BWF ASX Release

19 August 2015

30 June 2015 – Full Year Result

Our operating income has grown by 22% over the past 12 months to $5.8 million. As a consequence the Directors have resolved to **increase the full year dividend by 20%**.

A **final fully franked dividend of 1.7 cents per share** will be paid on 6 November 2015. This brings the full year dividend to 3 cents per share (fully franked).

Key Numbers

Operating Income	$5,780,000
Investment Income	$310,000
Transaction Fees	$250,000
Revaluations	$2,690,000
Total Revenue	**$9,030,000**
Expenses	($4,840,000)
Tax, Depreciation & Interest	($1,370,000)
NPAT	**$2,820,000**

EPS	$0.06
Net Assets	$16.9 million
NTA per share	$0.34
Shares on issue	50.4 million

Operating Income

Our operating businesses generate recurring management fees from income producing real estate and property investment trusts. Our growing subsidiary, WOTSO WorkSpace (www.wotsoworkspace.com.au) sells short-term serviced office and workspace accommodation at locations in Sydney (Neutral Bay, Pyrmont and North Strathfield), the Gold Coast and the ACT.

	2015	2014
Management Fees	$3,917,000	$3,524,000
WOTSO WorkSpace Sales	$1,863,000	$1,230,000

We manage 10 real estate investment trusts capitalised by around 2,000 wholesale and retail investors controlling over $500 million of income producing property. Our diversified REIT, BlackWall Property Trust, is listed on the ASX under the code BWR.

WOTSO operates 5,500 sqm of space with current annualised turnover of $3 million. Of this, roughly 40% has been in operation for less than 12 months. Sustainable occupancy is generally built over a two to three year period. The business is also expanding its offer by developing laboratory, commercial kitchen and studio space.

Transactions and Balance Sheet

Transaction Fees are earned by structuring and underwriting investment funds and through performance fees. Where performance fees are earned they can be substantial.

	2015	2014	2013	2012	2011
Transaction Fees	$250,000	$3,894,000	$217,000	$180,000	$595,000

Our debt free balance sheet is invested in our funds, underwrites new investment offers and secures deep value or turnaround opportunities.

From time to time we recycle our capital by trading, redeeming or selling investments for cash or other positions. Mature holdings can also be distributed to shareholders by in-specie distributions. Our current holdings are:

BlackWall Property Trust	7,500,000 units	$9,375,000
Bakehouse Bonds	5,000,000 bonds	$5,430,000
Pelathon Pub Group	18,811,439 units	$1,354,000

New Fund

We have launched a new investment offer known as the Woods PIPES Fund. Investors are offered the opportunity to invest in the Woods Action Centre in Sydney. The structure is forecast to pay quarterly income distributions of 8% per annum with a share of growth in the value of the property over the seven-year term.

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

Bakehouse Bonds

We hold $5.4 million of Bakehouse Bonds. The bonds are subordinated debt notes secured against a large mixed-use development known as the Bakehouse Quarter.

During the 2015 financial year the Bakehouse Quarter was formally marketed for sale as a result of a number of unsolicited approaches to purchase. Through the marketing process an offer of $270 million was received but was rejected by the Directors. Subsequently an offer (from a different party) of $300 million was declined as it was subject to unacceptable conditions.

The Bakehouse Quarter has $108 million of bank debt, which ranks in priority to $27.1 million worth of Bakehouse Bonds ($21.7 million held by BWR and $5.4 million held by us). With total debt of $135 million and depending on the value of the property adopted, Bakehouse Bonds are protected by an equity buffer of between $134 million and $165 million.

While the site is no longer being actively marketed for sale there are a number of parties conducting due diligence and revised offers will be assessed if received. If the Bakehouse were to be sold in one line the Bakehouse Bonds would be redeemed for cash.

To further progress the development, we have resolved to make an application for a rezoning of the site and either:

- sell the individual residential development sites; or
- joint venture a residential development.

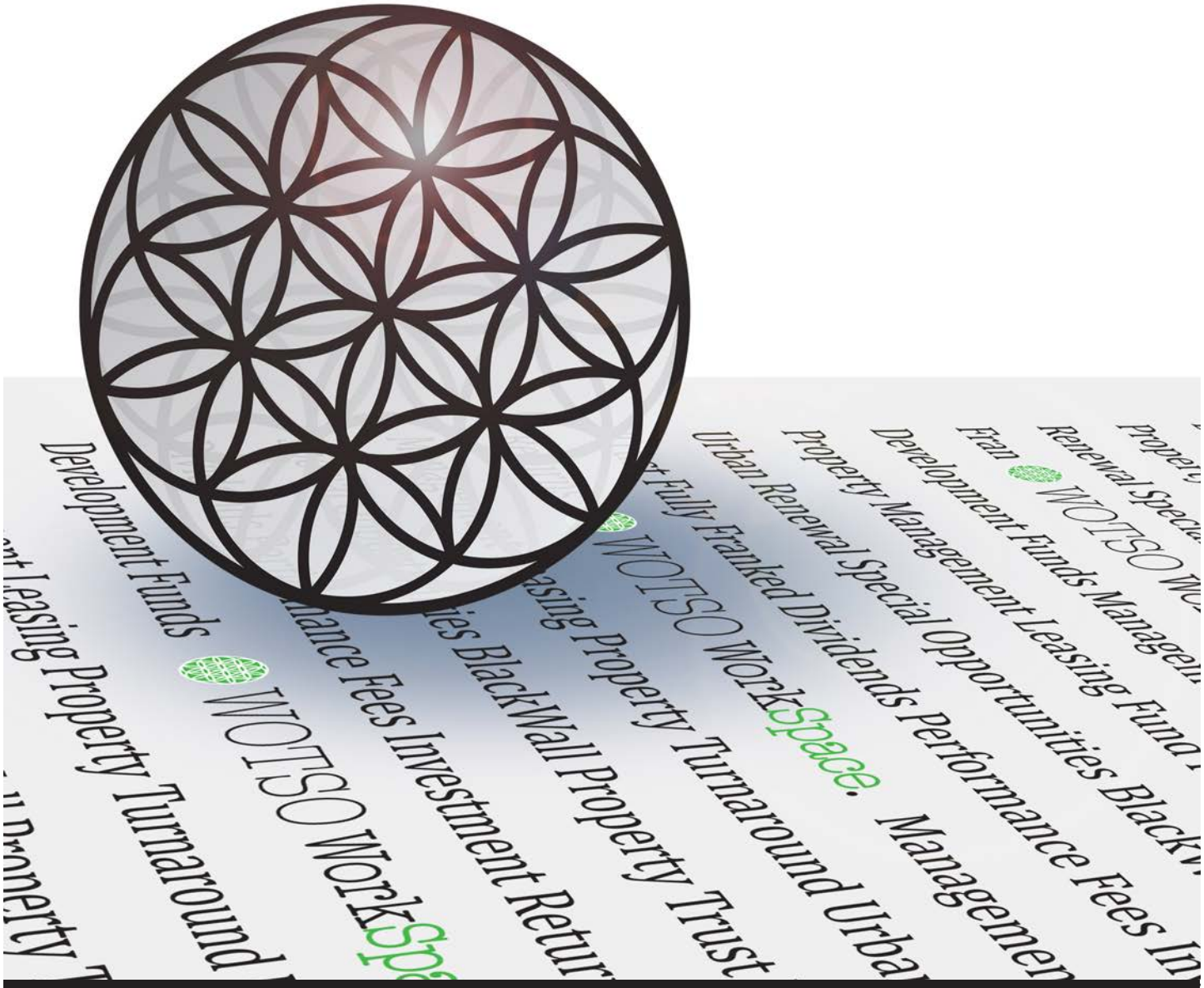
A joint venture may involve us structuring a residential investment syndicate with the property owner and a residential development partner. A partial sale or residential development could result in the bonds being redeemed in part or in full for cash.

For more information contact Stuart Brown (Chief Executive Officer) or Tim Brown (Chief Financial Officer) on +612 9033 8611.

BLACKWALL PROPERTY FUNDS

& Controlled Entities

ABN 37 146 935 131



Consolidated Annual Financial Report

Year Ended 30 June 2015

Financial Report

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Principal Activities and Review of Operations

BlackWall is a vertically integrated property business. For the year ended 30 June 2015 BlackWall made an after tax profit of $2.8 million. The Directors have declared a final fully franked dividend of 1.7 cents per share to be paid on 6 November 2015. This brings the full-year dividend to 3 cents per share fully franked, up 20% on the 2014 full year dividend.

BlackWall has net tangible assets of $16.9 million (34 cents per share, up 17% on the 2014 NTA) with 50.4 million shares on issue.

BlackWall's operating revenue is generated through management fees from income producing property and sales from its growing subsidiary, WOTSO WorkSpace. BlackWall's debt free balance sheet is invested in its funds or used to underwrite new investment offers. BlackWall also invests in deep value or turnaround opportunities. Through these activities BlackWall aims to generate NTA growth and recurring investment income.

Profit & Loss Summary	**2015**	**2014**
Recurring Income		
Management Fees	$3,917,000	$3,524,000
WOTSO WorkSpace Income	$1,863,000	$1,230,000
Investment Income	$312,000	$371,000
Total Recurring Income	**$6,092,000**	**$5,125,000**
Other Income		
Transaction Fees	$250,000	$3,894,000
Asset Sales, Impairment & Revaluations	$2,685,000	$1,437,000
Total Other Income	**$2,935,000**	**$5,331,000**
Total Income	**$9,027,000**	**$10,456,000**
Expenses	($4,853,000)	($4,576,000)
Depreciation	($160,000)	($158,000)
Tax	($1,191,000)	($1,641,000)
After Tax Profit	**$2,823,000**	**$4,081,000**
Earnings Per Share	**$0.06**	**$0.08**

Balance Sheet Summary	**2015**	**2014**
Net Tangible Assets	$16,897,000	$14,605,000
NTA Per Share	$0.34	$0.29
Closing Price*	$0.33	$0.265
Shares On Issue	50,395,445	50,395,445
Market Cap	$16,630,496	$13,354,792

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

Management

BlackWall's major management activities include:

BlackWall Property Trust (BWR)	ASX-listed real estate investment trust. BlackWall holds 7.5 million BWR units (16%).
Pyrmont Bridge Trust	Wholesale investment trust invested in a large commercial property turnaround project at 55 Pyrmont Bridge Road, Pyrmont.
Bakehouse Quarter/BQT	Large scale mixed use property development owned by a wholesale investment trust known as the Kirela Development Unit Trust. BlackWall undertakes fund, asset and debt management on behalf of Kirela. In addition BlackWall acts as the responsible entity for a retail investment trust (known as Bakehouse Quarter Trust or BQT) which holds a significant investment in Kirela, BWR and the Pyrmont Bridge Trust. BWR and BlackWall each hold subordinated debt interests secured over the Bakehouse Quarter.
BlackWall Telstra House Trust	Retail investment trust holding a large-scale commercial property located at 490 Northbourne Avenue Canberra.
BlackWall Penrith Fund No.3	120 Mulgoa Road, Penrith is a big box retail centre. BlackWall has arranged a series of PIPES investment structures over the asset, the latest of which matures in 2020.
WRV Unit Trust/Woods PIPES Fund	WRV is a single asset wholesale investment trust controlling an entertainment asset known as the Woods Action Centre. BlackWall has recently launched a 7-year PIPES investment structure, which is expected to close on 30 September.
Bald Rock Fund	A wholesale investment trust with an interest in a pub located in Rozelle Sydney. Contracts with respect to the sale of the pub have exchanged and the fund will wind up soon. Investors will have earned an IRR of almost 40% p.a.

The Bakehouse Quarter

The project comprises over 40,000 sqm of commercial, retail and entertainment space leased to tenants including Arnott's, NRMA, Aldi, Fitness First and AMF Bowling.

During the 2015 financial year the Bakehouse Quarter was formally marketed for sale as a result of a number of unsolicited approaches to purchase. Through the marketing process an offer of $270 million was received but was rejected by the Directors. Subsequently an offer (from a different party) of $300 million was declined as it was subject to unacceptable conditions.

While the site is no longer being actively marketed for sale there are a number of parties conducting due diligence and revised offers will be assessed if received. To further progress the development, BlackWall has resolved to make an application for a rezoning of the site and either:

- sell the individual residential development sites; or

- joint venture a residential development.

A joint venture may involve BlackWall structuring a residential investment syndicate with the property owner and a residential development partner.

In addition to the management activities undertaken by BlackWall at the Bakehouse Quarter, the Company holds 5 million Bakehouse Bonds with a carrying value of $5.4 million. Bakehouse Bonds are subordinated debt securities with a coupon of 5.5% per annum. The Bakehouse Bonds mature in 2020 and their face value is indexed to CPI annually. BWR also holds 20 million Bakehouse Bonds. The Bonds are subordinated to senior debt secured on the project. If the Bakehouse were to be sold in one line the Bakehouse Bonds would be redeemed for cash. Similarly, a partial sale or residential development could result in the bonds being redeemed in part or in full for cash.

The Bakehouse Quarter has $108 million of bank debt, which ranks in priority to $27.1 million worth of Bakehouse Bonds ($21.7 million held by BWR and $5.4 million held by BlackWall). With total debt of $135 million, depending on the value of the property adopted, Bakehouse Bonds are protected by an equity buffer of between $134 million and $165 million.

BlackWall Property Trust

The BlackWall Property Trust is an ASX-listed real estate investment trust with commercial, retail and industrial property interests. The Trust has $120 million of gross assets with $50 million of bank debt giving rise to net tangible assets of $64 million or $1.40 per unit. The Trust has 46 million units on issue.

BlackWall aims to grow BWR's gross assets through property acquisition and development or mergers at the trust level. As mentioned above BWR hold $21.7 million Bakehouse Bonds.

The Trust has declared a final distribution of 6 cents per unit on 6 November 2015. This brings the full year distribution to 11.5 cents per unit (an interim distribution of 5.5 cents per unit was paid in April 2015). The Trust has carried forward revenue losses of over $20 million and capital losses of approximately $17 million. As a consequence for a significant period all distributions will be 100% tax deferred. Please refer to the BWR full year accounts released to the market on 17 August 2015 for more information.

Woods PIPES Fund

BlackWall has launched a new investment fund known as the Woods PIPES Fund. Investors are offered the opportunity to invest in the Woods Action Centre in Sydney. The structure is forecast to generate quarterly income distributions of 8% per annum with a share of growth in the value of the property over the seven-year term.

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

WOTSO WorkSpace

WOTSO provides short-term serviced office and workspace accommodation at locations in Sydney (Neutral Bay, Pyrmont and North Strathfield), the Gold Coast and the ACT. See www.wotsoworkspace.com.au.

WOTSO WorkSpace is becoming an integral part of BlackWall's activities and adds value on a number of levels. Specifically:

- EBITDA contribution of $500,000 in 2015;
- at suitable properties WOTSO is a ready tenant in BlackWall's projects. By way of example, WOTSO has leased just over 900 sqm at BlackWall's Pyrmont Bridge Road property. This is generating $450,000 per annum of rent from space that was otherwise untenanted and WOTSO is already making a margin over its rental cost; and
- periodically WOTSO's customers grow from serviced office users to conventional tenants on long-term leases in BlackWall's projects.

WOTSO's financial contribution is expected to grow significantly. In the year ended June 2015 gross revenue was $1.9 million. Current annualised revenue is approximately $3 million. At new sites sustainable occupancy is generally built over a two to three year period. Of its 5,500 sqm footprint roughly 40% has been in operation for less than 12 months. The business is also expanding its offer by launching specialist premises by developing laboratory, commercial kitchen and studio space.

Share Buy-Back

The Company has extended its share buy-back to expire on 15 March 2016. No shares have been acquired since 30 June 2014.

Significant Changes in Affairs

There were no significant changes to the state of affairs of the Group during the financial year.

Events Subsequent to Reporting Date and Likely Developments

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

Information on Officeholders

The names of the Officeholders during or since the end of the year are set out below. Unless otherwise stated, Officeholders have been in office since 20 October 2010.

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

Joseph (Seph) Glew Non-Executive Director	Seph has worked in the commercial property industry in New Zealand, the USA and Australia. Seph has driven large scale property development and financial structuring for real estate for over 30 years. In addition, since the early 1990s Seph has run many "turn-around" processes in relation to distressed properties and property structures for both private and institutional property owners. While working for the Housing Corporation of New Zealand and then AMP, Seph qualified as a registered valuer and holds a Bachelor of Commerce. In the 1980s he served as an Executive Director with New Zealand based property group Chase Corporation and as a Non-Executive Director with a number of other listed companies in New Zealand and Australia.
Robin Tedder Non-Executive Director	Robin has around 40 years' experience in investment and financial markets. He has been an investor in BlackWall's projects since 1997. Robin is the Chairman of Vintage Capital Pty Ltd, an investment company with interests in property, wealth management, logistics and healthcare. He is a former member of the ASX and has served on the boards of several investment banks in Australia and overseas. He is a Director of Probiotec Ltd (a pharmaceutical manufacturing company listed on the ASX). Robin is also a Fellow of the Financial Services Institute of Australasia.
Stuart Brown Executive Director and Chief Executive Officer	Stuart has been involved in property investment for over 17 years. Stuart has run debt and equity raising in relation to listed and unlisted real estate structures with over a half a billion dollars in value. In his earlier career, Stuart practised as a solicitor in the areas of real estate, mergers and acquisitions and corporate advisory with Mallesons and Gilbert + Tobin. Stuart is also an independent Director of Coogee Boys' Preparatory School.
Caroline Raw Company Secretary from 18 February 2015 (Don Bayly Company Secretary until 18 February 2015)	Caroline Raw joined the BlackWall team in 2013. Caroline has been practising as a solicitor in NSW since 2005 and has worked predominantly on IPOs, public and private capital raisings, funds management, corporate advisory, takeovers and mergers and acquisitions. Caroline holds a Bachelor of Commerce, Bachelor of Laws and Graduate Diploma in Applied Corporate Governance. Caroline is also a Chartered Secretary and Associate Member of the Governance Institute of Australia.

Meeting Attendances

Director	No. of Board Meetings Held	Board Meeting Attendance
Richard Hill	10	10
Seph Glew	10	10
Robin Tedder	10	10
Stuart Brown	10	10

The Audit Committee, comprised of Seph Glew and Robin Tedder, met twice during the reporting period. Both committee members attended each meeting.

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.

Indemnities of Officers

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

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

Corporate Governance Statement

A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed at http://www.blackwallfunds.com.au/about-us.html.

Auditor and Non-audit Services

$11,450 was paid to the auditor for non-audit services during the year (2014: $10,250) as detailed in the Auditor's Remuneration note of the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

On 5 June 2015, the Board approved the extension of the Audit Partner rotation period from five years to seven years in accordance with section 324DAB of the Corporations Act 2001. The reasons for the extension included the Board's belief that: the Company would benefit from the continuity of knowledge and experience that Mr Kirkwood had gained in relation to the Company's operations and state of affairs in the preceding five years; the integrity and quality of the audit work would be maintained; and a rotation at this point would increase the administrative burden to the Company. The Company has the right to reassess Mr Kirkwood's appointment at any time during the extended period.

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

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

Rounding of Amounts

The Group is a group of the kind referred to in ASIC Class Order 98/100, and in accordance with that Class Order, amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Remuneration Report (Audited)

The Board is responsible for determining the remuneration of KMP. For the reporting period the Board has determined that KMP included the Chief Executive Officer and the Chief Financial Officer. KMP determine the senior executive and employees' remuneration.

When determining the remuneration of KMP, senior executives or employees, the following is taken into consideration:

- remuneration is aligned with the delivery of returns to shareholders;
- responsibilities, results, innovation and entrepreneurial behaviour are recognised and rewarded; and
- the Group's financial position and market conditions.

The remuneration payable to KMP is reviewed at time deemed appropriate by the Board. There are no performance conditions for Board members or contracts for KMP. Any performance payments are at the discretion of the Board. The nature and the amount of each element of remuneration paid to the Board members and KMP for the reporting period are listed below:

	Short term				Post-employment superannuation		Total	
	Directors' fees		Salary and other					
	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $
Richard Hill	85,000	85,000	-	-	-	-	85,000	85,000
Seph Glew	75,000	75,000	-	-	-	-	75,000	75,000
Robin Tedder	75,000	75,000	-	-	-	-	75,000	75,000
Stuart Brown	-	-	321,405	325,602	30,201	25,201	351,606	350,803
Tim Brown	-	-	199,312	200,760	18,935	15,240	218,247	216,000
Total	**235,000**	**235,000**	**520,717**	**526,362**	**49,136**	**40,441**	**804,853**	**801,803**

Share options

The following options are currently on issue. The exercise prices for A Options and B Options are 25 cents and 35 cents respectively.

	Expiry date	Number of options granted
Richard Hill	30 June 2016	250,000 A Options
Seph Glew	30 June 2016	200,000 A Options
Robin Tedder	30 June 2016	200,000 A Options
Stuart Brown	30 June 2016	900,000 A Options
	30 June 2018	2,000,000 B Options
Tim Brown	30 June 2016	395,000 A Options
Total		**1,945,000 A Options**
		2,000,000 B Options

Directors and KMPs' Relevant Interests

Details of each KMP's relevant interests in the Company and at the release of the 2015 Annual Report are shown below.

	30 June 2014	Net change	14 August 2015*
Richard Hill	1,643,686	24,000	1,667,686
Seph Glew	7,753,510	1,500,000	9,253,510
Robin Tedder	7,442,502	1,000,000	8,442,502
Stuart Brown	700,230	1,500,000	2,200,230
Tim Brown	83,141	450,000	533,141
Total	**17,623,069**	**4,474,000**	**22,097,069**

** Same holdings as at 30 June 2015*

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

Stuart Brown
Director
Sydney, 19 August 2015

ESV

Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

As auditor for the audit of Blackwall Property Funds Ltd and its Controlled Entities for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Dated at Sydney the 17th day of August 2015.

ESV

ESV Accounting and Business Advisors

Chris Kirkwood
Partner

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Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The shareholder information set out below was current as at 14 August 2015.

1. Shareholders

The Company's top 20 largest shareholdings were:

	Investor	Ordinary Shares (No.)	Shares (%)
1	Vintage Capital Pty Limited	5,413,800	10.74
2	Seno Management Pty Ltd <Seno Super Fund A/C>	5,100,000	10.12
3	Lymkeesh Pty Ltd <Employees Super Fund A/C>	4,304,742	8.54
4	Sandhurst Trustees Ltd <AIMS PSF A/C>	2,762,000	5.48
5	Ihop Pty Ltd <Keppel Investments Unit A/C>	2,657,205	5.27
6	Koonta Pty Ltd <Koonta Super Fund Account>	1,998,702	3.97
7	Jagar Property Consultants Pty Limited	1,464,581	2.91
8	Sao Investments Pty Ltd	1,428,262	2.83
9	J P Morgan Nominees Australia Limited	1,203,928	2.39
10	McMullin Nominees Pty Ltd	1,148,713	2.28
11	Pinnatus Pty Ltd	1,141,088	2.26
12	Frogstorm Pty Ltd <The Rockahula A/C>	1,030,223	2.04
13	Bin24 Business Advisors Pty Limited	1,020,000	2.02
14	Mr Richard Hill <Richard Hill Super Fund A/C>	873,604	1.73
15	Methuselah Capital Management Pty Ltd	805,412	1.60
16	Glenahilty Limited	772,088	1.53
17	I P R Nominees Pty Ltd <1965 Irvin Peter Rockman A/C>	755,781	1.50
18	Tampopo Pty Ltd	754,082	1.50
19	Mr Mark Hamish Lochtenberg + Mr Michael Lochtenberg	501,371	0.99
20	Plan Sailing Trails Pty Ltd <PST A/C>	457,838	0.91

2. Distribution of Shareholders

The distribution of shareholders by size of holding was:

Category	No. of Shareholders
1-1,000	242
1,001-5,000	541
5,001-10,000	203
10,001-100,000	204
100,001 and over	47
Total number of shareholders	**1,237**

BlackWall has 369 holders of less than a marketable parcel. The Company has 50,395,445 ordinary shares on issue. All shares carry one vote per share without restrictions. All shares are quoted on the Australian Securities Exchange (ASX: BWF).

3. Substantial Shareholders

The Company's substantial shareholders are set out below:

Investor	Ordinary Shares (No.)	Shares (%)
JR (Seph) Glew	9,253,510	18.36
Robin Tedder	8,442,502	16.75
Paul Tresidder	7,442,252	14.77
IHOP Pty Limited <Keppel Investments Unit Trust>	3,948,526	7.83
Sandhurst Trustees Ltd <AIMS PSF A/C>	2,762,000	5.48

The Group's details are as follows:

Registered Office	Level 1, 50 Yeo Street Neutral Bay NSW 2089
Principal Place of Business	Level 1, 50 Yeo Street Neutral Bay NSW 2089
Telephone	+612 9033 8611
Fax	+612 9033 8600
Websites	www.blackwallfunds.com.au www.wotsoworkspace.com.au
Registry	Computershare Investor Services Pty Limited GPO Box 2975 Melbourne VIC 3001 www.computershare.com.au Telephone: +613 9415 4329

BlackWall Property Funds Limited and Controlled Entities

ABN 37 146 935 131

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 $'000	2014 $'000
Management fees		3,917	3,524
WOTSO WorkSpace income		1,863	1,230
Investment income		312	371
Recurring Revenue		**6,092**	**5,125**
Unrealised gain on revaluation of financial assets		2,685	1,833
Transaction fees		250	3,894
Total Revenue	2	**9,027**	**10,852**
Business operating expenses	3	(4,827)	(4,566)
Depreciation		(160)	(158)
Finance costs		(19)	(33)
Other expenses		(10)	(7)
Loss on disposal of assets		-	(48)
Write off of goodwill		-	(348)
Profit Before Income Tax		**4,011**	**5,692**
Income tax expense	4	(1,191)	(1,641)
Profit For the Year		**2,820**	**4,051**
Total Comprehensive Income For the Year		**2,820**	**4,051**
Profit / (Loss) Attributable To:			
Owners of the Group		2,823	4,081
Outside equity interest		(3)	(30)
		2,820	**4,051**
Total Comprehensive Income / (Loss) Attributable To:			
Owners of the Group		2,823	4,081
Outside equity interest		(3)	(30)
		2,820	**4,051**
Earnings Per Share			
Continuing operations:			
Basic and diluted earnings per share	17	$0.06	$0.08

The accompanying notes form part of these financial statements.

BlackWall Property Funds Limited and Controlled Entities

ABN 37 146 935 131

Consolidated Statement of Financial Position

As at 30 June 2015

	Note	2015 $'000	2014 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	483	1,123
Trade and other receivables	6	629	952
Total Current Assets		1,112	2,075
Non-current Assets			
Equity accounted investments	7	5	5
Financial assets	8	16,024	14,255
Property, plant and equipment	9	831	387
Total Non-current Assets		16,860	14,647
TOTAL ASSETS		**17,972**	**16,722**
LIABILITIES			
Current Liabilities			
Trade and other payables	10	632	870
Current tax payable	11	-	925
Provisions	12	248	208
Total Current Liabilities		880	2,003
Non-current Liabilities			
Other payables	13	164	119
Deferred tax liabilities	14	1,388	609
Provisions	12	94	55
Total Non-current Liabilities		1,646	783
TOTAL LIABILITIES		**2,526**	**2,786**
NET ASSETS		**15,446**	**13,936**
EQUITY			
Share capital	15(a)	11,247	11,247
Reserves	15(c)	8	8
Retained earnings		4,254	2,741
Parent Interest		15,509	13,996
Outside equity interest		(63)	(60)
TOTAL EQUITY		**15,446**	**13,936**

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Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2015

	Ordinary shares $'000	Retained earnings/ (accumulated losses) $'000	Share options reserve $'000	Attributable to owners of the parent $'000	Outside equity interest $'000	Total $'000
Balance at 1 July 2014	**11,247**	**2,741**	**8**	**13,996**	**(60)**	**13,936**
Profit for the year	-	2,823	-	2,823	(3)	2,820
Dividend paid	-	(1,310)	-	(1,310)	-	(1,310)
Balance at 30 June 2015	**11,247**	**4,254**	**8**	**15,509**	**(63)**	**15,446**
Balance at 1 July 2013	**11,338**	**(433)**	-	**10,905**	**146**	**11,051**
Profit for the year	-	4,081	-	4,081	(30)	4,051
Dividend paid	-	(907)	-	(907)	-	(907)
Transactions with owners in their capacity as owners	-	-	-	-	(176)	(176)
Cancellation of shares	(91)	-	-	(91)	-	(91)
Share options	-	-	8	8	-	8
Balance at 30 June 2014	**11,247**	**2,741**	**8**	**13,996**	**(60)**	**13,936**

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Consolidated Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	2015 $'000	2014 $'000
Cash Flows From Operating Activities			
Management fee receipts		5,296	4,850
WOTSO WorkSpace receipts		2,018	1,355
Transaction fee receipts		250	3,894
Investment income		312	303
Payments to suppliers and employees		(5,792)	(5,993)
Income tax paid		(1,277)	(496)
Bank charges and interests paid		(19)	(33)
Net Cash Flows From Operating Activities	20	**788**	**3,880**
Cash Flows From Investing Activities			
Returns of capital from BWR		672	185
Receipts from sale of other related funds units		174	190
Net proceeds from /(repayment of) loan to Bald Rock Fund		15	(475)
Payments for WOTSO WorkSpace fitout		(572)	(35)
Payments for Pelathon Pub Group Preferred units		(225)	(150)
Net payments for BWR units		(166)	(2,120)
Payments for fixed assets		(32)	(9)
Net Cash Flows Used in Investing Activities		**(134)**	**(2,414)**
Cash Flows From Financing Activities			
Dividend paid		(1,294)	(1,079)
Repayment of borrowings		-	(250)
Payments for share buy-back		-	(91)
Net Cash Flows Used in Financing Activities		**(1,294)**	**(1,420)**
Net Increase / (Decrease) in Cash Held		**(640)**	**46**
Cash and cash equivalents at the beginning of the year		1,123	1,077
Cash and Cash Equivalents at End of the Year	5	**483**	**1,123**

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1. Segment Information

The segment information for the year ended 30 June is as follows. For information on segment reporting, refer to Notes to the Financial Statements for more details.

Profit & Loss 2015 ($'000)	Income	Gains	Total Revenue	Expenses	EBTDA	Pre-tax Profit
Management	4,042	-	4,042	(2,841)	1,201	1,187
WOTSO WorkSpace	1,972	-	1,972	(1,446)	526	380
Investment	328	2,685	3,013	(458)	2,555	2,555
Unallocated	-	-	-	(111)	(111)	(111)
Consolidated	**6,342**	**2,685**	**9,027**	**(4,856)**	4,171	**4,011**

Profit & Loss 2014 ($'000)	Income	Gains	Total Revenue	Expenses	EBTDA	Pre-tax Profit
Management	7,417	-	7,417	(3,033)	4,384	4,365
WOTSO WorkSpace	1,230	-	1,230	(971)	259	120
Investment	372	1,833	2,205	(465)	1,740	1,740
Unallocated	-	-	-	(533)*	(533)	(533)
Consolidated	**9,019**	**1,833**	**10,852**	**(5,002)**	5,850	**5,692**

** includes $348,000 write off of goodwill*

	June 2015			June 2014		
Balance Sheet ($'000)	**Assets**	**Liabilities**	**Net Assets**	**Assets**	**Liabilities**	**Net Assets**
Management	1,134	(713)	421	2,029	(1,808)	221
WOTSO WorkSpace	814	(316)	498	438	(173)	265
Investment	16,024	(1,497)	14,527	14,255	(805)	13,450
Consolidated	**17,972**	**(2,526)**	**15,446**	**16,722**	**(2,786)**	**13,936**

2. Revenue

	2015 $'000	2014 $'000
Recurring revenue:		
Management fees	3,917	3,524
WOTSO WorkSpace income	1,863	1,230
Investment income - distributions	275	309
Investment income - interest	37	62
	6,092	5,125
Other revenue:		
Unrealised gain on revaluation of financial assets	2,685	1,833
Transaction fees	250	3,894
	2,935	5,727
Total	**9,027**	**10,852**

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

3. Expenses

	2015 $'000	2014 $'000
Employee & consultants' costs	2,705	2,943
WOTSO WorkSpace expenses	1,446	971
Administration expenses	676	652
Total business operating expenses	4,827	4,566

4. Income Tax Expense

	2015 $'000	2014 $'000
Current tax	412	1,280
Deferred tax	779	366
Overprovision of prior year tax	-	(5)
Total	**1,191**	**1,641**

	2015 $'000	2014 $'000
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2014: 30%)	1,203	1,707
Add / (less) tax effect of:		
- Non-deductible items	5	135
- Deductible item	(17)	(181)
- Costs of issuing equity	-	(15)
- Overprovision of prior year tax	-	(5)
Total	**1,191**	**1,641**

5. Current Assets - Cash and Cash Equivalents

	2015 $'000	2014 $'000
Cash on hand	1	1
Cash at bank	482	1,122
Total	**483**	**1,123**

Cash at bank earns interest at floating rates based on daily bank deposit rates.

6. Current Assets - Trade and Other Receivables

	2015 $'000	2014 $'000
Trade receivables:		
- Related parties	158	824
- Other parties	15	25
Total trade receivables	173	849
Other receivables:		
- Bald Rock Fund loan receivable	450	-
- Related parties	1	47
- Other parties	5	56
Total other receivables	456	103
Total	**629**	**952**

BlackWall Property Funds Limited and Controlled Entities

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For the Year Ended 30 June 2015

The Bald Rock Hotel loan receivable was repaid in full in August 2015. Further information relating to trade and other receivables to related parties is set out in the Related Party Transactions note. None of the receivables were impaired as at 30 June 2015 (2014: $nil).

7. Non-current Assets - Equity Accounted Investments

Name	Principal	Country of Incorporation	Ownership Interest 2015 %	Ownership Interest 2014 %	Carrying Amount of Investment 2015 $'000	Carrying Amount of Investment 2014 $'000
APG Asset Management Pty Ltd	Financial services and management company	Australia	50	50	5	5
Total					**5**	**5**

8. Current and Non-current Assets - Financial Assets

	Note	June 2015 $'000	June 2014 $'000
(a) Non-current			
Loan to Bald Rock Fund		-	465
Financial assets at FVTPL	8(b)	16,024	13,790
Total		**16,024**	**14,255**

The Bald Rock Fund loan is now classified as a current receivable. Refer to Trade and Other Receivables note for further details.

(b) Financial assets at FVTPL			
BlackWall Property Trust		9,150	6,979
Bakehouse Bonds		5,420	5,340
Pelathon Pub Group	8(c)	1,354	1,017
Pelathon Management Group		100	10
BlackWall Opportunities Fund		-	444
Total		**16,024**	**13,790**

The Bakehouse Bonds are CPI linked debt instruments secured against a large scale mixed use property known as the Bakehouse Quarter in North Strathfield, Sydney. The Bonds' face value of $5 million is indexed to CPI (subject to impairment) and the current value at 30 June 2015 is $5.4 million. The Bonds will mature on 30 June 2020. In addition, a coupon of 5.5% per annum is paid quarterly in arrears.

(c) Pelathon Pub Group

The Group owns the following Pelathon Pub Group units. The Preferred units are now fully paid to 6 cents per unit (second instalment of 3.6 cents per unit totaling $225,000 was paid in June 2015).

12,561,439 Ordinary units	904	829
6,250,000 Preferred units	450	188
Total	**1,354**	**1,017**

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

9. Non-current Assets - Property, Plant and Equipment

	2015 $'000	2014 $'000
Furniture, fixtures and fittings:		
- At cost	1,488	945
- Less accumulated depreciation	(726)	(593)
	762	352
Office equipment:		
- At cost	133	101
- Less accumulated depreciation	(64)	(66)
	69	35
Total	**831**	**387**

	Furniture, fixtures and fittings $'000	Office equipment $'000	Total $'000
30 June 2015			
Balance at the beginning of year	352	35	387
Additions	551	53	604
Depreciation expense	(141)	(19)	(160)
Balance at the end of year	762	69	831
30 June 2014			
Balance at the beginning of year	461	42	503
Additions	28	17	45
Disposals	-	(3)	(3)
Depreciation expense	(137)	(21)	(158)
Balance at the end of year	352	35	387

10. Current Liabilities - Trade and Other Payables

	2015 $'000	2014 $'000
Trade payables:		
- Related parties	1	47
- Other parties	481	750
	482	797
Sundry payables and accrued expenses	41	43
Income received in advance:		
- Related parties	84	-
- Other parties	25	30
	109	30
Total	**632**	**870**

Further information relating to trade payables from related parties is set out in the Related Party Transactions note.

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

11. Current Liabilities - Current Tax Payable

	2015 $'000	2014 $'000
Income tax payable	-	925
Total	**-**	**925**

In 2015 PAYG instalments paid have equaled tax payable.

12. Current and Non-current Liabilities - Provisions

	2015 $'000	2014 $'000
Current – employee benefits	248	208
Non-current – employee benefits	94	55
Total provisions	**342**	**263**

	2015 $'000	2014 $'000
Balance at the beginning of year	263	220
Net additional provisions recognised	79	43
Balance at the end of year	342	263

The number of employees for the Group as at 30 June 2015 was 23 (2014: 19).

13. Non-current Liabilities - Other Payables

	2015 $'000	2014 $'000
Tenant deposits	164	119
Total	**164**	**119**

14. Non-current Liabilities - Deferred Tax Liabilities

	2015 $'000	2014 $'000
Deferred tax liabilities / (assets) balance comprises:		
Financial assets at FVTPL	1,484	624
Interest receivables	21	76
Provision for employee benefits	(93)	(69)
Accrued expenses	(24)	(22)
Total	**1,388**	**609**
Movements:		
Balance at the beginning of year	609	243
Charged to the profit and loss	779	366
Balance at the end of year	**1,388**	**609**

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

15. Share Capital and Reserves

(a) Summary table

	2015 $'000	2014 $'000
50,395,445 (2014: 50,395,445) Ordinary	11,247	11,247
Total	**11,247**	**11,247**

(b) Movement in shares on issue

	No.	No.
At the beginning of reporting period	50,395,445	51,020,445
Shares cancelled during the year	-	(625,000)
At reporting date	**50,395,445**	**50,395,445**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. All shares are fully paid and have no par value.

(c) Reserves

	2015 $'000	2014 $'000
Share options reserve	8	8
Total	**8**	**8**

In 2014, the Company granted 4,495,000 options to KMP and employees as follows. None of the options were exercised during the current year.

Options	Expiry date	Exercise price	Number
A Options	30 June 2016	$0.25	2,495,000
B Options	30 June 2018	$0.35	2,000,000
			4,495,000

16. Dividends

Fully franked dividends paid to members during the financial year were as follows:

	Parent entity 2015 $'000	Parent entity 2014 $'000
2014 final dividend of 1.3 cents paid on 31 October 2014 (2013: 0.6 cents)	655	302
2015 interim dividend of 1.3 cents paid on 30 April 2015 (2014: 1.2 cents)	655	605
Total	**1,310**	**907**

In addition, the Board has declared a final fully franked dividend of 1.7 cents per share to be paid on 6 November 2015.

Franking credits available for the subsequent periods based on a tax rate of 30% (2014: 30%)	**1,110**	**1,346**

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax;

(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and

(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

17. Earnings Per Share

	2015	2014
Basic and diluted EPS	$0.06	$0.08
Calculated as follows:		
Profit attributable to the owners of the Group	$2,823,000	$4,081,000
Weighted average number of shares for basic EPS	50,395,445	50,412,568
Weighted average number of shares for diluted EPS	50,885,900	50,412,568

18. Auditor's Remuneration

	2015 $'000	2014 $'000
Remuneration of ESV for:		
- audit and assurance services	70	61
- taxation services	11	10
	81	**71**
Remuneration of non-ESV firm for:		
- other assurance services	4	7
- taxation services	-	2
	4	**9**
Total	**85**	**80**

19. Commitments

(a) Operating lease commitments

Operating leases relate to tenancy leases with lease terms of between 1 and 5 years.

	2015 $'000	2014 $'000
Lease commitments payable:		
- payable within 1 year	1,474	1,060
- payable within 2 – 5 years	3,349	1,085
Total	**4,823**	**2,145**

(b) Capital lease commitments

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

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

20. Reconciliation of Operating Cash Flows

	2015 $'000	2014 $'000
Profit for the year	2,820	4,051
Non-cash flows in profit:		
Depreciation	160	158
Loss / (gain) on disposal of assets	(5)	48
Unrealised gain on revaluation	(2,685)	(1,833)
Write off of goodwill	-	348
Share options expense	-	8
Changes in assets and liabilities:		
Decrease in trade and other receivables	773	414
Increase in deferred tax liabilities	790	547
Decrease in trade and other payables	(208)	(511)
Increase / (decrease) in income taxes payable	(925)	788
Increase / (decrease) in provisions	68	(138)
Net cash flows from operating activities	**788**	**3,880**

21. Contingencies

The Group had no contingent assets or liabilities at 30 June 2015 (2014: $nil).

22. Subsequent Events

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

23. Controlled Entities

Name	Country of incorporation	Percentage Owned 2015 %	2014 %
Parent entity:			
BlackWall Property Funds Limited	Australia	100	100
Subsidiaries of parent entity:			
BlackWall Management Services Pty Ltd	Australia	100	100
BlackWall Fund Services Limited	Australia	100	100
WOTSO WorkSpace Pty Ltd	Australia	100	100

24. Related Party Transactions

(a) Related Entities, Associates and Joint Venture Entities, Managed Funds

In these financial statements, related parties are parties as defined by *AASB 124 Related Party Disclosures* rather than the definition of related parties under the Corporations Act 2001 and ASX Listing Rules.

Associates and Joint Venture Entities
Interests held in associates and joint venture entities by the Group are set out in the Equity Accounted Investment note to the financial statements.

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

Managed Funds
The Group holds investments in a number of property funds for which it acts as either manager or responsible entity (refer to the Financial Assets note).

Fees and Transactions
Management fees are charged to these entities predominantly for property and fund management services. The management fees are paid under a management agreement and the fees charged are determined with reference to arm's length commercial rates.

These services principally relate to:
- investment management: provision of strategic investment advice, asset management and investment portfolio services; and
- asset management: provision of property management services, property portfolio advisory services, maintenance and insurances, strategic advice and management supervision services, administration, marketing and risk management services.

The Group recharges its related entities, associates, joint venture entities and managed funds, for administration services which include accounting and bookkeeping fees, corporate secretarial services and those expenses that are incurred by members of the Group on behalf of the related entities, associates, joint venture entities and managed funds. In addition, the Group pays the following fees to related entities:
- rent for use of the Group's Bakehouse Quarter, WOTSO WorkSpace and Neutral Bay head office. The rent paid is determined with reference to arm's length commercial rates; and
- consulting fees as they arise.

Other transactions and outstanding balances with related entities, associates, joint venture entities and managed funds relate to loans payable and receivable and distributions from managed funds. All transactions with related parties were made on normal commercial terms and conditions and at market rates, and were approved by the Board where applicable. The following transactions occurred during the financial year and the balances were outstanding at the year end between the Group and its related entities.

	2015 $'000	2014 $'000
Revenue:		
- Management and transaction fees	3,283	2,974
- Distribution/returns of capital from funds	947	496
- Interest income from loan to Bald Rock Fund	25	13
Expenses:		
- Rent and outgoings paid	1,103	1,059
- Consulting fees	-	1
Outstanding balances:		
- Trade and other receivables - current	609	871
- Loan to Bald Rock Fund - non-current	-	465
- Trade and other payables - current	85	47

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

(b) Interests in Related Parties

As at year end the Group owned units in the following related funds:

Entity	Holdings (No.'000)		Distribution/Returns of Capital/Interest ($'000)	
	2015	2014	2015	2014
BlackWall Property Trust *	7,500	7,048	672	185
Pelathon Pub Group (Ordinary)	12,561	12,561	-	-
Pelathon Pub Group (Preferred)	6,250	6,250	-	-
Bakehouse Bonds	5,000	5,000	275	275
BlackWall Opportunities Fund	-	1,932	-	-
BlackWall Storage Fund	-	-	-	36
			947	**496**

* 2014 holdings were restated based on a 10 to 1 unit consolidation by BlackWall Property Trust in March 2015.

(c) Key management personnel compensation

	2015 $'000	2014 $'000
Total remuneration paid	805	802

Detailed remuneration disclosures and relevant interests are provided in the Directors' Report.

25. Parent Entity Information

The following summarises the financial information of the Group's parent entity, BlackWall Property Funds Limited, as at and for the year ended 30 June:

	2015 $'000	2014 $'000
Results:		
Profit after tax	1,368	2,844
Total comprehensive income after tax	**1,368**	**2,844**
Financial position:		
Current assets	451	364
Non-current assets	13,393	12,168
Total assets	**13,844**	**12,532**
Current liabilities	(2,036)	(1,150)
Non-current liabilities	(862)	(494)
Total liabilities	**(2,898)**	**(1,644)**
Net assets	**10,946**	**10,888**
Share capital	11,247	11,247
Reserves	8	8
Accumulated losses	(309)	(367)
Total equity	**10,946**	**10,888**

The parent entity had no contingencies or capital commitments at 30 June 2015 (2014: Nil).

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Notes to the Financial Statements

For the Year Ended 30 June 2015

26. Financial Risk Management

(a) Financial risk management

The main risks the Group exposed to through its financial instruments are market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's principal financial instruments are cash and financial assets. Additionally, the Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Board has overall responsibility for the establishment and oversight of the risk management framework. It monitors the Group's risk exposure by regularly reviewing finance and property markets. The Group holds the following major financial instruments:

	2015 $'000	2014 $'000
Financial assets		
Cash and cash equivalents	483	1,123
Financial assets at FVTPL	16,024	13,790

(b) Market risk

(i) Foreign exchange risk

The Group has no material foreign exchange risk.

(ii) Interest rate risk

The impact from movement in interest rates is not material based on the current cash balance. The major financial asset is the Group's $5 million interest in Bakehouse Bonds which is subject to a fixed coupon rate of 5.5% p.a. and as a result is not directly exposed to the interest rate risk. However the Bonds' value is linked to inflation and therefore affected by the inflation rate.

(iii) Price risk

The Group is not exposed to any major price risk except for a material change in the property valuation of the Bakehouse Quarter, which could potentially lead to a decrease in the Bakehouse Bonds' value on their maturity. In relation to the investment in BWR units, a 10% decrease in the ASX trading price (from the price at 30 June 2015, i.e. $1.22 per unit) would result in an unrealised loss after tax of $641,000.

(c) Credit risk

The Group is not exposed to any major credit risk except for the Bakehouse Bonds. The credit risk for the Bakehouse Bonds is of the same nature as the price risk described above.

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(d) Liquidity risk

	Maturing within 1 year $'000	Maturing 1 – 5 years $'000	Maturing over 5 years $'000	Total $'000
At 30 June 2015				
Financial assets				
Cash and cash equivalents	483	-	-	483
Trade and other receivables	629	-	-	629
Financial assets at FVTPL	-	16,024	-	16,024
	1,112	**16,024**	**-**	**17,136**
Financial liabilities				
Trade and other payables	632	-	-	632
At 30 June 2014				
Financial assets				
Cash and cash equivalents	1,123	-	-	1,123
Trade and other receivables	952	-	-	952
Loan to related parties	-	465	-	465
Financial assets at FVTPL	-	8,450	5,340	13,790
	2,075	**8,915**	**5,340**	**16,330**
Financial liabilities				
Trade and other payables	870	-	-	870

(e) 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 Group is the current bid price and the quoted market price for financial liabilities is the current asking price.

The following table presents the Group's financial assets and liabilities measured at fair value as at 30 June. Refer to the Critical Accounting Estimates and Judgments note for further details of assumptions used and how fair values are measured.

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For the Year Ended 30 June 2015

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
At 30 June 2015				
Financial assets at FVTPL	9,150	-	6,874	16,024
At 30 June 2014				
Financial assets at FVTPL	6,979	-	6,811	13,790

(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 fair value of the Bakehouse Bonds is measured by its face value adjusted for annual CPI movements, subject to recoverability assessment. All these instruments are included in Level 3.

(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 year ended 30 June:

	$'000
At 30 June 2015	
Balance at the beginning of year	6,811
Purchase	225
Sale	(444)
Fair value movement	282
Balance at the end of year	**6,874**
At 30 June 2014	
Balance at the beginning of year	6,660
Purchase	150
Sale	(214)
Fair value movement	215
Balance at the end of year	**6,811**

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

27. Critical Accounting Estimates and Judgments

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

Key estimates - Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. The Directors believed it appropriate to raise no impairment provisions for the year ended 30 June 2015.

Key estimates –Financial Assets

Financial asset provisions have been raised with reference to the prevailing prices at 30 June 2015 of

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

financial assets at FVTPL with gains and losses recognised in profit or loss. The fair value of the unlisted securities is determined by reference to the net assets of the underlying entities. The fair value of the listed securities is based on the closing price from the Australian Securities Exchange as at the reporting date. The fair value of the Bakehouse Bonds is measured by its face value adjusted for annual CPI movements, subject to impairment assessment.

28. Statement of Significant Accounting Policies

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

Basis of Preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements of the Company also comply with IFRS as issued by the International Accounting Standards Board.

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 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

The 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.

New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for these financial statements:

AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities

In August 2013, the AASB made amendments to the above standard which exempt investment entities from consolidating controlled investees. The amendments applied to the Group from 1 July 2014.

AASB 2014-1 Amendments to Australian Accounting Standards – Employee benefits

The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

The Group has adopted these standards and there are no material changes to the Group's financial statements.

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For the Year Ended 30 June 2015

Going concern

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

Segment Reporting

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

The Group has adopted four reporting segments, Fund and Property Management, Investments, WOTSO WorkSpace and Unallocated. Following the acquisition of funds management operations, the Group's fee earning activities are primarily derived from property assets held within funds or held on balance sheet. As such the Group's operations and reporting lines are better represented by consolidating all of the fee earning, operating property businesses within the Fund and Property Management segment and returns derived by holding investments in property securities under the segment referred to as Investments.

The Fund and Property Management segment engages in funds and asset management as well as property services that include property management, leasing and general property consultancy. Management treats these operations as one "fee earning" operating segment. The Investments segment includes interests in property related investments such as units in related party listed and unlisted unit trusts, loans and cash. It generates income from dividends, distributions, and interest. The WOTSO WorkSpace segment represents the serviced office and co-workspace business and generates recurring licence and services fees by providing short-term office accommodation, shared workspace and meeting and event venues. The Unallocated segment represents general administrative functions at the head office (e.g. salaries).

Presentation of Financial Statements

Both the functional and presentation currency of BlackWall Property Funds Limited and its Australian subsidiaries is Australian dollars. The New Zealand subsidiary's functional currency is New Zealand Dollars, which is translated to presentation currency (refer to Foreign Currency Translation note below).

Principles of Consolidation

Controlled entities

The consolidated financial statements comprise the financial statements of BlackWall Property Funds Limited and its subsidiaries. A list of controlled entities is contained in the Controlled Entities note to the financial statements. All controlled entities have a June financial year end and use consistent accounting policies. Investments in subsidiaries held by the Group are accounted for at cost less any impairment charges (refer to Parent Entity Information note).

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

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 has the ability to 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 parent entity.

Non-controlling interests

Non-controlling interests (not held by the Group) are allocated their share of net profit and comprehensive income after tax in the statement of profit or loss and other comprehensive income and are presented within equity in the consolidated balance sheet, separately from parent shareholders' equity. Comprehensive income after tax in the statement of profit or loss and other comprehensive income are presented within equity in the consolidated balance sheet, separately from parent shareholders' equity.

Foreign Currency Translation

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year end exchange rates prevailing at the reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the balance sheet. These differences are recognised in the profit or loss (on a net basis) in the period in which the operation is disposed of.

Property, Plant and Equipment

General information

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit and loss as incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

The estimated useful lives used for each class of depreciable assets are:

Furniture, Fixtures and Fittings	over 2 to 40 years
Office Equipment	over 2 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, either the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, or the income of the asset is capitalised at its relevant capitalisation rate.

An impairment loss is recognised if the carrying value of an asset exceeds its recoverable amount. Impairment losses are expensed to the profit and loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Recognition

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flow from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets

The Group classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value and those to be measured at amortised cost. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

(i) Debt investments – at fair value through profit or loss

The Bakehouse Bonds are classified as a debt investment at fair value through profit or loss.

(ii) Equity investments

All equity investments are measured at fair value. Equity investments that are held for trading are measured at fair value through profit or loss.

(iii) Loans and receivables

Loans and receivables including loans to related entities are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Fair value

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance date. For investments in related party unlisted unit trusts, fair values are determined by reference to published unit prices of these investments which are based on the net tangible assets of each of the investments.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. A financial instrument is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

An impairment loss in respect of a financial instrument measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial instruments are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Impairment losses are recognised in the profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial instruments measured at amortised cost, the reversal is recognised in profit and loss.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting where significant influence is exercised over an investee. Significant influence exists where the investor has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies.

Under the equity method of accounting, investments in the associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of the interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor and default payments are considered objective evidence of impairment. Bad debts are written off when identified as uncollectable.

Trade and Other Payables

Liabilities for trade creditors are carried at cost which is the fair value of the consideration to be paid in the future for goods or services received, whether or not billed to the Group at balance date. The amounts are unsecured and are usually paid within 30 days of recognition.

Interest Bearing Borrowings

Interest bearing borrowings are initially recognised at fair value less any related transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost.

Employee Benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution to defined contribution plans are recognised as a personnel expense in profit and loss when they are due.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

Other long term employee benefits

The Group's net obligation in respect of long term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. These employee benefits have not been discounted to the present value of the estimated future cash outflows to be made for those benefits.

Short term benefits

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Revenue

Management fees and transaction fees are recognised when it becomes legally due and payable to the Group.

WOTSO WorkSpace income comprises rental and recovery of outgoings from property tenants. Rental income is accounted for on a straight-line basis over the lease term.

Investment income

Finance income comprises interest on funds invested, gains on the disposal of financial assets at fair value through profit and loss. Interest income is recognised as interest accrues using the effective interest method. Dividend and distribution revenue is recognised when the right to receive income has been established.

All revenue is stated net of the amount of GST.

Income Tax

Current income tax expense

The charge for current income tax expense is based on the profit year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Accounting for deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

Deferred tax calculation

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred income tax assets

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Benefit brought to account

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax consolidation

BlackWall Property Funds Limited has elected to form a tax consolidated group with its wholly-owned entities for income tax purposes under the tax consolidation regime with effect from 1 January 2011. As a consequence, all members of the tax consolidated group are taxed as a single entity from that date. The head entity within the tax consolidated group is BlackWall Property Funds Limited.

In addition to its own current and deferred tax amounts, BlackWall Property Funds Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group in conjunction with any tax funding arrangement amounts.

The Group recognises deferred tax assets arising from unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

GST

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

BlackWall Property Funds Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

EPS

The Group presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. 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

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

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

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

In the Directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001, including:
  (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

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

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

Stuart Brown
Director
Sydney, 19 August 2015

ESV

Independent Audit Report to the Members of Blackwall Property Funds Limited and Controlled Entities

Report on the Financial Report

We have audited the accompanying financial report of Blackwall Property Funds Limited and Controlled Entities ("the Group"), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group.

Directors' Responsibility for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 28, the directors also state, in accordance with Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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Independent Audit Report to the Members of Blackwall Property Funds Limited and Controlled Entities

Opinion

In our opinion:

(a) the financial report of Blackwall Property Funds Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position of the Group for the year ended 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 28.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 9 of the directors' report for the year ended 30 June 2015. The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Blackwall Property Funds Limited and Controlled Entities for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

Dated at Sydney the 19th day of August 2015.

ESV

ESV Accounting and Business Advisors

Chris Kirkwood
Partner

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BlackWall / BWF	BlackWall Property Funds Limited
BQT	Bakehouse Quarter Trust
BWR	BlackWall Property Trust
Company	BlackWall Property Funds Limited
Consolidated annual financial report	Financial statements
EPS	Earnings per share
FVTPL	Fair value through profit and loss
Group	BlackWall Property Funds Limited & subsidiaries
GST	Goods and services tax
IFRS	International Financial Reporting Standards
Kirela	Kirela Development Unit Trust
KMP	Key management personnel
Outside Equity Interest	Non-controlling interest
p.a.	Per annum
PBT	Pyrmont Bridge Trust
PIPES	Property Income and Participating Equity Securities

BLACKWALL
PROPERTY FUNDS

& Controlled Entities

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