	<b>7,130</b>
<b>Earnings per Security</b>			
Weighted average number of securities		162,686,557	163,339,901
Basic and diluted earnings per security	19	2.3 cents	4.2 cents

### Revenue (from Note 2)

	Dec 2023 \$'000	Dec 2022 \$'000
<b>Revenue from Contracts with Customers</b>		
Flexspace income	14,534	12,489
Property income	11,630	11,175
Other income	52	-
Government stimulus	-	6
<b>Total Revenue</b>	<b>26,216</b>	<b>23,670</b>

### Direct Costs (from Note 3)

	Dec 2023 \$'000	Dec 2022 \$'000
Property outgoings	(5,741)	(5,178)
Flexspace operating costs	(4,718)	(4,359)
Right of use lease asset depreciation	(2,742)	(2,571)
Bad debt expense	(92)	(89)
<b>Total Direct Costs</b>	<b>(13,293)</b>	<b>(12,197)</b>



# Balance Sheet at 31 December 2023

	Note	Dec 2023 \$'000	Jun 2023 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		2,728	7,450
Trade and other receivables	7	5,554	801
Loan portfolio	8	196	196
Rental deposits	9	250	354
<b>Total Current Assets</b>		<b>8,728</b>	<b>8,801</b>
<b>Non-Current Assets</b>			
Investment property portfolio	10	394,308	392,324
Property, plant and equipment		14,453	13,929
Loan portfolio	8	1,326	1,425
WOTSO software development asset	11	904	896
Investment in associate	11	270	162
Right of use lease assets	12	34,249	34,615
Goodwill	13	26,150	26,150
Hedge asset	15	1,889	2,604
Rental deposits	9	1,059	749
Other receivables		313	207
<b>Total Non-Current Assets</b>		<b>474,921</b>	<b>473,061</b>
<b>Total Assets</b>		<b>483,649</b>	<b>481,862</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	14	5,663	5,210
Employee provisions		392	377
Borrowings	15	69,000	126,000
Make good provisions		1,069	392
Lease liabilities	12	4,931	5,461
<b>Total Current Liabilities</b>		<b>81,055</b>	<b>137,440</b>
<b>Non-Current Liabilities</b>			
Trade and other payables	14	38	201
Tenant bond liabilities		409	567
Employee provisions		82	66
Make good provisions		1,052	1,436
Borrowings	15	84,193	27,151
Deferred tax liability	16	5,339	5,195
Lease liabilities	12	33,079	33,195
<b>Total Non-Current Liabilities</b>		<b>124,192</b>	<b>67,811</b>
<b>Total Liabilities</b>		<b>205,247</b>	<b>205,251</b>
<b>Net Assets</b>		<b>278,402</b>	<b>276,611</b>

	Dec 2023 \$'000	Jun 2023 \$'000
<b>Equity</b>		
Issued capital	256,987	257,499
Accumulated losses	(12,771)	(11,646)
Foreign currency translation reserve	205	133
<b>Equity Holders of WOTSO Property</b>	<b>244,421</b>	<b>245,986</b>
<b>Non-Controlling Interests in WOTSO Property</b>	<b>33,981</b>	<b>30,625</b>
<b>Total Equity</b>	<b>278,402</b>	<b>276,611</b>
Net assets attributable to equity holders of WOTSO Property	244,421	245,986
Securities on issue (number)	162,423,357	162,859,009
Net assets per security	\$1.50	\$1.51

Investment Property Portfolio	Valuation at 30 Jun 2023 \$'000	CAPEX Movement \$'000	Straight-Line Leasing & Depreciation Movements \$'000	Revaluation Movements \$'000	Valuation at 31 Dec 2023 \$'000
Pymont, NSW	● 134,300	131	(209)	78	134,300
Dickson, ACT	● 32,000	419	(270)	251	32,400
Sunshine Coast, QLD	● 31,500	30	(62)	32	31,500
Villawood, NSW	● 28,500	-	(3)	3	28,500
Gold Coast, QLD	● 26,800	56	(124)	68	26,800
Penrith, NSW	● 26,250	-	(44)	44	26,250
Yandina, QLD	● 23,000	-	119	31	23,150
Cremorne, NSW	● 17,100	1,242	(191)	(651)	17,500
Hobart, TAS	● 14,000	545	(80)	(465)	14,000
Adelaide, SA	● 13,600	56	(250)	194	13,600
Fortitude Valley, QLD	● 11,700	112	(173)	61	11,700
Takapuna, NZ	● 9,924	916	(6)	124	10,958
Symonston, ACT	● 8,300	61	(82)	21	8,300
Newcastle, NSW	● 7,050	37	(88)	51	7,050
Brookvale, NSW	● 4,900	-	(55)	55	4,900
Mandurah, WA	● 3,400	31	(102)	71	3,400
<b>Total Investment Property Portfolio</b>	<b>392,324</b>	<b>3,636</b>	<b>(1,620)</b>	<b>(32)</b>	<b>394,308</b>

● Properties with WOTSOs ● Properties without WOTSOs

## Statement of Cash Flows

for the period ended 31 December 2023

	Dec 2023 \$'000	Dec 2022 \$'000
<b>Cash Flows from Operating Activities</b>		
Receipts from tenants / members	28,562	28,273
Payments to suppliers and employees	(16,608)	(17,823)
Payments of rental deposits	(340)	(134)
Other income	-	6
<b>Net Cash Flows from Operating Activities</b>	<b>11,614</b>	<b>10,322</b>
<b>Cash Flows from Investing Activities</b>		
Payments for capital improvements	(3,636)	(2,920)
Payments for property, plant and equipment	(2,420)	(993)
Payments for WOTSO software development asset	(135)	(135)
Payments for investment in associate	(108)	(54)
Payments for property purchases	-	(8,509)
Loans advanced	-	(132)
Loans repaid from borrower	99	2,439
<b>Net Cash Flows used in Investing Activities</b>	<b>(6,200)</b>	<b>(10,304)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid	(5,189)	(5,168)
Interest paid	(4,264)	(3,678)
Rental payments	(3,721)	(1,803)
Buy-back of issued securities	(529)	(1)
Proceeds from borrowings	-	19,015
Purchase of NCI shares	-	(4,210)
Interest received	167	273
Proceeds from issue of units to NCI	3,400	596
<b>Net Cash Flows used in Financing Activities</b>	<b>(10,136)</b>	<b>5,024</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(4,722)</b>	<b>5,042</b>
Cash and cash equivalents at the beginning of the period	7,450	2,514
<b>Cash and Cash Equivalents at End of the Period</b>	<b>2,728</b>	<b>7,556</b>

\* All items inclusive of GST where applicable.

## Reconciliation of Operating Cash Flows

	Dec 2023 \$'000	Dec 2022 \$'000
<b>Profit for the Period</b>	<b>3,925</b>	<b>6,863</b>
<b>Non-Cash Flows in (Loss) / Profit:</b>		
Depreciation and amortisation	6,674	6,201
Net interest paid	4,940	3,405
Loss / (gain) on hedge asset	715	(133)
Variable lease payments	228	338
Net loss / (gain) on assets	32	(6,850)
Issue of securities	17	-
Foreign currency translation loss	8	-
Deduct net lease waivers	-	(38)
Offset of North Strathfield bond	-	(1,076)
Gain on lease modification	(79)	-
Straight-line rental income	(183)	(431)
<b>Operating Cash Flows Before Movement in Working Capital</b>	<b>16,277</b>	<b>8,279</b>
Increase / (decrease) in trade and other payables	227	(2,583)
Increase in deferred tax liability	144	396
Increase in provisions	31	70
(Increase) / decrease in rental deposits	(206)	3,891
(Increase) / decrease in trade and other receivables	(4,859)	269
<b>Net Cash Flows from Operating Activities</b>	<b>11,614</b>	<b>10,322</b>

# Statement of Changes in Equity

for the period ended 31 December 2023

	No. of Securities on Issue*	Attributable to Owners of BlackWall Property Trust			Attributable to Owners of Ostow Limited			Attributable to Owners of Planloc Limited			Non-Controlling Interests \$'000	Foreign Currency Translation Reserve \$'000	Total Equity \$'000
		Issued Capital \$'000	Retained Earnings / (Accumulated Losses) \$'000	Total Entity Equity \$'000	Issued Capital \$'000	Retained Earnings / (Accumulated Losses) \$'000	Total Entity Equity \$'000	Issued Capital \$'000	Retained Earnings / (Accumulated Losses) \$'000	Total Entity Equity \$'000			
<b>Balance at 1 July 2023</b>	<b>162,859,009</b>	<b>245,884</b>	<b>(29,011)</b>	<b>216,873</b>	<b>11,615</b>	<b>12,201</b>	<b>23,816</b>	<b>-</b>	<b>5,164</b>	<b>5,164</b>	<b>30,625</b>	<b>133</b>	<b>276,611</b>
Profit / (loss) for the period	-	-	(956)	(956)	-	3,793	3,793	-	804	804	284	-	3,925
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	72	72
<b>Total Profit / (Loss) and Other Comprehensive Income / (Loss)</b>	<b>-</b>	<b>-</b>	<b>(956)</b>	<b>(956)</b>	<b>-</b>	<b>3,793</b>	<b>3,793</b>	<b>-</b>	<b>804</b>	<b>804</b>	<b>284</b>	<b>72</b>	<b>3,997</b>
<b>Transactions with Owners in Their Capacity as Owners:</b>													
Buy-back of issued securities	(450,051)	(467)	-	(467)	(62)	-	(62)	-	-	-	-	-	(529)
Issue of securities	14,399	15	-	15	2	-	2	-	-	-	-	-	17
Issue of NCI units	-	-	114	114	-	-	-	-	-	-	3,286	-	3,400
Distributions paid	-	-	(4,880)	(4,880)	-	-	-	-	-	-	(214)	-	(5,094)
<b>Total Transactions with Owners</b>	<b>(435,652)</b>	<b>(452)</b>	<b>(4,766)</b>	<b>(5,218)</b>	<b>(60)</b>	<b>-</b>	<b>(60)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,072</b>	<b>-</b>	<b>(2,206)</b>
<b>Balance at 31 December 2023</b>	<b>162,423,357</b>	<b>245,432</b>	<b>(34,733)</b>	<b>210,699</b>	<b>11,555</b>	<b>15,994</b>	<b>27,549</b>	<b>-</b>	<b>5,968</b>	<b>5,968</b>	<b>33,981</b>	<b>205</b>	<b>278,402</b>
<b>Balance at 1 July 2022</b>	<b>163,360,291</b>	<b>246,444</b>	<b>(21,373)</b>	<b>225,071</b>	<b>11,689</b>	<b>14,812</b>	<b>26,501</b>	<b>-</b>	<b>4,000</b>	<b>4,000</b>	<b>41,294</b>	<b>-</b>	<b>296,866</b>
Profit / (loss) for the period	-	-	7,822	7,822	-	(2,112)	(2,112)	-	925	925	228	-	6,863
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	267	267
<b>Total Profit / (Loss) and Other Comprehensive Income / (Loss)</b>	<b>-</b>	<b>-</b>	<b>7,822</b>	<b>7,822</b>	<b>-</b>	<b>(2,112)</b>	<b>(2,112)</b>	<b>-</b>	<b>925</b>	<b>925</b>	<b>228</b>	<b>267</b>	<b>7,130</b>
<b>Transactions with Owners in Their Capacity as Owners:</b>													
Buy-back of issued securities	(406)	(1)	-	(1)	-	-	-	-	-	-	-	-	(1)
Issue of NCI shares	-	-	-	-	-	-	-	-	-	-	596	-	596
Purchase of NCI shares	-	-	-	-	-	-	-	-	-	-	(4,210)	-	(4,210)
Distributions paid	-	-	(4,901)	(4,901)	-	-	-	-	-	-	(267)	-	(5,168)
<b>Total Transactions with Owners</b>	<b>(406)</b>	<b>(1)</b>	<b>(4,901)</b>	<b>(4,902)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,881)</b>	<b>-</b>	<b>(8,783)</b>
<b>Balance at 31 December 2022</b>	<b>163,359,885</b>	<b>246,443</b>	<b>(18,452)</b>	<b>227,991</b>	<b>11,689</b>	<b>12,700</b>	<b>24,389</b>	<b>-</b>	<b>4,925</b>	<b>4,925</b>	<b>37,641</b>	<b>267</b>	<b>295,213</b>

\*Subsequent to 31 December 2023, 73,364 securities have been bought back by the Group.





Robina, QLD

# Notes to the Financial Statements

## 1. Segment Reporting

### Identification of Reportable Operating Segments

WOTSO Property (WOT or the Group) comprises three reportable operating segments based on different products and services provided, being:

- **Properties:** traditional commercial leases and flexspace in owned properties;
- **Third Party Leased WOTSO Sites:** traditional commercial leases and flexspace in third party leased properties; and
- **Corporate and Overhead:** responsible for the overall management and compliance of the Group.

These operating segments are based on the internal reports that are reviewed and used by the Directors in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The accounting policies adopted for internal reporting to the Directors are consistent with those adopted in the financial statements.

### Intersegment Transactions

Intersegment transactions are made at market rates and eliminated on consolidation.

### Intersegment Receivables, Payables, Leases and Loans

Intersegment loans are recognised at the consideration received and are charged market interest at the discretion of the lender. All intersegment receivables, payables, leases and loans are eliminated on consolidation.

# 1. Segment Reporting (continued)

## Operating Segment Information

Profit or Loss	Properties \$'000	Third Party Leased WOTSO Sites \$'000	Corporate and Overhead \$'000	Total Dec 2023 \$'000	Properties \$'000	Third Party Leased WOTSO Sites \$'000	Corporate and Overhead \$'000	Total Dec 2022 \$'000
Property lease income	11,630	-	-	11,630	11,228	-	-	11,228
COVID-19 rent waivers	-	-	-	-	(53)	-	-	(53)
Flexspace income	8,338	6,196	-	14,534	6,660	5,833	-	12,493
Flexspace COVID-19 waivers	-	-	-	-	(2)	(2)	-	(4)
Other income	52	-	-	52	-	-	-	-
Government assistance	-	-	-	-	6	-	-	6
<b>Total Revenue</b>	<b>20,020</b>	<b>6,196</b>	<b>-</b>	<b>26,216</b>	<b>17,839</b>	<b>5,831</b>	<b>-</b>	<b>23,670</b>
Property outgoings	(5,833)	-	-	(5,833)	(5,267)	-	-	(5,267)
Rent expense	-	(3,525)	-	(3,525)	-	(3,343)	-	(3,343)
COVID-19 rent waivers received	-	-	-	-	-	38	-	38
WOTSO staff costs	(1,073)	(867)	-	(1,940)	(795)	(737)	-	(1,532)
WOTSO operating expenses	(778)	(1,775)	-	(2,553)	(592)	(1,318)	-	(1,910)
<b>Total Operating Expenses</b>	<b>(7,684)</b>	<b>(6,167)</b>	<b>-</b>	<b>(13,851)</b>	<b>(6,654)</b>	<b>(5,360)</b>	<b>-</b>	<b>(12,014)</b>
<b>Net Rental Income</b>	<b>12,336</b>	<b>29</b>	<b>-</b>	<b>12,365</b>	<b>11,185</b>	<b>471</b>	<b>-</b>	<b>11,656</b>
WOTSO Neutral Bay lease variation	-	4,900	-	4,900	-	-	-	-
Overhead and administration costs	-	-	(2,274)	(2,274)	-	-	(2,009)	(2,009)
Fund management fees	-	-	(1,940)	(1,940)	-	-	(2,153)	(2,153)
Finance income	164	3	-	167	172	101	-	273
Finance costs	(4,457)	-	-	(4,457)	(3,125)	-	-	(3,125)
<b>Funds From Operations</b>	<b>8,043</b>	<b>4,932</b>	<b>(4,214)</b>	<b>8,761</b>	<b>8,232</b>	<b>572</b>	<b>(4,162)</b>	<b>4,642</b>
(Loss) / gain in asset value	(747)	-	-	(747)	6,983	-	-	6,983
Depreciation and amortisation	(2,203)	(1,602)	(127)	(3,932)	(1,981)	(1,551)	(98)	(3,630)
Impact of AASB 16	-	(13)	-	(13)	-	(119)	-	(119)
One-time utility recharges	-	-	-	-	-	(617)	-	(617)
<b>Profit / (Loss) Before Tax</b>	<b>5,093</b>	<b>3,317</b>	<b>(4,341)</b>	<b>4,069</b>	<b>13,234</b>	<b>(1,715)</b>	<b>(4,260)</b>	<b>7,259</b>

# 1. Segment Reporting (continued)

Balance Sheet	Properties \$'000	Third Party Leased WOTSO Sites \$'000	Corporate and Overhead \$'000	Total Dec 2023 \$'000	Properties \$'000	Third Party Leased WOTSO Sites \$'000	Corporate and Overhead \$'000	Total Jun 2023 \$'000
<b>Assets</b>								
<b>Current Assets</b>								
Cash and cash equivalents	2,676	52	-	2,728	7,357	93	-	7,450
Trade and other receivables	633	4,921	-	5,554	782	19	-	801
Loan portfolio	196	-	-	196	196	-	-	196
Other assets	250	-	-	250	354	-	-	354
<b>Total Current Assets</b>	<b>3,755</b>	<b>4,973</b>	<b>-</b>	<b>8,728</b>	<b>8,689</b>	<b>112</b>	<b>-</b>	<b>8,801</b>
<b>Non-Current Assets</b>								
Investment property portfolio	394,308	-	-	394,308	392,324	-	-	392,324
Property, plant and equipment	1,689	12,764	-	14,453	1,857	12,072	-	13,929
Loan portfolio	1,326	-	-	1,326	1,425	-	-	1,425
WOTSO software development asset	-	-	904	904	-	-	896	896
Investment in associate	-	-	270	270	-	-	162	162
Goodwill	-	-	26,150	26,150	-	-	26,150	26,150
Hedge asset	1,889	-	-	1,889	2,604	-	-	2,604
Rental deposits	-	1,059	-	1,059	-	749	-	749
Other receivables	313	-	-	313	207	-	-	207
<b>Total Non-Current Assets</b>	<b>399,525</b>	<b>13,823</b>	<b>27,324</b>	<b>440,672</b>	<b>398,417</b>	<b>12,821</b>	<b>27,208</b>	<b>438,446</b>
<b>Total Assets</b>	<b>403,280</b>	<b>18,796</b>	<b>27,324</b>	<b>449,400</b>	<b>407,106</b>	<b>12,933</b>	<b>27,208</b>	<b>447,247</b>
<b>Liabilities</b>								
<b>Current Liabilities</b>								
Trade and other payables	(3,573)	(2,090)	-	(5,663)	(4,165)	(1,045)	-	(5,210)
Employee provisions	(392)	-	-	(392)	(377)	-	-	(377)
Borrowings	(69,000)	-	-	(69,000)	(126,000)	-	-	(126,000)
<b>Total Current Liabilities</b>	<b>(72,965)</b>	<b>(2,090)</b>	<b>-</b>	<b>(75,055)</b>	<b>(130,542)</b>	<b>(1,045)</b>	<b>-</b>	<b>(131,587)</b>
<b>Non-Current Liabilities</b>								
Trade and other payables	-	(38)	-	(38)	-	(201)	-	(201)
Tenant bond liabilities	(409)	-	-	(409)	(567)	-	-	(567)
Employee provisions	(82)	-	-	(82)	(66)	-	-	(66)
Borrowings	(84,193)	-	-	(84,193)	(27,151)	-	-	(27,151)
<b>Total Non-Current Liabilities</b>	<b>(84,684)</b>	<b>(38)</b>	<b>-</b>	<b>(84,722)</b>	<b>(27,784)</b>	<b>(201)</b>	<b>-</b>	<b>(27,985)</b>
<b>Total Liabilities</b>	<b>(157,649)</b>	<b>(2,128)</b>	<b>-</b>	<b>(159,777)</b>	<b>(158,326)</b>	<b>(1,246)</b>	<b>-</b>	<b>(159,572)</b>
<b>Net Assets Before Statutory Adjustments</b>	<b>245,631</b>	<b>16,668</b>	<b>27,324</b>	<b>289,623</b>	<b>248,780</b>	<b>11,687</b>	<b>27,208</b>	<b>287,675</b>
Deferred tax liability	(5,339)	-	-	(5,339)	(5,195)	-	-	(5,195)
Net impact of AASB 16	-	(5,882)	-	(5,882)	-	(5,869)	-	(5,869)
<b>Net Assets After Statutory Adjustments</b>	<b>240,292</b>	<b>10,786</b>	<b>27,324</b>	<b>278,402</b>	<b>243,585</b>	<b>5,818</b>	<b>27,208</b>	<b>276,611</b>



## 2. Revenue

Revenue is earned through property rental under traditional lease arrangements and month-to-month terms under the WOTSO flexspace brand.

	Dec 2023 \$'000	Dec 2022 \$'000
<b>Revenue from Contracts with Customers</b>		
Flexspace income	14,534	12,489
Property income	11,630	11,175
Other income	52	-
Government stimulus	-	6
<b>Total Revenue</b>	<b>26,216</b>	<b>23,670</b>

The Group earned flexspace income of \$14.5 million for the period (Dec 2022 - \$12.5 million) as the flexspace business continued to grow with the addition of 3 new leased sites as well as the opening of WOTSO Takapuna in New Zealand leading to an increase of just under 800 available desks.

Similarly, property income increased to \$11.6 million (Dec 2022 - \$11.2 million).

The Group's option agreement with its Neutral Bay landlord was exercised in September 2023 resulting in the Group varying its existing lease at Neutral Bay. On exercise of the option the Group became entitled to a lease variation fee of \$4.9 million which is to be received in March 2024 following the settlement of the sale of the Neutral Bay building. The Group's purchase in Cremorne will provide a replacement home for the Neutral Bay WOTSO business.

## 3. Direct Costs

	Dec 2023 \$'000	Dec 2022 \$'000
Property outgoing	5,741	5,178
Flexspace operating costs	4,718	4,359
Right of use lease asset depreciation	2,742	2,571
Bad debt expense	92	89
<b>Total Direct Costs</b>	<b>13,293</b>	<b>12,197</b>

## 4. Administration Expenses

	Dec 2023 \$'000	Dec 2022 \$'000
Management fees	1,940	2,153
Compliance costs	355	488
WOTSO flexspace overheads	1,570	1,222
Other WOT overheads	349	299
<b>Total Administration Expenses</b>	<b>4,214</b>	<b>4,162</b>

Administration expenses comprise management fees payable to BlackWall Limited, compliance costs and group overheads. The Group pays a management fee calculated at 0.75% of Gross Assets per annum and WOTSO pays a fee calculated at 2% of Gross Revenue on all sales up to \$20 million per annum and 5% on sales above \$20 million per annum.

WOTSO flexspace overheads comprise \$915,000 for head office staff and other overhead costs associated with running the WOTSO flexspace business, such as travel and marketing costs. Other WOT overheads comprise \$349,000 for head office staff running non-flexspace aspects of the Group's operations.

## 5. Building and Fixtures Depreciation

	Dec 2023 \$'000	Dec 2022 \$'000
WOTSO fitout depreciation	1,896	1,845
Property depreciation	1,909	1,687
<b>Total Building and Fixtures Depreciation</b>	<b>3,805</b>	<b>3,532</b>

Building and fixtures depreciation comprises depreciation of fitout and property improvements.

## 6. Finance Costs

	Dec 2023 \$'000	Dec 2022 \$'000
Interest on borrowings	4,457	3,125
Interest on lease liabilities	650	553
<b>Total Finance Costs</b>	<b>5,107</b>	<b>3,678</b>

Finance costs increased during the period following the rise in the official cash rate to 4.35% as at 31 December 2023 (Dec 2022 - 3.1%) combined with an increase in the overall borrowings of the Group to \$153 million as at 31 December 2023 (Dec 2022 - \$146 million). Further information on the borrowing costs and terms of borrowings are included in Note 15.

## 7. Trade and Other Receivables

	Dec 2023 \$'000	Jun 2023 \$'000
Trade receivables – Flexspace	96	127
Trade receivables – Property leases	325	383
Neutral Bay lease variation receivable	4,900	-
Related parties	362	320
Expected credit loss allowance	(129)	(29)
<b>Total Trade and Other Receivables</b>	<b>5,554</b>	<b>801</b>

## 8. Loan Portfolio

Name	Dec 2023 \$'000	Jun 2023 \$'000	Current Security \$'000	Interest Rate	Security/Details
Vendor finance*	196	196	3,500	4.0% fixed	Commercial property in Toowoomba that was sold in 2021
<b>Total Current Loan Portfolio</b>	<b>196</b>	<b>196</b>			
Vendor finance*	1,326	1,425	3,500	4.0% fixed	Commercial property in Toowoomba that was sold in 2021
<b>Total Non-Current Loan Portfolio</b>	<b>1,326</b>	<b>1,425</b>			

\*Same asset as security.

## 9. Rental Deposits

	Dec 2023 \$'000	Jun 2023 \$'000
Other	250	354
<b>Total Current Rental Deposits</b>	<b>250</b>	<b>354</b>
Rental deposits	775	675
Term deposit for bank guarantee	284	74
<b>Total Non-Current Rental Deposits</b>	<b>1,059</b>	<b>749</b>
<b>Total Rental Deposits</b>	<b>1,309</b>	<b>1,103</b>

## 10. Investment Property Portfolio

		Independent Valuation Date	Independent Valuer Cap Rate	Dec 2023 \$'000	Jun 2023 \$'000
<b>Start-Up Phase</b>					
Cremorne, NSW	●●	PPC*	n/a	17,500	17,100
Mandurah, WA	●●	PPC*	n/a	3,400	3,400
Takapuna, NZ	●●	Dec-22	5.00%	10,958	9,924
<b>Developing Phase</b>					
Brookvale, NSW	●●	Jun-23	4.00%	4,900	4,900
Dickson, ACT	●●	Jun-22	6.50%	32,400	32,000
Fortitude Valley, QLD	●●	Jun-22	6.00%	11,700	11,700
Newcastle, NSW	●●	Dec-22	6.50%	7,050	7,050
Adelaide, SA	●●	Jun-23	6.50%	13,600	13,600
<b>Mature Phase</b>					
Symonston, ACT	●●	Jun-22	6.75%	8,300	8,300
Villawood, NSW	●	Jun-22	5.50%	28,500	28,500
Penrith, NSW	●	Jun-22	5.75%	26,250	26,250
Sunshine Coast, QLD	●●	Dec-22	5.97%	31,500	31,500
Yandina, QLD	●	Dec-23	8.25%	23,150	23,000
Gold Coast, QLD	●●	Jun-22	7.28%	26,800	26,800
Hobart, TAS	●●	Dec-22	6.25%	14,000	14,000
Pymont, NSW	●●	Jun-23	6.00%	134,300	134,300
<b>Total Investment Property Portfolio</b>				<b>394,308</b>	<b>392,324</b>

●● Properties with WOTSOs ● Properties without WOTSOs

\*Price Plus Capital (PPC) valuations of recent acquisitions have been held at the properties' purchase price plus any capital expenditure incurred since acquisition.

The fair values of properties are determined based on the most recent independent valuation, with consideration for any capital expenditure since valuation. These adjustments don't assume any value margin but simply add the amount of capital spent.

The Group assesses the values of its assets regularly. Where we believe that values may have moved materially up or down from the amount being held, a new independent valuation is sought. For those properties that have not been independently revalued at 31 December 2023, the Group has assessed that there are no indicators of impairment with those properties and that the carrying amounts reflect fair value.

Independent valuations are completed by certified practising valuers. The fair value of each property is determined with consideration to the highest and best use of each property, which is the current use of each property.

Independent valuations are determined with reference to the direct comparison approach, market capitalisation method and the discounted cash flow method.

## 11. WOTSO Software Development Asset

Over the last few years WOTSO has undertaken a project to develop in-house software to help manage its operations and customer invoicing. The software has been developed in conjunction with external developers and commenced commercialisation during 2022. The Group owns a perpetual licence of the software and during the period increased its ownership in the software business to 35% (Jun 2023 - 31%). As at 31 December 2023 the Group has contributed \$904,000 net of amortisation (Jun 2023 - \$896,000) to fund the development of the software and has increased its investment in associate to \$270,000 (Jun 2023 - \$162,000).

During the period \$127,000 of amortisation (Dec 2022 - \$98,000) was recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income.

## 12. Right of Use Lease Assets and Lease Liabilities

### Right of Use Lease Assets

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

	Dec 2023 \$'000	Jun 2023 \$'000
Opening balance	34,615	33,605
Additions	4,047	6,271
Depreciation	(2,742)	(5,261)
Disposals	(1,671)	-
<b>Total Right of Use Lease Assets</b>	<b>34,249</b>	<b>34,615</b>

	Dec 2023 \$'000	Jun 2023 \$'000
Right of use lease asset	52,391	53,266
Accumulated depreciation	(18,142)	(18,651)
<b>Written Down Value of Right of Use Lease Assets</b>	<b>34,249</b>	<b>34,615</b>

### Lease Liabilities

	Dec 2023 \$'000	Jun 2023 \$'000
Opening balance	38,656	37,743
Additions	4,047	6,271
Interest charged	650	1,130
Repayments	(3,525)	(6,589)
Terminations	(1,724)	-
Modification	(94)	101
<b>Total Lease Liabilities (Current and Non-current)</b>	<b>38,010</b>	<b>38,656</b>

### Neutral Bay Lease

During 2021 the Group entered into an option with the owners of the current WOTSO Neutral Bay site that, if exercised, would see the Group vary its leases at that site and receive an additional \$4.9 million from the owners (the Group received \$100,000 in October 2021). During the period the option was exercised triggering the variation of the lease for the Neutral Bay site. The variation fee is payable on the settlement of the sale of the property.

## 13. Goodwill

Goodwill of \$26.15 million was generated when Ostow Limited (formerly WOTSO Limited) was stapled to BlackWall Property Trust as part of the stapling transaction completed in February 2021. In accordance with Note 21 no events or changes in circumstances indicate any impairment of goodwill at 31 December 2023.



## 14. Trade and Other Payables

	Dec 2023 \$'000	Jun 2023 \$'000
Trade payables	4,389	3,373
Accrued expenses	396	582
Related parties	342	434
Unearned revenue	367	619
Tenant deposits	75	43
COVID deferred rent	94	159
<b>Total Current Trade and Other Payables</b>	<b>5,663</b>	<b>5,210</b>
COVID deferred rent	38	201
<b>Total Non-Current Trade and Other Payables</b>	<b>38</b>	<b>201</b>
<b>Total Trade and Other Payables</b>	<b>5,701</b>	<b>5,411</b>

## 15. Borrowings

All facilities are priced off the bank bill swap rate. The facilities have no undrawn balance. The loan to value ratio (LVR) shown below is calculated against the carrying value in these financial statements with the facility LVR covenant shown in parenthesis.

\$69 million of the Group's borrowings have been classified as current as they are due in the next 12 months. Subsequent to 31 December 2023, the Group finalised renewals of the \$44 million borrowings secured against various properties and the \$12 million borrowings secured against the Villawood property. Both renewals were completed on similar terms. The Group expects to be able to renew the borrowings secured against the Penrith property on terms that are similar. The Group has \$39 million of unencumbered properties.

Security	LVR (Covenant)	Borrowings		Security Value \$'000	Expiry	Margin	Lender
		31 Dec 2023 \$'000	30 Jun 2023 \$'000				
Villawood	42% (65%)	12,000*	12,000*	28,500	01/24	2.13%	NAB
Various	44% (65%)	44,000*	44,000*	99,000	01/24	1.91%	NAB
Penrith	50% (55%)	13,000*	13,000	26,250	08/24	2.20%	CBA
Hobart & Newcastle	34% (45%)	7,200	7,200	21,050	02/26	2.00%	ANZ
Fortitude Valley	26% (N/A)	3,000	3,000	11,700	09/27	2.40%	BOQ
Takapuna	36% (N/A)	3,993	3,951	10,958	11/27	3.00%	BNZ
Yandina	43% (60%)	10,000	10,000*	23,150	02/28	2.01%	NAB
Pyrmont	45% (50%)	60,000	60,000*	134,300	01/26	1.88%	NAB
Unencumbered Properties		-	-	39,400			
<b>Total</b>		<b>153,193</b>	<b>153,151</b>				

\*Current

## 16. Tax

WOT comprises a number of taxable entities, the property owning entities, Planloc Limited and the Ostow Limited tax group.

### Property Owning Entities

As at 30 June 2023 the property owning trusts estimate to have carried forward revenue tax losses of approximately \$29 million. These losses are available to offset future taxable income, however they are not recognised on the balance sheet.

### Planloc Limited

Net deferred tax liabilities are recognised on the balance sheet of Planloc (Dec 2023 - \$5.3 million; Jun 2023 - \$5.2 million) in relation to unrealised gains on the assets of the company.

### Ostow Limited

As at 30 June 2023 the Ostow Limited consolidated tax group have carried forward revenue tax losses of approximately \$16 million.

## 17. Distributions

A distribution of 1.0 cent per security has been declared to be paid on 3 April 2024.

Prior Distributions Paid	Payment Date	Amount Per Security	Distributions Paid \$'000
Final distribution	24 November 2023	3.0 cps	4,880
<b>Total Dec 2023</b>			<b>4,880</b>
Final distribution	6 September 2022	3.0 cps	4,901
<b>Total Dec 2022</b>			<b>4,901</b>

# 18. Financial Instruments

## 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 that are not based on observable market data (unobservable inputs).

The Group currently does not have any assets or liabilities that are traded in an active market.

The fair value of financial assets and financial liabilities that are not traded in an active market are determined using valuation techniques. For investments in related party unlisted security trusts, fair values are determined by reference to published security prices of these investments which are based on the net tangible assets of the investments.

The following table presents the Group's assets measured at fair value. Refer to Note 21 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 2023</b>				
Investment property portfolio	-	-	394,308	394,308
Loan portfolio	-	-	1,522	1,522
Hedge asset	-	-	1,889	1,889
<b>At 30 June 2023</b>				
Investment property portfolio	-	-	392,324	392,324
Loan portfolio	-	-	1,621	1,621
Hedge asset	-	-	2,604	2,604

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

The carrying amounts of the loan portfolio approximate the fair values as they are short term receivables. The hedge asset is valued in line with mark to market valuations provided by NAB (the issuer) on a monthly basis.

For all other financial assets, carrying value is an approximation of fair value. There were no transfers between Level 1, 2 and 3 financial instruments during the period.

Significant unobservable inputs associated with the valuation of investment properties are as follows:

Significant Unobservable Inputs Used to Measure Fair Value	Change to Inputs	Impact of Increase in Input on Fair Value \$'000	Impact of Decrease in Input on Fair Value \$'000
Capitalisation rate	0.25%	(15,000)	16,300
Net market rent	5%	25,000	(24,200)

Under the capitalisation approach, net market rent and adopted capitalisation rates are strongly interrelated as the fair values of investment properties are derived by capitalising the total net market rent. Increases in adopted capitalisation rates may offset the impact on fair value of an increase in net market rent. Similarly, a decrease in adopted capitalisation rates may also offset the impact on fair value of a decrease in net market rent. On the other hand, opposite direction changes in net market rent and adopted capitalisation rates may increase the impact to fair value.

### (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 2023:

	\$'000
<b>At 31 December 2023</b>	
Balance at the beginning of the period	396,549
Net loss on assets	(32)
Capital improvements	3,636
Straight-line rental income	183
Foreign currency translation gain	106
Hedge asset	(715)
Depreciation	(1,909)
Loans repaid	(99)
<b>Balance at 31 December 2023</b>	<b>397,719</b>

\$'000

**At 30 June 2023**

Balance at the beginning of the year	402,755
Net loss on assets	(5,481)
Capital improvements	5,955
Straight-line rental income	700
Foreign currency translation gain	133
Hedge asset	71
Change in foreign currency translation on contract settlement payable for Takapuna	(18)
Depreciation	(3,665)
Loans repaid	(3,901)

**Balance at 30 June 2023** **396,549**

## 19. Earnings per Security

	Dec 2023 \$'000	Dec 2022 \$'000
Profit after income tax	3,997	7,130
Non-controlling interest	(284)	(228)
<b>Profit After Income Tax Attributable to Owners of WOT Securities</b>	<b>3,713</b>	<b>6,902</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary securities used in calculating basic and diluted earnings per security	162,686,557	163,359,901
	<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per security	2.3	4.2

## 20. Subsequent Events

Subsequent to 31 December 2023 the Group has undertaken various corporate restructures resulting ultimately in the internalisation of management into the Group and the termination of the management agreements the Group held with BlackWall Limited, with the exception of those management agreements relating to Pymont Bridge Property Pty Ltd and Pymont Bridge Road Mortgage Fund, which will continue to be managed externally by BlackWall Limited. Consequently, this restructuring has resulted in a number of changes to the Board of Directors of the Group and BlackWall Limited such that the Boards of Directors of the Group and BlackWall Limited are no longer common.

Additionally, the Group has continued to reduce its ownership in both Pymont Bridge Property Pty Ltd and Pymont Bridge Road Mortgage Fund to 49.6% and 43.4% respectively. With the reduction in the Group's ownership in both entities, together with the Group's internalisation of management (with the exception of Pymont Bridge Property Pty Ltd and Pymont Bridge Road Mortgage Fund) the Group's control over these entities and the related assets and liabilities has been reduced subsequent to 31 December 2023.

Finally, on 6 February 2024 the Group exchanged contracts on the acquisition of a property in Belmont, Auckland, New Zealand for \$2.6 million New Zealand Dollars. The purchase is expected to settle in March 2024.

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

## 21. Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements 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 in economic data obtained both externally and within the Group.

### Key Estimates – Fair Values of Investment Properties

The Group carries its investment properties at fair value with changes in the fair values recognised in profit or loss. At the end of each reporting period the Directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The key assumptions used in this determination are set out in the Investment Property Portfolio table in Note 10. If there are any material changes in the key assumptions due to changes in economic conditions the fair value of the investment properties may differ and may need to be re-estimated. For this report all properties, with the exception of some recent acquisitions, are held at independent valuations carried out in the last 18 months plus any capital expenditure incurred subsequent to valuation. Certain recent acquisitions are held at recent purchase price plus any capital expenditure incurred.

## Goodwill and Other Indefinite Life Intangible Assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment in accordance with the accounting policy stated in Note 22. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

## Lease Term for Right of Use Lease Assets and Liabilities

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

## Lease Make Good Provisions

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

# 22. Statement of Material Accounting Policies

The financial statements cover the listed WOTSO Property Group, which comprises BlackWall Property Trust, Ostow Limited, Planloc Limited and their controlled entities. All are incorporated and domiciled in Australia with the exception of two

controlled entities incorporated and domiciled in New Zealand. BlackWall Property Trust is a managed investment scheme registered in Australia. The address of the Group's registered office is Level 1, 50 Yeo Street, Neutral Bay NSW 2089.

A description of the nature of the Group's operations and its principal activities is included in the Directors' Report, which is not part of the financial statements.

The financial statements for the Group were authorised for issue in accordance with a resolution of the Directors of the Group on the date they were issued.

## Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023. The principal accounting policies adopted are consistent with those of the previous financial year ended 30 June 2023 and corresponding interim report period, unless otherwise stated.

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

The Group is a group of the kind referred to in ASIC Class Order 2016/191 and, in accordance with that Class Order, amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

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

## Going Concern

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



The Group is in a net current liability position of \$72 million at 31 December 2023. This is largely driven by current borrowings of \$69 million, of which \$56 million have been renewed subsequent to period-end.

## Comparative Figures

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.

## 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 Makers (CODM) in order to allocate resources to the segment and to assess its performance.

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

## Presentation Currency

Both the functional and presentation currency of the Group is Australian Dollars.

## New Accounting Standards and Interpretations

The Group 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.

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial period. Several amendments apply for the first time in the current period. However, they do not impact the consolidated financial statements of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Based on our preliminary assessment, we do not expect them to have a material impact on the Group.



Takapuna, NZ

# Directors' Report (continued)

## Business Risks

With the growth of our property and third party leased portfolios and the expansion of the WOTSO model to include diversified offerings such as WOTSO HealthSpace and WOTSO CookSpace, the long-term outlook is promising. However, we recognise that the current economic environment is less than certain and effective risk management will see our existing and future offerings continue to grow and succeed.

---

### Material Business Risk Inflation

**Potential Impact** The majority of our property portfolio is contracted on a gross lease basis. This exposes the Group to the risk that property outgoings may increase faster than income.

**Management Plan** This is a risk we have accepted as mismatches in income and expenses are a normal property risk and are expected to balance out over time.

---

### Material Business Risk Interest Costs

**Potential Impact** The Group has borrowings that are exposed to interest rate movements and rising interest costs will negatively impact net earnings.

**Management Plan** The Directors believe that Group gearing is such that foreseeable increases in interest costs can be managed without undue stress.

---

### Material Business Risk Lease Obligations

**Potential Impact** The profitability of leased sites is affected by movements in rents. As WOTSO's lease terms are longer than the month-to-month terms it provides to members, there is a potential mismatch if rents rise and/or members fees fall.

**Management Plan** We mitigate this risk by siloing each lease in a separate company.

---

---

### Material Business Risk Access and Cost of Capital

**Potential Impact** The Group's access to, and the cost of capital (both debt and equity), impacts its ability to pursue new opportunities.

**Management Plan** We have little ability to control these factors other than to secure the best deals available at any given time.

---

### Material Business Risk Competition

**Potential Impact** The Group continues to enjoy limited competition in the suburban flexible workspace market but we expect this to change as competitors shift their focus to this market in response to the "Work Near Home" trend.

**Management Plan** We believe that WOTSO's less corporate feel and growing demand in suburban locations should allow WOTSO to be a complementary offer rather than direct competition.

---

### Material Business Risk Valuations

**Potential Impact** The real estate market is dynamic and real estate values may rise or fall from time to time. Any change in our real estate values affects the Group's net tangible asset backing and a sudden fall in the value of a particular real estate asset could cause lending covenants to be breached.

**Management Plan** The Group has no capacity to influence the market but we are continuously looking at ways to enhance the value of our properties. We also continuously review our lending covenants and ensure there is sufficient headroom above these levels.

---

### Material Business Risk Employee Recruitment and Retention

**Potential Impact** The tightening labour market and upward pressure on wages impacts the day-to-day operation of our business.

**Management Plan** We continually review our remuneration, reward and training with the aim of being a competitive and attractive employer.

---

## Business Risks (continued)

---

### Material Business Risk **Cyber Risk**

#### Potential Impact

As with most businesses we do have cyber risks that we cannot eliminate entirely but our risks are relatively small and we perform regular systems reviews to ensure sensitive information is properly stored or destroyed.

#### Management Plan

We hold specific cyber insurance policies that provide cover in the event of a cyber attack/breach.

---

### Material Business Risk **Unplanned Capital Expenditures**

#### Potential Impact

The need for significant unforeseen capital expenditure would affect the Group and may negatively impact debt obligations and/or distributions to investors.

#### Management Plan

We practice continual maintenance and repurposing of all our properties and third-party sites to avoid material wear and tear that could necessitate significant expense for the Group. Additionally we hold sufficient insurance coverage across our portfolio to absorb any material unplanned capital expenditure.

---

### Material Business Risk **Macroeconomic Factors**

#### Potential Impact

Threat of domestic and global recession, ongoing impacts of COVID and investor sentiment are some of the primary macroeconomic considerations that may impact our business.

#### Management Plan

As a management team we continually monitor these factors however, ultimately, they are often beyond our control.

---

## Auditor and Non-Audit Services

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

ESV Business Advice and Accounting continues in office in accordance with section 327 of the Corporations Act 2001.

## Rounding of Amounts

The entities comprising the Group are 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.

## Officeholders of the Group

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

Jessica (Jessie) Glew **Joint Managing Director and COO**  
(CEO and Executive Director effective 28 February 2024)

Timothy Brown **Joint Managing Director and CFO**

Richard Hill **Non-Executive Director**

Robin Tedder **Non-Executive Director**

Agata Ryan **Company Secretary**

The above named directors held office during and since the end of the half-year except for:

- **Robin Tedder** – resigned 28 February 2024
- **Timothy Brown** – resigned 28 February 2024
- **Paul Tresidder** – appointed as Non-Executive Director 28 February 2024

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



**Seph Glew**  
Chairman  
Sydney (29 February 2024)



**Jessie Glew**  
Director  
Sydney (29 February 2024)



# Directors' Declaration

In the opinion of the Directors of Ostow Limited, Planloc Limited and BlackWall Fund Services Limited, the Responsible Entity of BlackWall Property Trust, collectively referred to as the Directors:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standard 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 2023 and of its performance for the financial period ended on that date; and
- (b) there are reasonable grounds to believe that each of Ostow Limited, Planloc Limited and BlackWall Property Trust will be able to pay their debts as and when they become due and payable.

Statement of Material 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 persons acting in the capacities of 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 Directors.



**Seph Glew**  
Chairman  
Sydney (29 February 2024)



**Jessie Glew**  
Director  
Sydney (29 February 2024)





# Auditor's Independence Declaration and Report

Business advice  
and accounting

# ESV

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

As auditor for the review of Blackwall Property Trust, the deemed parent for stapled security WOTSO Property, for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of 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 28<sup>th</sup> of February 2024



ESV Business Advice and Accounting



Chris Kirkwood  
Partner

Level 13, 68 York Street Sydney NSW 2000  
Telephone. +61 2 9283 1666 | Email. [admin@esvgroup.com.au](mailto:admin@esvgroup.com.au)

[esvgroup.com.au](http://esvgroup.com.au)

A member of TIAG\*, a worldwide alliance of independent accounting firms, a division of TAG Alliances.  
Liability limited by a scheme approved under Professional Standards Legislation.

Business advice  
and accounting

# ESV

## INDEPENDENT REVIEW REPORT TO THE UNITHOLDERS OF BLACKWALL PROPERTY TRUST

### Report on the Half-Year Financial Report

### Conclusion

We have reviewed the accompanying half-year financial report of Blackwall Property Trust as the deemed parent presenting the stapled security arrangement of WOTSO Property ('the Group'), which comprises the consolidated balance sheet as at 31 December 2023, 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 8 to 22, and the directors' declaration.

WOTSO Property consists of BlackWall Property Trust and its controlled entities as at half year ended 31 December 2023, OSTOW Limited and its controlled entities as at half year ended 31 December 2023 and Planloc Limited. Units in BlackWall Property Trust and shares in OSTOW Limited and Planloc Limited are jointly traded as a Stapled Security on the Australian Securities Exchange under the name of WOTSO Property.

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 the Group 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 2023 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.

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 at the time of this auditor's report.

Level 13, 68 York Street Sydney NSW 2000  
Telephone. +61 2 9283 1666 | Email. [admin@esvgroup.com.au](mailto:admin@esvgroup.com.au)

[esvgroup.com.au](http://esvgroup.com.au)

A member of TIAG\*, a worldwide alliance of independent accounting firms, a division of TAG Alliances.  
Liability limited by a scheme approved under Professional Standards Legislation.

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE UNITHOLDERS OF BLACKWALL PROPERTY TRUST

### *Directors' Responsibility for the Review of the Half-Year Financial Report*

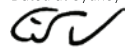
The Directors of responsible entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable 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 Responsibilities for the Half-year Review of the Financial Report*

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 2023 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 on the 29<sup>th</sup> of February 2024



ESV Business advice and accounting



Chris Kirkwood  
Partner







Robina, QLD



**WOTSO**  
PROPERTY

**WOTSO Property (ASX:WOT)**

A stapled security comprising:

- Ostow Limited (ACN 636 701 267)
- BlackWall Fund Services Limited (ACN 079 608 825) as responsible entity for BlackWall Property Trust (ARSN 109 684 773)
- Planloc Limited (ACN 062 367 560)

**Address**

50 Yeo Street, Neutral Bay NSW 2089

**Telephone**

1800 203 170

**Email**

[invest@wotso.com](mailto:invest@wotso.com)

**Website**

[www.wotso.com](http://www.wotso.com)

**Registry**

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000  
[www.automicgroup.com.au](http://www.automicgroup.com.au)

Ostow Limited (formerly “WOTSO Limited”)

ABN 39 636 701 267

INTERIM FINANCIAL REPORT  
HALF-YEAR ENDED  
31 DECEMBER 2023



# **CONTENTS**

<b>3</b>	Directors' Report
<b>4</b>	Statement of Profit or Loss and Other Comprehensive Income
<b>4</b>	Balance Sheet
<b>5</b>	Statement of Cash Flows
<b>6</b>	Statement of Changes in Equity
<b>7</b>	Notes to the Financial Statements
<b>14</b>	Directors' Report (Continued)
<b>14</b>	Directors' Declaration
<b>15</b>	Auditor's Independence Declaration and Auditor's Report

# Ostow Limited – Directors' Report

## Directors' Report

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity' and the 'Group') consisting of Ostow Limited (referred to hereafter as the 'Company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

### Principal Activities

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

### Environmental Regulation

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

### Rounding of Amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, and in accordance with that legislative instrument amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

### Risks

Ostow Limited has identified a number of material business risks including inflation, lease obligations and employee recruitment and retention, among others. These risks are subject to continuous assessment and review.

The key business risks impacting the Company and how such risks are managed are outlined in WOTSO Property Group's 2023 Financial Report and in WOTSO Property Group's December 2023 Interim Report, which can be found at <https://wotso.com/investors-information/>.

## Funds from Operations

The statutory profit has been impacted by non-cash accounting transactions such as depreciation, amortisation and the application of AASB 16 accounting for leases. The table below strips these numbers out to arrive at net flexspace income, which highlights the actual operating performance of the Group, along with fund management fees and overheads.

	Dec 2023	Dec 2022
	\$'000	\$'000
<b>Profit or Loss</b>		
Flexspace income	14,534	12,490
Government assistance	-	6
<b>Total Revenue</b>	<b>14,534</b>	<b>12,496</b>
Rent expense – related parties	(3,681)	(3,090)
Rent expense – third parties	(3,525)	(3,343)
COVID-19 waivers received	-	38
Operating expenses	(2,734)	(2,931)
WOTSO site staff costs	(1,940)	(1,532)
<b>Total Operating Expenses</b>	<b>(11,880)</b>	<b>(10,858)</b>
<b>Net Flexspace Income</b>	<b>2,654</b>	<b>1,638</b>
WOTSO Neutral Bay lease variation fee	4,900	-
Distributions income	901	-
Interest income	489	116
Impact of AASB 16	95	472
Other income	40	-
Amortisation – WOTSO software development	(127)	(98)
Management fees	(515)	(325)
Depreciation – fit-out	(1,896)	(1,845)
Overhead and administration costs	(1,921)	(1,479)
<b>Statutory Profit / (Loss)</b>	<b>4,620</b>	<b>(1,521)</b>

## WOTSO Flexspace Business Valuation

The value created through the growth of our flexspace business model does not translate easily to our balance sheet nor tell the full story for the value of that portion of our business. With this in mind, the Company recently embarked on a valuation of our flexspace business which has yielded an indicative value of \$80 million.

# Ostow Limited – Financial Statements

## Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2023

	Note	Dec 2023 \$'000	Dec 2022 \$'000
<b>Revenue</b>			
Revenue from WOTSO members	3	14,534	12,490
Other income	3	4,940	-
Government assistance	3	-	6
<b>Total Revenue</b>		<b>19,474</b>	<b>12,496</b>
<b>Expenses</b>			
Other operating expenses		(3,844)	(3,606)
Staff costs		(3,204)	(2,617)
Variable lease payments		(821)	(1,077)
Bad debt expenses		(9)	(45)
COVID rent waivers received from landlords		-	38
<b>Total Expenses</b>		<b>(7,878)</b>	<b>(7,307)</b>
<b>Operating Profit</b>		<b>11,596</b>	<b>5,189</b>
Depreciation – fit-out	10	(1,896)	(1,845)
Depreciation – right of use lease asset	11	(5,443)	(4,629)
Interest – right of use lease liability	11	(1,290)	(718)
Gain on lease modifications	4	443	464
Amortisation – WOTSO software development	9	(127)	(98)
Interest income		901	116
Finance income		489	-
Other non-operating expenses		(53)	-
<b>Profit / (Loss) before income tax</b>		<b>4,620</b>	<b>(1,521)</b>
Income tax expense		-	-
<b>Profit / (Loss) for the period</b>		<b>4,620</b>	<b>(1,521)</b>
Other comprehensive income		-	-
<b>Total Profit / (Loss) and Other Comprehensive Profit / (Loss)</b>		<b>4,620</b>	<b>(1,521)</b>
Attributable to members of the Group		4,287	(1,521)
Non-controlling interest		333	-
<b>Total Profit / (Loss) and Other Comprehensive Profit / (Loss)</b>		<b>4,620</b>	<b>(1,521)</b>

## Balance Sheet as at 31 December 2023

	Note	Dec 2023 \$'000	Jun 2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		101	406
Trade and other receivables	5	5,351	480
Interest receivable	6	325	578
<b>Total current assets</b>		<b>5,777</b>	<b>1,464</b>
<b>Non-current assets</b>			
Pymont Bridge Road Mortgage Fund	16	20,000	20,000
Investment in Pymont Bridge Property		8,369	-
Pymont Bridge Property convertible notes		-	14,000
Investment in associate	9	270	162
WOTSO software development asset	9	904	896
Rental deposits	8	1,059	749
Loans receivable - related parties	7	13,277	13,420
Property, plant and equipment	10	14,453	13,930
Right of use lease asset	11	53,595	42,247
<b>Total non-current assets</b>		<b>111,927</b>	<b>105,404</b>
<b>Total Assets</b>		<b>117,704</b>	<b>106,868</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	2,470	1,562
Distributions payable	13	107	158
Unearned revenue		254	399
Deferred lease payments – COVID		94	159
Employee provisions		392	377
Tenant deposits		75	43
Make good provisions		1,123	477
Right of use lease liabilities	11	9,405	10,662
<b>Total current liabilities</b>		<b>13,920</b>	<b>13,837</b>
<b>Non-current liabilities</b>			
Loans payable – related party	14	45,194	48,219
Deferred lease payments – COVID		38	201
Make good provisions		1,084	1,436
Employee provisions		82	66
Right of use lease liabilities	11	48,352	36,136
<b>Total non-current liabilities</b>		<b>94,750</b>	<b>86,058</b>
<b>Total Liabilities</b>		<b>108,670</b>	<b>99,895</b>
<b>Net Assets</b>		<b>9,034</b>	<b>6,973</b>
Share capital	15	11,555	11,615
Accumulated losses		(9,601)	(13,888)
Non-controlling interest in Ostow Limited		7,080	9,246
<b>Total Equity</b>		<b>9,034</b>	<b>6,973</b>

# Ostow Limited – Financial Statements

## Statement of Cash Flows for the Half-Year ended 31 December 2023

	Dec 2023 \$'000	Dec 2022 \$'000
<b>Cash flows from operating activities</b>		
Members receipts	15,886	13,920
Government assistance	-	6
Operating expenditure	(4,190)	(4,239)
Employee payments	(3,376)	(2,615)
Payment of rental bank guarantee	(210)	-
Payment of security bond	(100)	(134)
<b>Net cash flows from operating activities</b>	<b>8,010</b>	<b>6,938</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investment	3,386	-
Interest received	1,154	-
Loans advanced to joint arrangements	-	(132)
Payments for investment in Hamlet	(108)	(54)
Payments for WOTSO software development asset	(135)	(135)
Non-Controlling Interest distributions paid	(304)	-
Payments for property, plant and equipment	(2,419)	(989)
<b>Net cash flows from / (used in) investing activities</b>	<b>1,574</b>	<b>(1,310)</b>
<b>Cash flows from financing activities</b>		
Lease payments	(7,436)	(5,285)
(Repayment) / proceeds of borrowings	(3,084)	266
Loan to associate	142	-
Finance income	489	15
<b>Net cash flows used in financing activities</b>	<b>(9,889)</b>	<b>(5,004)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(305)</b>	<b>624</b>
Cash and cash equivalents at the beginning of the period	406	274
<b>Cash and cash equivalents at the end of the period</b>	<b>101</b>	<b>898</b>

All items are inclusive of GST where applicable.

## Reconciliation of Operating Cash Flows

	Note	Dec 2023 \$'000	Dec 2022 \$'000
<b>Profit / (loss) for the period</b>		<b>4,620</b>	<b>(1,521)</b>
<b>Non-cash flows in profit / (loss):</b>			
Depreciation and amortisation	9,10,11	7,467	6,572
Net interest (paid) / received		(100)	602
Right of use lease modifications	4	(443)	(464)
Add net lease waivers, variable lease payments and finance income (included in financing cash flows)		821	1,040
<b>Changes in working capital:</b>			
(Increase) / decrease in trade and other receivables		(4,871)	149
Increase in trade and other payables		940	713
Increase in rental deposits		(310)	(134)
Increase in provisions		31	70
Decrease in unearned revenue		(145)	(89)
<b>Net cash flows from operating activities</b>		<b>8,010</b>	<b>6,938</b>



# Ostow Limited – Financial Statements

## Statement of Changes in Equity for the Half-Year ended 31 December 2023

		Attributable to Owners of Parent Ostow Limited			Non-Controlling	Total Equity
	No. of Shares On issue	Issued Capital \$'000	Accumulated Losses \$'000	Total \$'000	Interests \$'000	\$'000
<b>Balance at 1 July 2023</b>	<b>162,859,009</b>	<b>11,615</b>	<b>(13,888)</b>	<b>(2,273)</b>	<b>9,246</b>	<b>6,973</b>
Profit for the period	-	-	4,287	4,287	333	4,620
Other comprehensive income	-	-	-	-	-	-
<b>Total Profit and Other Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>4,287</b>	<b>4,287</b>	<b>333</b>	<b>4,620</b>
<b>Transactions with Owners in their Capacity as Owners</b>						
Buy-back of securities	(450,051)	(62)	-	(62)	-	(62)
Issue of securities	14,399	2	-	2	-	2
Distributions paid	-	-	-	-	(254)	(254)
Issue of non-controlling units	-	-	-	-	3,386	3,386
Disposal of subsidiary - Pymont Bridge Notes Trust	-	-	-	-	(5,631)	(5,631)
<b>Total Transactions with Owners in their Capacity as Owners</b>	<b>(435,652)</b>	<b>(60)</b>	<b>-</b>	<b>(60)</b>	<b>(2,499)</b>	<b>(2,559)</b>
<b>Balance at 31 December 2023</b>	<b>162,423,357*</b>	<b>11,555</b>	<b>(9,601)</b>	<b>1,954</b>	<b>7,080</b>	<b>9,034</b>

		Attributable to Owners of Parent Ostow Limited			Non-Controlling	Total Equity
	No. of Shares On issue	Issued Capital \$'000	Accumulated Losses \$'000	Total \$'000	Interests \$'000	(Accumulated Deficiency) \$'000
<b>Balance at 1 July 2022</b>	<b>163,360,291</b>	<b>11,689</b>	<b>(12,666)</b>	<b>(977)</b>	<b>-</b>	<b>(977)</b>
Loss for the period	-	-	(1,521)	(1,521)	-	(1,521)
Other comprehensive income	-	-	-	-	-	-
<b>Total Loss and Other Comprehensive Loss for the Period</b>	<b>-</b>	<b>-</b>	<b>(1,521)</b>	<b>(1,521)</b>	<b>-</b>	<b>(1,521)</b>
<b>Transactions with Owners in their Capacity as Owners</b>						
Buy-back of securities	(406)	-	-	-	-	-
<b>Total Transactions with Owners in their Capacity as Owners</b>	<b>(406)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 December 2022</b>	<b>163,359,885</b>	<b>11,689</b>	<b>(14,187)</b>	<b>(2,498)</b>	<b>-</b>	<b>(2,498)</b>

\* Subsequent to 31 December 2023, 73,364 securities have been bought back by the Group.

# Ostow Limited – Notes to the Financial Statements

## 1. Segment Reporting

*Identification of reportable operating segments:*

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

	Flexspace \$'000	Investment \$'000	Corporate \$'000	Total Dec 2023 \$'000	Flexspace \$'000	Investment \$'000	Corporate \$'000	Total Dec 2022 \$'000
<b>Profit or Loss</b>								
<b>Revenue</b>								
Revenue from WOTSO members	14,534	-	-	14,534	12,490	-	-	12,490
Government assistance	-	-	-	-	6	-	-	6
Other income	4,940	-	-	4,940	-	-	-	-
<b>Total Revenue</b>	<b>19,474</b>	<b>-</b>	<b>-</b>	<b>19,474</b>	<b>12,496</b>	<b>-</b>	<b>-</b>	<b>12,496</b>
<b>Expenses</b>								
Other operating expenses	(3,844)	-	-	(3,844)	(3,606)	-	-	(3,606)
Staff costs	(3,204)	-	-	(3,204)	(2,617)	-	-	(2,617)
Variable lease payments	(821)	-	-	(821)	(1,077)	-	-	(1,077)
Bad debt expenses	(9)	-	-	(9)	(45)	-	-	(45)
COVID rent waivers received from landlords	-	-	-	-	38	-	-	38
<b>Total Expenses</b>	<b>(7,878)</b>	<b>-</b>	<b>-</b>	<b>(7,878)</b>	<b>(7,307)</b>	<b>-</b>	<b>-</b>	<b>(7,307)</b>
<b>Operating Profit</b>	<b>11,596</b>	<b>-</b>	<b>-</b>	<b>11,596</b>	<b>5,189</b>	<b>-</b>	<b>-</b>	<b>5,189</b>
Depreciation – fit-out	(1,896)	-	-	(1,896)	(1,845)	-	-	(1,845)
Depreciation – right of use lease asset	(5,443)	-	-	(5,443)	(4,629)	-	-	(4,629)
Interest – right of use lease liability	(1,290)	-	-	(1,290)	(718)	-	-	(718)
Gain on lease modifications	443	-	-	443	464	-	-	464
Amortisation – WOTSO software development	-	(127)	-	(127)	-	(98)	-	(98)
Interest income	-	901	-	901	116	-	-	116
Finance income	21	468	-	489	-	-	-	-
Other non-operating expenses	-	(53)	-	(53)	-	-	-	-
<b>Profit / (loss) before income tax</b>	<b>3,431</b>	<b>1,189</b>	<b>-</b>	<b>4,620</b>	<b>(1,423)</b>	<b>(98)</b>	<b>-</b>	<b>(1,521)</b>

# Ostow Limited – Notes to the Financial Statements

Balance Sheet	Flexspace \$'000	Investment \$'000	Corporate \$'000	Total Dec 2023 \$'000	Flexspace \$'000	Investment \$'000	Corporate \$'000	Total Jun 2023 \$'000
<b>Current assets</b>								
Cash and cash equivalents	91	10	-	101	398	8	-	406
Trade and other receivables	5,351	-	-	5,351	480	-	-	480
Interest receivable	-	325	-	325	-	578	-	578
<b>Total current assets</b>	<b>5,442</b>	<b>335</b>	<b>-</b>	<b>5,777</b>	<b>878</b>	<b>586</b>	<b>-</b>	<b>1,464</b>
<b>Non-current assets</b>								
Investment in Pymont Bridge Road Mortgage Fund	-	20,000	-	20,000	-	20,000	-	20,000
Investment in Pymont Bridge Property	-	8,369	-	8,369	-	-	-	-
Pymont Bridge Property convertible notes	-	-	-	-	-	14,000	-	14,000
Investment in Hamlet	-	270	-	270	-	162	-	162
WOTSO software development asset	-	904	-	904	-	896	-	896
Rental deposits	1,059	-	-	1,059	749	-	-	749
Loans receivable - related parties	-	-	13,277	13,277	-	-	13,420	13,420
Property, plant and equipment	14,453	-	-	14,453	13,930	-	-	13,930
Right of use lease asset	53,595	-	-	53,595	42,247	-	-	42,247
<b>Total non-current assets</b>	<b>69,107</b>	<b>29,543</b>	<b>13,277</b>	<b>111,927</b>	<b>56,926</b>	<b>35,058</b>	<b>13,420</b>	<b>105,404</b>
<b>Total Assets</b>	<b>74,549</b>	<b>29,878</b>	<b>13,277</b>	<b>117,704</b>	<b>57,804</b>	<b>35,644</b>	<b>13,420</b>	<b>106,868</b>
<b>Liabilities</b>								
<b>Current liabilities</b>								
Trade and other payables	2,435	35	-	2,470	1,531	31	-	1,562
Distributions payable	-	107	-	107	-	158	-	158
Unearned revenue	254	-	-	254	399	-	-	399
Deferred lease payments – COVID	94	-	-	94	159	-	-	159
Employee provisions	392	-	-	392	377	-	-	377
Tenant deposits	75	-	-	75	43	-	-	43
Make good provisions	1,123	-	-	1,123	477	-	-	477
Right of use lease liabilities	9,405	-	-	9,405	10,662	-	-	10,662
<b>Total current liabilities</b>	<b>13,778</b>	<b>142</b>	<b>-</b>	<b>13,920</b>	<b>13,648</b>	<b>189</b>	<b>-</b>	<b>13,837</b>
<b>Non-current liabilities</b>								
Loans payable – related party	-	-	45,194	45,194	-	-	48,219	48,219
Deferred lease payments – COVID	38	-	-	38	201	-	-	201
Make good provisions	1,084	-	-	1,084	1,436	-	-	1,436
Employee provisions	82	-	-	82	66	-	-	66
Right of use lease liabilities	48,352	-	-	48,352	36,136	-	-	36,136
<b>Total non-current liabilities</b>	<b>49,556</b>	<b>-</b>	<b>45,194</b>	<b>94,750</b>	<b>37,839</b>	<b>-</b>	<b>48,219</b>	<b>86,058</b>
<b>Total Liabilities</b>	<b>63,334</b>	<b>142</b>	<b>45,194</b>	<b>108,670</b>	<b>51,487</b>	<b>189</b>	<b>48,219</b>	<b>99,895</b>
<b>Net Assets / (Liabilities)</b>	<b>11,215</b>	<b>29,736</b>	<b>(31,917)</b>	<b>9,034</b>	<b>6,317</b>	<b>35,455</b>	<b>(34,799)</b>	<b>6,973</b>

# Ostow Limited – Notes to the Financial Statements

## 2. Cash Flow Management

At the end of the period the Balance Sheet showed current liabilities exceeded current assets by \$8.1 million (30 June 2023 - \$12.4 million). This is mainly driven by lease payments and make good provisions due over the next 12 months totalling \$10.5 million (Jun 2023 - \$11.1 million). The corresponding leased asset is not allowed to be classified as a current asset under accounting standards but would approximately offset this deficit. Subsequent to period-end, the Group executed lease renewals for current WOTSO sites at Chermside and Zetland, which will result in the reclassification of these related make good provisions as non-current liabilities.

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

## 3. Revenue

<i>Disaggregation of Revenue from Contracts with Customers</i>	<b>Dec 2023 \$'000</b>	<b>Dec 2022 \$'000</b>
Offices	10,747	9,251
Coworking	1,583	1,500
Other Services*	2,204	1,739
<b>Total Revenue from WOTSO Members</b>	<b>14,534</b>	<b>12,490</b>
Other income	4,940	-
Government Assistance	-	6
<b>Total Revenue</b>	<b>19,474</b>	<b>12,496</b>

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

The Group's option agreement with its Neutral Bay landlord was exercised in September 2023 resulting in the Group varying its existing lease at Neutral Bay. On exercise of the option the Group became entitled to a lease variation fee of \$4.9 million which is to be received in March 2024 following the settlement of the sale of the Neutral Bay building. The Stapled Group's purchase in Cremorne will provide a replacement home for the Neutral Bay WOTSO business.

## 4. Gain on Lease Modifications

	<b>Dec 2023 \$'000</b>	<b>Dec 2022 \$'000</b>
Gain on lease modifications	443	464
<b>Total</b>	<b>443</b>	<b>464</b>

The gain on lease modifications is the result of new leases for current sites in Pyrmont and Varsity Lakes, as well as the variation of the Neutral Bay lease.

## 5. Trade and Other Receivables

	<b>Dec 2023 \$'000</b>	<b>Jun 2023 \$'000</b>
Trade receivables from WOTSO members	96	93
Trade receivables from related parties	364	322
Neutral Bay lease variation receivable	4,900	-
Expected credit loss allowance	(31)	(22)
Other receivables	22	87
<b>Total</b>	<b>5,351</b>	<b>480</b>

## 6. Interest Receivable

	<b>Dec 2023 \$'000</b>	<b>Jun 2023 \$'000</b>
Interest receivable from related parties	325	578
<b>Total</b>	<b>325</b>	<b>578</b>

## 7. Loan Portfolio

	<b>Dec 2023 \$'000</b>	<b>Jun 2023 \$'000</b>
Loan receivable – Planloc	13,277	13,370
Loan receivable – WRV	-	50
<b>Total Non-Current Loan Portfolio</b>	<b>13,277</b>	<b>13,420</b>

The loan to Planloc is unsecured and subject to a loan term of 5 years from June 2023 with interest chargeable at the discretion of the lender. For the period ended 31 December 2023 The Company charged interest of \$468,000 at a margin of 3% over the RBA cash rate (Dec 2022 - \$nil).

## 8. Rental Deposits

	<b>Dec 2023 \$'000</b>	<b>Jun 2023 \$'000</b>
Lease rental deposits	1,059	749
<b>Total Non-Current Rental Deposits</b>	<b>1,059</b>	<b>749</b>

# Ostow Limited – Notes to the Financial Statements

## 9. WOTSO Software Development Asset

Over the last few years WOTSO has undertaken a project to develop in-house software to help manage its operations and customer invoicing. The software has been developed in conjunction with external developers and commenced commercialisation during 2022. The Group owns a perpetual licence over the software, and during the period increased its ownership in the software business to 35% (Jun 2023 – 31%). As at 31 December 2023 the Group has contributed \$904,000 net of amortisation (Jun 2023 - \$896,000) to fund the development of the software and has increased its investment in associate to \$270,000 (Jun 2023 - \$162,000).

During the period \$127,000 of amortisation (Dec 2022 - \$98,000) was recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income.

## 10. Property, Plant and Equipment

	Dec 2023 \$'000	Jun 2023 \$'000
Fitout	28,648	26,229
Less: accumulated depreciation	(14,195)	(12,299)
<b>Total</b>	<b>14,453</b>	<b>13,930</b>

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

	Dec 2023 \$'000	Jun 2023 \$'000
Carrying amount at the beginning of the period	13,930	12,796
Additions	2,419	4,555
Depreciation expense	(1,896)	(3,421)
<b>Carrying amount at the end of the period</b>	<b>14,453</b>	<b>13,930</b>

## 11. Right of Use Assets and Lease Liabilities

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

	Dec 2023 \$'000	Jun 2023 \$'000
Right of use assets	93,565	76,774
Less: accumulated depreciation	(39,970)	(34,527)
	<b>53,595</b>	<b>42,247</b>

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

	Dec 2023 \$'000	Jun 2023 \$'000
Carrying amount at the beginning of the period	42,247	44,684
Right of use assets – modifications *	6,856	2,642
Remeasurement of right of use assets **	1,255	1,753
Additions ***	11,926	6,019
Depreciation expense	(5,443)	(9,518)
Disposals ****	(3,246)	(3,333)
<b>Carrying amount at the end of the period</b>	<b>53,595</b>	<b>42,247</b>

\*Lease modifications relate to additional leased area in WOTSO Dickson.

\*\*Remeasurements reflect revised contractual payments within existing lease liabilities, including changes in an index or rate used to determine the amounts payable.

\*\*\*Additions relate to the new lease for the existing WOTSO site at Varsity Lakes, and new WOTSO sites at Botany and Robina. New leases for WOTSO sites in Takapuna and Toowoomba are considered variable leases given they do not include any base rent obligations. As such, these leases are expensed through profit or loss on a monthly basis as incurred.

\*\*\*\*As disclosed in Note 3 Revenue WOTSO varied its lease at Neutral Bay and is now operating on a month to month lease at this site. Other lease modifications were the result of new leases at Varsity Lakes and Pyrmont.



# Ostow Limited – Notes to the Financial Statements

## Right of Use Lease Liabilities

Right of use lease liabilities are measured and repaid over the term of the lease.

	Dec 2023 \$'000	Jun 2023 \$'000
Opening Balance	46,798	50,067
Modifications and remeasurements	7,817	3,978
Additions	11,926	6,019
Disposals	(3,689)	(3,797)
Interest charged	1,290	1,457
Repayments	(6,385)	(10,926)
<b>Total Lease Liabilities</b>	<b>57,757</b>	<b>46,798</b>
Current lease liabilities	9,405	10,662
Non-current lease liabilities	48,352	36,136
<b>Total Lease Liabilities</b>	<b>57,757</b>	<b>46,798</b>

## 12. Trade and Other Payables

	Dec 2023 \$'000	Jun 2023 \$'000
Current trade and other payables	1,390	493
Current Payables with related party	336	148
<b>Total Trade and Other Payables</b>	<b>1,726</b>	<b>641</b>
Accrued expenses	396	581
Sundry payables	348	340
<b>Total</b>	<b>2,470</b>	<b>1,562</b>

The rent deferral received by WOTSO was treated as a variable lease payment per AASB 16, but the difference has been recognised as a deferred rent liability. As at 31 December 2023 WOTSO had rent deferral liabilities totalling \$132,000 (Jun 2023 - \$360,000), for which deferred repayments will continue over the term of the leases.

## 13. Distributions Payable

	Dec 2023 \$'000	Jun 2023 \$'000
Distributions payable to related parties	107	158
<b>Total</b>	<b>107</b>	<b>158</b>

## 14. Borrowings

	Dec 2023 \$'000	Jun 2023 \$'000
Loan from related party - BWR	45,194	48,219
<b>Total non-current borrowings</b>	<b>45,194</b>	<b>48,219</b>

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

## 15. Issued Capital

	Dec 2023 Shares	Jun 2023 Shares	Dec 2023 \$'000	Jun 2023 \$'000
At the beginning of the period	162,859,009	163,360,291	11,615	11,689
Buy-back of issued securities	(450,051)	(511,278)	(62)	(75)
Issue of new units	14,399	9,996	2	1
<b>At the end of the period</b>	<b>162,423,357</b>	<b>162,859,009</b>	<b>11,555</b>	<b>11,615</b>

## 16. Acquisition and Disposal of Investments

During the period the Pymont Bridge Notes Trust was restructured reducing the Group's holdings in the fund to \$nil, while at the same time providing the Group with an investment in Pymont Bridge Property. Consequently Pymont Bridge Notes Trust was deconsolidated from the Group. No gain or loss was recognised upon deconsolidation of the fund.

Subsequent to period-end the Pymont Bridge Road Mortgage Fund was restructured resulting in the total number of units on issue decreasing to 9,505,055. As a result, the Group's holding in the Pymont Bridge Road Mortgage Fund was reduced to 4,128,411 units, while further increasing the Group's holdings in Pymont Bridge Property to 24,559,990 shares.

## 17. Subsequent Events

To the best of the Directors' knowledge, since the end of the reporting period there have been no 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.

# Ostow Limited – Notes to the Financial Statements

## 18. Critical Accounting Estimates and Judgments

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

### Goodwill and Other Indefinite Life Intangible Assets

The Consolidated Entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 20 – Statement of Material Accounting Policies.

### Lease Term for Right of use Assets and Liabilities

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

### Make Good Provisions

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

### Incremental Borrowing Rate

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

## 19. Basis of Preparation and Accounting Policies

The Company is part of the listed WOT stapled group, incorporated and domiciled in Australia. The financial statements for the Group were authorised for issue in accordance with a resolution of the Directors on the date they were issued.

These general purpose financial statements for the interim half-year reporting period ended 31

December 2023 have been prepared in accordance with AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023. The principal accounting policies adopted are consistent with those of the previous financial year ended 30 June 2023 and corresponding interim report period, unless otherwise stated.

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

The Group is a group of the kind referred to in ASIC Class Order 2016/191 and, in accordance with that Class Order, amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

The statutory financial information for the Group has been presented for the period ended 31 December 2023 and for the comparative period ended 31 December 2022.

The financial statements are presented in Australian dollars.

## 20. Statement of Material Accounting Policies

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

### Going Concern

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

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

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

### Presentation of Financial Statements

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

### Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries. All controlled entities have a June financial year end and use consistent accounting policies.

## Ostow Limited – Notes to the Financial Statements

Investments in subsidiaries held by the Group are accounted for at cost, less any impairment charges.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

### **Inter-company Balances**

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Company.

### **Operating Segments**

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

### **Comparative Figures**

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

### **New Accounting Standards and Interpretations**

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Based on our preliminary assessment, we do not expect them to have material impact on the Group.

# Ostow Limited – Directors’ Report

## 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  
Jessica Glew - Executive Director and Joint Managing Director  
(CEO and Executive Director effective 28 February 2024)  
Timothy Brown - Executive Director and Joint Managing Director  
Richard Hill - Non-Executive Director  
Robin Tedder - Non-Executive Director  
Agata Ryan - Company Secretary

The above named directors held office during and since the end of the half-year except for:

- Robin Tedder – resigned 28 February 2024
- Timothy Brown – resigned 28 February 2024
- Paul Tresidder – appointed as Non-Executive Director 28 February 2024

### Registered office

Level 1 50 Yeo Street Neutral Bay, Sydney, NSW  
Telephone: 1800 203 170

### Principal place of business

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

### Auditor

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

### Auditor and Non-audit Services

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

ESV Business Advice and Accounting continues in office in accordance with section 327 of the Corporations Act 2001.

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



**Seph Glew**  
Chairman  
Sydney, 29 February 2024



**Jessie Glew**  
Director  
Sydney, 29 February 2024

## 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 Standard 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 2023 and of its performance for the financial period ended on that date; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Note 19 – Basis of Preparation and 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 persons acting in the capacities of 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 Directors.



**Seph Glew**  
Chairman  
Sydney, 29 February 2024



**Jessie Glew**  
Director  
Sydney, 29 February 2024



Business advice  
and accounting

ESV

AUDITOR’S INDEPENDENCE DECLARATION TO THE DIRECTORS OF OSTOW LIMITED

In accordance with the requirements of section 307C of the Corporations Act, as auditor for the review of OSTOW Limited and its Controlled Entities for the half year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor 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 28<sup>th</sup> of February 2024



ESV Business Advice and Accounting



Chris Kirkwood  
Partner

Level 13, 68 York Street Sydney NSW 2000  
Telephone: +61 2 9283 1666 | Email: admin@esvgroup.com.au  
esvgroup.com.au

A member of TIAG®, a worldwide alliance of independent accounting firms, a division of TAG Alliances.  
Liability limited by a scheme approved under Professional Standards Legislation.

Business advice  
and accounting

ESV

INDEPENDENT AUDITOR’S REVIEW REPORT TO THE MEMBERS OF OSTOW LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of OSTOW Limited and Controlled Entities ("the Group"), which comprises the balance sheet as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and 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 the OSTOW Limited and 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 2023 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.

We confirm that the Independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors at the time of this auditor’s report.

Directors’ Responsibility for the Half-Year Financial Report

The Directors of OSTOW 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.

Level 13, 68 York Street Sydney NSW 2000  
Telephone: +61 2 9283 1666 | Email: admin@esvgroup.com.au  
esvgroup.com.au

A member of TIAG®, a worldwide alliance of independent accounting firms, a division of TAG Alliances.  
Liability limited by a scheme approved under Professional Standards Legislation.

Business advice  
and accounting

INDEPENDENT AUDITOR’S REVIEW REPORT TO THE MEMBERS OF OSTOW LIMITED

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 2023 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 on the 29<sup>th</sup> of February 2024



ESV Business Advice and Accounting



Chris Kirkwood  
Partner

PLANLOC LIMITED

ABN 50 062 367 560

INTERIM FINANCIAL REPORT  
HALF-YEAR ENDED  
31 DECEMBER 2023

# CONTENTS

<b>3</b>	Directors' Report
<b>4</b>	Statement of Profit or Loss and Other Comprehensive Income
<b>4</b>	Balance Sheet
<b>5</b>	Statement of Cash Flows
<b>6</b>	Statement of Changes in Equity
<b>7</b>	Notes to the Financial Statements
<b>11</b>	Directors' Report
<b>12</b>	Directors' Declaration
<b>13</b>	Auditor's Independence Declaration and Auditor's Report



## Directors' Report

The Directors present their report, together with the financial statements of Planloc Limited (referred to hereafter as the 'Company' or 'Planloc') for the half-year ended 31 December 2023.

### Principal activities

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

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

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

### Risks

Planloc has identified a number of material business risks including inflation, interest costs, valuations and unplanned capital expenditures, among others. These risks are subject to continuous assessment and review.

The key business risks impacting the Company and how such risks are managed are outlined in WOTSO Property Group's 2023 Financial Report and December 2023 Interim Report, which can be found at <https://wotso.com/investors-information/>.

# PLANLOC Limited – Financial Statements

## Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2023

	Note	Dec 2023 \$'000	Dec 2022 \$'000
<b>Revenue</b>			
Property rental income		1,083	1,014
Finance income		32	36
Unrealised gains	2	617	1,197
<b>Total Revenue</b>		<b>1,732</b>	<b>2,247</b>
<b>Expenses</b>			
Property outgoings		(175)	(403)
Business operating expenses	3	(130)	(125)
Depreciation expense	8	(62)	(72)
Finance costs		(887)	(324)
<b>Total Expenses</b>		<b>(1,254)</b>	<b>(924)</b>
<b>Profit before income tax</b>		<b>478</b>	<b>1,323</b>
Income tax expense		(144)	(397)
<b>Profit for the period</b>		<b>334</b>	<b>926</b>
Other comprehensive income		-	-
<b>Total Profit and Other Comprehensive Income</b>		<b>334</b>	<b>926</b>

## Balance Sheet as at 31 December 2023

	Note	Dec 2023 \$'000	Jun 2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		27	58
Loan portfolio	4	196	196
Deferred rent receivable	5	25	26
Trade and other receivables	6	33	26
<b>Total current assets</b>		<b>281</b>	<b>306</b>
<b>Non-current assets</b>			
Deferred rent receivable	5	41	53
Loan portfolio	4	1,326	1,425
Financial assets	7	9,411	8,838
Investment property	8	26,250	26,250
<b>Total non-current assets</b>		<b>37,028</b>	<b>36,566</b>
<b>Total Assets</b>		<b>37,309</b>	<b>36,872</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	193	142
Borrowings	10	13,000	-
<b>Total current liabilities</b>		<b>13,193</b>	<b>142</b>
<b>Non-current liabilities</b>			
Borrowings	10	13,278	26,370
Deferred tax liabilities		5,339	5,195
<b>Total non-current liabilities</b>		<b>18,617</b>	<b>31,565</b>
<b>Total Liabilities</b>		<b>31,810</b>	<b>31,707</b>
<b>Net Assets</b>		<b>5,499</b>	<b>5,165</b>
Share capital	11	-	-
Retained earnings		5,499	5,165
<b>Total Equity</b>		<b>5,499</b>	<b>5,165</b>

# PLANLOC Limited – Financial Statements

## Statement of Cash Flows for the period ended 31 December 2023

	Note	Dec 2023 \$'000	Dec 2022 \$'000
<b>Cash Flows from Operating Activities</b>			
Receipt from property tenants		1,191	1,012
Payments to suppliers		(374)	(553)
<b>Net Cash Flows from Operating Activities</b>		<b>817</b>	<b>459</b>
<b>Cash Flows from Investing Activities</b>			
Repayment of loan portfolio	4	99	99
Interest received		32	36
Payments of capital expenditure		-	(85)
<b>Net Cash Flows from Investing Activities</b>		<b>131</b>	<b>50</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds of borrowings		-	3,000
Interest paid		(887)	(324)
Repayment of borrowings		(92)	(3,180)
<b>Net Cash Flows used in Financing Activities</b>		<b>(979)</b>	<b>(504)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>		<b>(31)</b>	<b>5</b>
Cash and cash equivalents, at the beginning of the period		58	28
<b>Cash and Cash Equivalents, at End of the Period</b>		<b>27</b>	<b>33</b>

## Reconciliation of Operating Cash Flows

	Dec 2023 \$'000	Dec 2022 \$'000
<b>Profit for the Period</b>	<b>334</b>	<b>926</b>
<b>Non-Cash Flows in Profit:</b>		
Straight-line rental income	(18)	(28)
Unrealised gain on revaluation of WRV	(573)	(1,197)
Unrealised (gain) on revaluation of investment property	(44)	-
Depreciation	62	72
Net interest paid	855	-
Deferred tax liabilities	144	397
<b>Changes in Operating Assets and Liabilities:</b>		
Decrease (increase) in trade and other receivables	6	(30)
Increase in trade and other payables	51	31
<b>Net Cash Flows from Operating Activities</b>	<b>817</b>	<b>171</b>

## Statement of Changes in Equity for the half-year ended 31 December 2023

	No. of Shares on Issue*	Ordinary Shares \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance at 1 July 2023</b>	<b>162,859,009</b>	<b>-</b>	<b>5,165</b>	<b>5,165</b>
Profit for the period	-	-	334	334
Other comprehensive income	-	-	-	-
<b>Total Profit and Other Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>334</b>	<b>334</b>
<b>Transactions with Owners in Their Capacity as Owners</b>				
Issue of securities	14,399	-	-	-
Buy-back of issued securities	(450,051)	-	-	-
<b>Total Transactions with Owners in Their Capacity as Owners</b>	<b>(435,652)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 December 2023</b>	<b>162,423,357 *</b>	<b>-</b>	<b>5,499</b>	<b>5,499</b>
<b>Balance at 1 July 2022</b>	<b>163,360,291</b>	<b>-</b>	<b>4,001</b>	<b>4,001</b>
Profit for the period	-	-	926	926
Other comprehensive income	-	-	-	-
<b>Total Profit and Other Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>4,927</b>	<b>4,927</b>
<b>Transactions with Owners in Their Capacity as Owners</b>				
Buy-back of issued securities	(406)	-	-	-
<b>Total Transactions with Owners in Their Capacity as Owners</b>	<b>(406)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 December 2022</b>	<b>163,359,885</b>	<b>-</b>	<b>4,927</b>	<b>4,927</b>

\* Subsequent to 31 December 2023, 73,364 securities have been bought back by the Group.

# PLANLOC Limited – Notes to the Financial Statements

## 1. Segment Reporting

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

## 2. Unrealised Gains

	Dec 2023 \$'000	Dec 2022 \$'000
Investment property in Penrith	44	-
Investment in WRV	573	1,197
<b>Total unrealised gains</b>	<b>617</b>	<b>1,197</b>

## 3. Business Operating Expenses

	Dec 2023 \$'000	Dec 2022 \$'000
Administration expenses	130	105
Consultants fees	-	20
<b>Total business operating expenses</b>	<b>130</b>	<b>125</b>

## 4. Loan Portfolio

	Dec 2023 \$'000	Jun 2023 \$'000	Current Security \$'000	Interest Rate	Details
Current – Vendor finance	196	196	3,500*	4.0%	See below
Non-current – Vendor finance	1,326	1,425	3,500*	4.0%	See below
<b>Total loan portfolio</b>	<b>1,522</b>	<b>1,621</b>			

\* Same asset as security.

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

## 5. Deferred Rent Receivable

	Dec 2023 \$'000	Jun 2023 \$'000
Current - deferred rent receivable	25	26
Non-current - deferred rent receivable	41	53
<b>Total deferred rent receivable</b>	<b>66</b>	<b>79</b>

## 6. Trade and Other Receivables

	Dec 2023 \$'000	Jun 2023 \$'000
Other trade receivables	33	26
<b>Total trade and other receivables</b>	<b>33</b>	<b>26</b>

## 7. Financial Assets

The Company's financial assets comprise an investment in WRV. The investment reflects a 49.88% (Jun 2023: 49.88%) holding of WRV Unit Trust, which owns The Woods. The property is an entertainment precinct in Sydney's west, approximately 28 kilometres from Sydney CBD.

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

	Dec 2023 \$'000	Jun 2023 \$'000
Balance at the beginning of the period	8,838	7,461
Revaluation increase	573	1,377
<b>Balance at 30 June</b>	<b>9,411</b>	<b>8,838</b>

## 8. Investment Property

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

The property was independently valued by a certified practicing valuer in June 2022 at \$26.25 million. The valuer adopted a market yield of 5.75% with net income of around \$1.5 million p.a. Planloc has assessed the independent valuation and considers that this is appropriate as the fair value of this is



# PLANLOC Limited – Notes to the Financial Statements

determined with consideration to the highest and best use of the property, which is its current use. This Independent valuation was determined with reference to the direct comparison approach, market capitalisation method and the discount discounted cash flow method.

A reconciliation of the property values is as follows:

	\$'000
Balance at 1 July 2023	26,250
Depreciation	(62)
Revaluations	44
Movement in straight-line receivable	18
<b>Balance at 31 December 2023</b>	<b>26,250</b>

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

## 9. Trade and Other Payables

	Dec 2023 \$'000	Jun 2023 \$'000
Trade and other payables	120	105
Rental income in advance	42	6
Tenant deposits	31	31
<b>Total trade and other payables</b>	<b>193</b>	<b>142</b>

## 10. Borrowings

	Dec 2023 \$'000	Jun 2023 \$'000
CBA	13,000	-
<b>Total current borrowings</b>	<b>13,000</b>	<b>-</b>
Ostow Limited	13,278	13,370
CBA	-	13,000
<b>Total non-current borrowings</b>	<b>13,278</b>	<b>26,370</b>
<b>Total borrowings</b>	<b>26,278</b>	<b>26,370</b>

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

The unsecured borrowings are from Ostow Limited, which is stapled to Planloc and therefore a related party and forms part of the capital structure of WOT. Interest is chargeable at the discretion of the lender and it is subject to a term of five years from June 2023. As at 31 December 2023 Planloc had paid interest for \$468,000 at a margin of 3% over the RBA cash rate (Dec 2022 - \$nil).

## 11. Share Capital

	Dec 2023 Shares	Jun 2023 Shares	Dec 2023 \$'000	Jun 2023 \$'000
At the beginning of the period	162,859,009	163,360,291	-	-
Buy-back of issued securities	(450,051)	(511,278)	-	-
Issue of new securities	14,399	9,996	-	-
<b>At the end of the period</b>	<b>162,423,357</b>	<b>162,859,009</b>	<b>-</b>	<b>-</b>

## 12. Subsequent Events

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

## 13. Financial Instruments

### Fair Value Measurements

#### i) Fair value hierarchy

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

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

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

# PLANLOC Limited – Notes to the Financial Statements

The following table presents the Company's assets measured at fair value as at the reporting date. Refer to the Critical Accounting Estimates and Judgments note for further details of assumptions used and how fair values are measured.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>At 31 December 2023</b>				
Loan portfolio	-	-	1,522	1,522
Investment properties	-	-	26,250	26,250
Financial assets	-	-	9,411	9,411
<b>At 30 June 2023</b>				
Loan portfolio	-	-	1,621	1,621
Investment properties	-	-	26,250	26,250
Financial assets	-	-	8,838	8,838

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

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

The carrying amounts of the loan portfolio approximate the fair values as they are short term receivables.

For all other financial assets, carrying value is an approximation of fair value. There were no transfers between Level 1, 2 and 3 financial instruments during the period.

Significant unobservable inputs associated with the valuation of investment property are as follows:

Significant Unobservable Inputs Used to Measure Fair Value	Change to Inputs	Impact of Increase in Input on Fair Value \$'000	Impact of Decrease in Input on Fair Value \$'000
Capitalisation rate	0.25%	(1,250)	1,250
Net market rent	5%	1,616	(1,784)

## (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 2023:

	Financial Asset \$'000	Loan Portfolio \$'000	Investment Property \$'000	Total \$'000
Balance, at beginning of the period	8,838	1,621	26,250	36,709
Depreciation	-	-	(62)	(62)
Movements in straight-line	-	-	18	18
Loan to industrial Avenue (repayment)	-	(99)	-	(99)
Fair value movement	573	-	44	617
Balance, at 31 December 2023	<b>9,411</b>	<b>1,522</b>	<b>26,250</b>	<b>37,183</b>

## 14. Critical Accounting Estimates and Judgments

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

### Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Refer to note 7 - Financial Assets.

### Financial assets

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

### Fair values of investment properties

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

The key assumptions used in this determination are set out in Note 7 – Financial Assets. Independent Valuer Yield represents the market rent divided by the property value and the market yield the independent valuer has applied to arrive to the valuation. If there are any material changes in the key assumptions due to changes in economic conditions, the fair value of the investment properties may differ and may need to be re-estimated. For this report the property is held at independent valuation carried out in June 2022. Based on the Directors' assessment, the valuation was appropriate and aligned with current occupancy rates and the market yield of 5.75%.

## 15. Basis of Preparation and Accounting policies

Planloc is a public company, and part of the stapled WOTSO Property, which is incorporated and domiciled in Australia. The financial statements for the Company were authorised for issue in accordance with a resolution of the Directors on the date they were issued.

## PLANLOC Limited – Notes to the Financial Statements

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023. The principal accounting policies adopted are consistent with those of the previous financial year ended 30 June 2023 and corresponding interim report period, unless otherwise stated.

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

The financial statements are presented in Australian Dollars.

### Going concern

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

Planloc is in a net current liability position of \$12.91 million at 31 December 2023. This is largely driven by current borrowings that are expected to be renewed prior to expiration in August 2024.

### Presentation of Financial Statements

Both the functional and presentation currency of Planloc is Australian Dollars.

### Comparative Figures

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.

### New Accounting Standards and Interpretations

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Based on our preliminary assessment, we do not expect them to have material impact on the Company.

# PLANLOC Limited – Directors' Report (Continued)

## Directors' Report (Continued)

### Information on Officeholders

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

Joseph (Seph) Glew - Non-Executive Director and Chairman  
Jessica Glew - Executive Director and Joint Managing Director  
(CEO and Executive Director effective 28 February 2024)  
Timothy Brown - Executive Director and Joint Managing Director  
Richard Hill - Non-Executive Director  
Robin Tedder - Non-Executive Director  
Agata Ryan - Company Secretary

The above named directors held office during and since the end of the half-year except for:

- Robin Tedder – resigned 28 February 2024
- Timothy Brown – resigned 28 February 2024
- Paul Tresidder – appointed as Non-Executive Director 28 February 2024

### Auditor and Non-audit Services

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

ESV Business Advice and Accounting continues in office in accordance with section 327 of the Corporations Act 2001.

### Environmental Regulation

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

### Rounding of Amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, and in accordance with that legislative instrument amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

### Subsequent Events and Significant Changes in Affairs

To the best of the Directors' knowledge, since the end of the financial period, there have been no other matters or circumstances, except for those disclosed in Note 12 – Subsequent Events, that have materially affected the Company's operations or may materially affect its operations, state of affairs or the results of operations in the current or future financial periods.

### Registered office

Level 1 50 Yeo Street Neutral Bay, Sydney, NSW  
Telephone: 1800 203 170

### Principal place of business

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

### Auditor

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

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



**Seph Glew**  
Chairman  
Sydney, 29 February 2024



**Jessie Glew**  
Director  
Sydney, 29 February 2024

# PLANLOC Limited – Director’s Declaration

## 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 Standard 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 Company’s financial position as at 31 December 2023 and of its performance for the financial period ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 15 – Basis of Preparation and 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 persons acting in the capacities of 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.



**Seph Glew**  
Chairman  
Sydney, 29 February 2024



**Jessie Glew**  
Director  
Sydney, 29 February 2024





AUDITOR’S INDEPENDENCE DECLARATION TO THE DIRECTORS OF PLANLOC LIMITED

In accordance with the requirements of section 307C of the Corporations Act, as auditor for the review of Planloc Limited for the half year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor 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 28<sup>th</sup> of February 2024

ESV Business Advice and Accounting

Chris Kirkwood  
Partner



INDEPENDENT AUDITOR’S REVIEW REPORT TO THE MEMBERS OF PLANLOC LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Planloc Limited (“the Company”), which comprises the balance sheet as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and 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 Planloc Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company’s financial position as at 31 December 2023 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including 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.

We confirm that the Independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors at the time of this auditor’s report.

Directors’ Responsibility for the Half-Year Financial Report

The Directors of Planloc 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.

INDEPENDENT AUDITOR’S REVIEW REPORT TO THE MEMBERS OF PLANLOC LIMITED

**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 Company’s financial position as at 31 December 2023 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 on the 29<sup>th</sup> of February 2024



ESV Business Advice and Accounting



Chris Kirkwood  
Partner