



WOTSO  
PROPERTY

Property by name,  
flexible by nature

# ANNUAL REPORT

30 JUNE 2024

Cremorne, NSW





Robina, QLD

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# Directors' Report

WOTSO Property (WOT or Group) has produced headline statutory revenue of \$49.7 million for the year, including 16% growth in flexspace revenue to \$30 million after the net addition of 5 new WOTSO FlexSpace sites and completion of the redevelopment of the Group's Cremorne asset.

WOTSO Property operates through two distinct yet synergistic components:

- **WOTSO FlexSpace**; and
- the **real estate portfolio**.



**WOTSO FlexSpace** delivers and manages our flexible workspace solutions. This component focuses on:

- **Workspace solutions:** providing a range of workspace options including private offices, coworking spaces and virtual offices catering to start-ups, established businesses, and remote workers.
- **Community engagement:** hosting community events and networking opportunities to foster collaboration and a sense of community among our members.
- **Member services:** offering a suite of services such as high-speed internet, meeting rooms and administrative support to enhance the member experience.
- **Technology integration:** implementing smart office technologies and a digital platform to streamline operations and improve user convenience.

## Key Statistics

**\$30 million** FlexSpace Revenue

**10 %** Annual Desk Growth

**81 %** Membership Occupancy

**26** Number of WOTSO Sites  
(Excludes Belmont – opening Q1 FY25)

## PROPERTY

The **real estate portfolio** comprises \$295 million of property and property investments which are often strategically leased by WOTSO FlexSpace. This component focuses on:

- **Asset acquisition:** acquiring prime real estate in suburban and regional areas to support the expansion of our workspace offering.
- **Property management:** efficiently managing the property portfolio to maximise occupancy rates and optimise rental income.
- **Value enhancement:** implementing property improvements and sustainable practices to increase the value and attractiveness of our real estate assets.

## Key Statistics

**\$295 million** Value of Property Investments

(\$261 million – Property Portfolio;  
\$34 million – Investment in Pyrmont Property)

**16** Number of Properties

**98 %** Portfolio Occupancy

**56** Number of Non-WOTSO Tenants



WOT has traditionally been seen as a real estate investment trust (REIT), but we are evolving beyond this label. We are now positioning ourselves as a growth stock, driven by the expansion and success of our WOTSO FlexSpace business.

Our model is straightforward. We own, operate, and manage our real estate assets. In addition, WOTSO, our flexible workspace business, occupies our properties and also strategically leases space from other landlords. This dual approach maximises the use of our real estate and our returns.

Recently, we made a strategic decision to temporarily reduce our distributions. This move is designed to support our growth initiatives, with plans to restore and enhance distributions in the near term.

Our business strategy focuses on:

- **Acquisition and repurposing:** targeting distressed assets in suburban and regional areas of Australia and New Zealand for redevelopment.
- **Maximising returns:** leveraging our WOTSO business to increase property yields.
- **Strategic leasing:** expanding WOTSO's network by strategically securing leases in properties owned by third parties on favourable terms.

This approach underscores our commitment to growth and delivering superior returns to our stakeholders through the innovative use of real estate.



# WOTSO FlexSpace

## WOTSO FY24 Highlights

WOTSO is a provider of flexible space solutions focused on the suburbs and regions of Australia and New Zealand. The business was founded back in 2014 out of a traditional serviced office business and was used to fill vacant space in real estate owned by the Group. The WOTSO FlexSpace operating business has grown to 26 locations<sup>1</sup> and over the last 3 years has seen significant growth:

- June 2021 annualised turnover of \$21.0 million → June 2024 annualised turnover of \$31.5 million
- June 2021 18 locations → June 2024 26 locations<sup>1</sup>
- We have added over 1,000 desks to the portfolio since June 2021
- Funds from operations have grown to \$13.1 million from \$12.1 million in June 2021

This rapid growth has required the deployment of capital, which has been funded out of free cash flow. Off the back of this rapid growth we expect WOTSO to follow a deliberate and measured approach to future expansion, and will only expand where the appropriate opportunity presents itself.

It is important to call out the difference between the leased and owned portfolio results on page 6. Most of the owned locations have been open for a longer period than the leased locations, with those locations highlighted in green overleaf opening in the last 18 months. This has impacted the results of leased locations as these spaces are in their infancy and it will take time for their revenue to grow and mature.

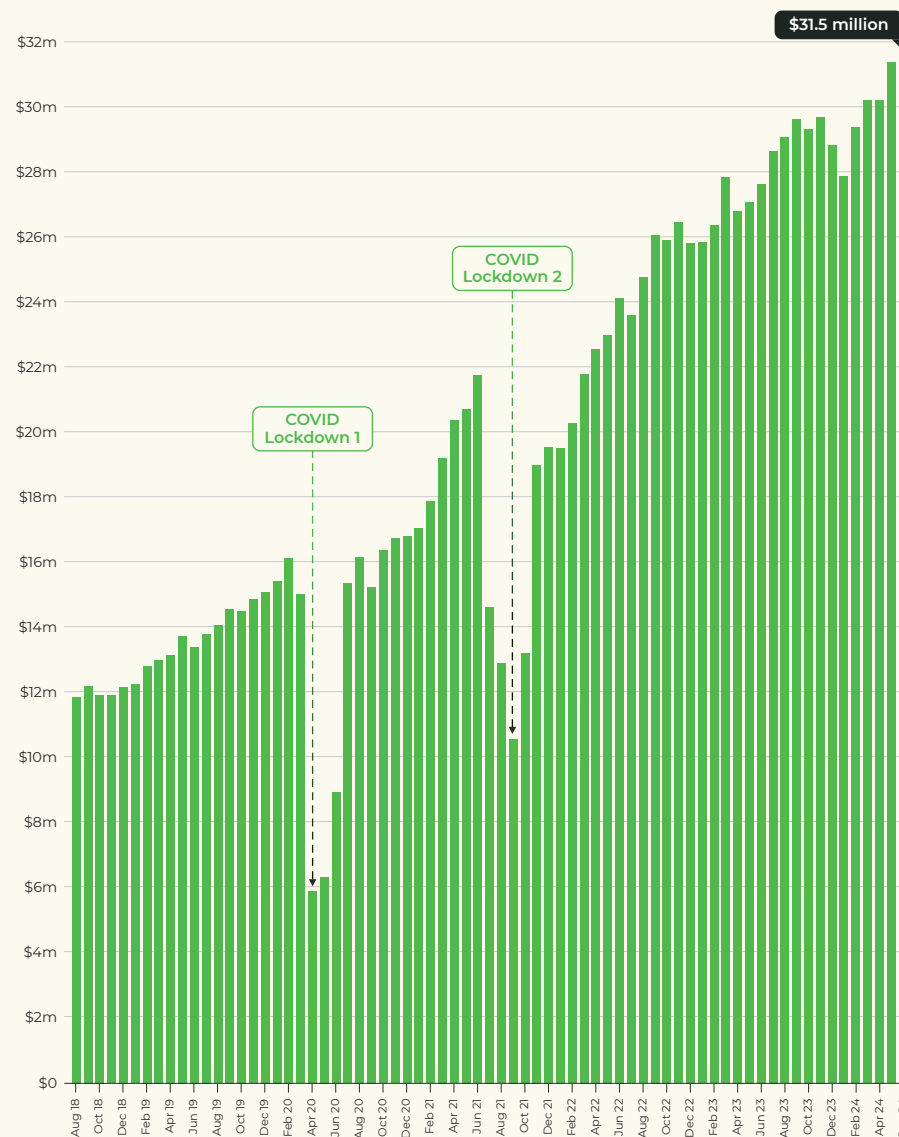
Separately, Pyrmont and North Strathfield are not performing as expected. Pyrmont appears to still be suffering from the impact of the COVID-19 pandemic, with a weak CBD market impacting the leasing of city and fringe properties. We have recently renegotiated the lease and expect WOTSO's performance to improve at the site as a result of that renegotiation.

Our North Strathfield location, we believe, is impacted partly by its size, and largely due to ongoing difficulties we are experiencing with the landlord. We expect that if we are unable to resolve these issues the Group will look to acquire an asset in North Strathfield with a view to relocating the business.

<sup>1</sup> Excludes Belmont, which is scheduled to open Q1 FY25.

## WOTSO Annualised Turnover

Annualised flexspace turnover sat at \$31.5 million in June 2024, an increase of 14% from \$27.6 million year-over-year as a result of onboarding a net addition of 5 new sites during the year, and continued refinement of our approach to growing the leased flexspace portfolio.



## WOTSO Site Key Statistics



Owned Portfolio				
	Annualised Income \$'000	Annualised EBITDA \$'000	Current Occupancy Rate %	No. of Desks
Dickson	3,250	875	85	1,095
Symonston	1,429	446	94	385
Sunshine Coast	1,174	306	89	182
Varsity Lakes	2,036	727	74	424
Hobart	1,247	424	80	350
Brookvale	674	175	83	103
Mandurah	727	100	83	177
Fortitude Valley	982	196	86	215
Newcastle	901	320	83	155
Adelaide	1,540	443	69	318
Cremorne	542	95	43	151
Takapuna	689	167	88	155
<b>TOTAL</b>	<b>15,191</b>	<b>4,274</b>	<b>81</b>	<b>3,710</b>



Leased Portfolio				
	Annualised Income \$'000	Annualised EBITDA \$'000	Current Occupancy Rate %	No. of Desks
Bondi Junction	837	268	84	135
Penrith	536	253	91	89
Zetland	2,220	619	87	366
Pymont	2,113	(159)	93	490
Chermside	1,323	325	86	208
Macarthur Square	358	45	94	50
Woden	601	(8)	62	172
North Strathfield	4,309	191	87	962
Liverpool	237	(66)	25	123
Robina	1,248	(51)	79	232
Blacktown	559	(245)	55	233
Botany	346	(69)	73	98
North Head	555	(116)	65	150
Toowoomba	1,024	(3)	90	210
<b>TOTAL</b>	<b>16,266</b>	<b>984</b>	<b>81</b>	<b>3,518</b>



# Real Estate Portfolio

## Portfolio Highlights

WOTSO FlexSpace occupies approximately 24,200 sqm of the Group's property portfolio and contributes 60% of the Group's total \$49.7 million in gross revenue. Where occupancy is referred to below this is property occupancy not WOTSO FlexSpace occupancy.

The rent payable under the WOTSO FlexSpace leases at each property is the greater of \$150/sqm and 45% of turnover. It should therefore be noted that the current net passing yields we expect will continue to grow as the turnover of the WOTSO FlexSpace businesses grow.

It is important to take note of the following:

- Cremorne and Takapuna have only been complete and occupied in the last 12 months and therefore we expect that WOTSO FlexSpace revenue is currently at its lowest at these locations.
- Belmont was opportunistically purchased earlier this year and will house a WOTSO FlexSpace as a sister location to Takapuna, with the potential to expand the site and grow the WOTSO FlexSpace. WOTSO FlexSpace will be occupying the site in September 2024, following the completion of some minor fitout works, and as a result the current net passing yield is 0%.
- Newcastle comprised two adjacent properties purchased separately, an office building and a development site. The current net passing yield is misleading as only one property is generating income. The adjacent property has been demolished and we expect to commence development mid next year. In the meantime it will be used as a car park for the office building.

Within our properties we take a practical approach to sustainability, that is, we adopt initiatives that make real business and environmental sense. For example:

- reducing demand on power plants and decreasing greenhouse gas emissions through our solar panel installation program;
- reducing waste through urban regeneration of physically distressed real estate; and
- reducing emissions through LED lighting and mechanical upgrades.



### Dickson

Property valuation: **\$32.4 million**  
Size: **7,853 sqm**  
Percentage of property leased to WOTSO: **84%**  
Property percentage occupied: **99%**  
Current property net income: **\$1.6 million**  
Current net passing yield: **5%**



### Symonston

Property valuation: **\$9.0 million**  
Size: **2,604 sqm**  
Percentage of property leased to WOTSO: **88%**  
Property percentage occupied: **100%**  
Current property net income: **\$522,000**  
Current net passing yield: **6%**



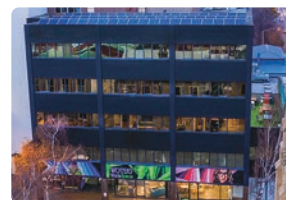
### Sunshine Coast

Property valuation: **\$31.5 million**  
Size: **9,419 sqm**  
Percentage of property leased to WOTSO: **13%**  
Property percentage occupied: **100%**  
Current property net income: **\$2.4 million**  
Current net passing yield: **8%**



### Varsity Lakes

Property valuation: **\$26.8 million**  
Size: **5,303 sqm**  
Percentage of property leased to WOTSO: **45%**  
Property percentage occupied: **100%**  
Current property net income: **\$1.8 million**  
Current net passing yield: **7%**



### Hobart

Property valuation: **\$14.0 million**  
Size: **3,704 sqm**  
Percentage of property leased to WOTSO: **59%**  
Property percentage occupied: **99%**  
Current property net income: **\$681,000**  
Current net passing yield: **5%**



### Brookvale

Property valuation: **\$4.9 million**  
Size: **1,226 sqm**  
Percentage of property leased to WOTSO: **57%**  
Property percentage occupied: **97%**  
Current property net income: **\$318,000**  
Current net passing yield: **6%**



### Mandurah

Property valuation: **\$3.4 million**  
 Size: **1,358 sqm**  
 Percentage of property leased to WOTSO: **98%**  
 Property percentage occupied: **100%**  
 Current property net income: **\$254,000**  
 Current net passing yield: **7%**



### Fortitude Valley

Property valuation: **\$11.7 million**  
 Size: **2,022 sqm**  
 Percentage of property leased to WOTSO: **73%**  
 Property percentage occupied: **74%**  
 Current property net income: **\$285,000**  
 Current net passing yield: **2%**



### Newcastle

Property valuation: **\$7.1 million**  
 Size: **1,201 sqm**  
 Percentage of property leased to WOTSO: **82%**  
 Property percentage occupied: **100%**  
 Current property net income: **\$320,000**  
 Current net passing yield: **5%**



### Adelaide

Property valuation: **\$13.6 million**  
 Size: **3,150 sqm**  
 Percentage of property leased to WOTSO: **73%**  
 Property percentage occupied: **89%**  
 Current property net income: **\$646,000**  
 Current net passing yield: **5%**



### Cremorne

Property valuation: **\$16.2 million**  
 Size: **1,512 sqm**  
 Percentage of property leased to WOTSO: **83%**  
 Property percentage occupied: **100%**  
 Current property net income: **\$138,000**  
 Current net passing yield: **1%**



### Takapuna

Property valuation: **\$10.8 million**  
 Size: **1,307 sqm**  
 Percentage of property leased to WOTSO: **100%**  
 Property percentage occupied: **100%**  
 Current property net income: **\$256,000**  
 Current net passing yield: **2%**



### Villawood

Property valuation: **\$28.5 million**  
 Size: **9,715 sqm**  
 Percentage of property leased to WOTSO: **0%**  
 Property percentage occupied: **100%**  
 Current property net income: **\$2.3 million**  
 Current net passing yield: **8%**



### Penrith

Property valuation: **\$26.3 million**  
 Size: **6,482 sqm**  
 Percentage of property leased to WOTSO: **0%**  
 Property percentage occupied: **100%**  
 Current property net income: **\$1.8 million**  
 Current net passing yield: **7%**



### Yandina

Property valuation: **\$23.2 million**  
 Size: **9,100 sqm**  
 Percentage of property leased to WOTSO: **0%**  
 Property percentage occupied: **100%**  
 Current property net income: **\$3.3 million**  
 Current net passing yield: **14%**



### Belmont

Property valuation: **\$2.1 million**  
 Size: **200 sqm**  
 Percentage of property leased to WOTSO: **100%\***  
 Property percentage occupied: **100%**  
 Current property net income: **\$5,000**  
 Current net passing yield: **0%**

\* Opening Q1 FY25



# The Numbers

The current year's earnings are fundamentally impacted by two key transactions, which the results on the right aim to see through to present a simplified picture of the true earnings of the Group.

## The Internalisation Transaction

The internalisation of management in February 2024 resulted in the simultaneous termination of the Group's management agreements with BlackWall Limited (BWF) and the assumption of costs incurred as a result of the internalisation of management. As a result, all management fees paid to external managers will be discontinued going forward.

## The Pymont Deconsolidation

Secondly, in concert with the internalisation of management, the Group assessed that it ceased to control the Pymont assets, and as a result, the net assets of the Pymont entities were deconsolidated in February 2024. As a result, the statutory results are skewed with only 8 months of gross revenues and expenses from the Pymont entities included in net profit, and the earnings from the remaining 4 months of the year captured through gains on equity accounted investments, a non-cash accounting classification. To paint a clearer picture of the results of the Group, and for ease of comparison, the results on the right have stripped out the net earnings of the Pymont entities and included these as a single net balance.

The result is a true picture of the actual performance of the Group.

## The Financial Performance

Through the lens on the right, total revenue for the year has grown 13% to \$44.6 million. The primary driver of this growth has been the WOTSO FlexSpace business, which has seen an increase in flexspace income of 16% to \$30 million, fuelled by the addition of just under 700 available desks while maintaining membership occupancy steady at 81%.

It is important to note that on the surface property lease income appears well-below our flexspace income. This is due to our properties leasing a portion of their space to the FlexSpace business, with those intra-group lease deals eliminated on consolidation and excluded from the results on the right. These intra-group leases are similar to those lease deals we target in the market with our FlexSpace business, being percentage of turnover arrangements. During the year there was \$6.3 million of rent charged by the real estate portfolio to the FlexSpace business, which converted to \$14.3 million of FlexSpace income. In effect achieving a premium of 127% over what would be achieved through traditional leasing.

**Additionally, through these percentage of turnover leasing arrangements WOTSO FlexSpace is able to continually scale operational growth efficiently, whilst limiting downside risk and allowing its revenue to outgrow operating expenses. This has lead to 20% growth in net rental income to \$19.6 million.**

Funds from operations (FFO) for the year of \$13.1 million, bolstered by the WOTSO Neutral Bay lease variation fee, continue to be impacted by higher borrowing costs as a result of the higher interest rate environment. As the interest rate environment softens, we expect this to reflect positively in our FFO growth.

After statutory adjustments of revaluation gains and losses, depreciation and the impact of AASB 16, combined with the non-recurring management fees and the net earnings of the Pymont entities, the Group has reported a statutory loss of \$65,000 for the year.

	2024 \$'000	2023 \$'000
<b>Profit or Loss</b>		
Real estate income	14,481	13,458
Operating business income	30,036	25,890
Other income	84	-
Government assistance	-	8
<b>Total Revenue</b>	<b>44,601</b>	<b>39,356</b>
Property outgoings	(8,146)	(8,789)
External WOTSO rent expense	(7,496)	(6,589)
WOTSO site staff costs	(3,801)	(3,335)
WOTSO operating expenses	(5,510)	(4,287)
<b>Total Operating Expenses</b>	<b>(24,953)</b>	<b>(23,000)</b>
<b>Net Rental Income</b>	<b>19,648</b>	<b>16,356</b>
WOTSO Neutral Bay lease variation fee	4,900	-
Overhead and administration costs	(5,703)	(4,170)
Borrowing costs	(6,202)	(4,412)
Loan portfolio income	472	488
<b>Funds From Operations</b>	<b>13,115</b>	<b>8,262</b>
Non-recurring management fees	(4,409)	(3,185)
Net (loss) / gain on assets	(607)	8,306
Other net remeasurement gains	225	-
Pymont earnings / (loss)	111	(11,763)
Depreciation and amortisation	(8,341)	(7,011)
Impact of AASB 16	(159)	(318)
<b>Statutory Loss Before Tax</b>	<b>(65)</b>	<b>(5,709)</b>

## Financial Position

The Group's balance sheet at June 2024 maintains a strong position that provides the underlying safety net for the growth of both the real estate portfolio and the WOTSO FlexSpace business seen in the strong FFO performance for the year.

This balance sheet is underscored by the Group's significant property portfolio which has increased to \$261 million following the addition of the Belmont property in Auckland, New Zealand, our second property in New Zealand. This property portfolio carries a low, sustainable gearing level of 27%, which has decreased from 35% in 2023 following the derecognition of the Pymont property and its associated borrowings.

The derecognition of the assets, liabilities and non-controlling interests of the Pymont entities during the year has simplified the Group's balance sheet as it combines the Group's investment in the Pymont entities into one line item. This investment in the Pymont entities has decreased during the year as the Group reduced its position in the entities, which in part, resulted in the loss of control and subsequent derecognition of these assets, liabilities and non-controlling interests. This simplified picture is one in which the net assets of the Group effectively approximate the net assets attributable to WOT securityholders, as we are left with only \$3.7 million of non-controlling interests in our portfolio.

While the real estate portfolio provides the safety net for WOT, a differentiator between WOT and other REITs, and which largely accounts for the growth of WOT, is the growth of the Group's flexspace business, which has been valued at \$80 million. Under accounting standards this valuation is not recorded for statutory purposes, but to reflect the true value of WOT we have included this valuation on the balance sheet on the right. As the Group continues to expand its network of WOTSO FlexSpaces through favourable leasing on percentage of turnover lease arrangements, we expect this valuation to continue to grow.

## Balance Sheet

	2024 \$'000	2023 \$'000
Cash and cash equivalents	3,674	7,359
Loan portfolio	2,449	1,621
Other current assets	1,567	1,360
Investment property portfolio	261,319	258,024
Investments in Pymont property & associated funds	34,092	45,175
Property, plant and equipment	15,622	13,929
Other non-current assets	2,085	2,001
Flexspace business valuation*	80,000	80,000
<b>Total Assets</b>	<b>400,808</b>	<b>409,469</b>
Other current liabilities	(6,929)	(4,585)
Borrowings	(92,742)	(93,151)
Other non-current liabilities	(590)	(612)
Net ROU Lease Liabilities	(6,149)	(5,869)
Deferred tax liability	(4,973)	(5,195)
<b>Total Liabilities</b>	<b>(111,383)</b>	<b>(109,412)</b>
Attributable to NCI	(3,700)	(221)
<b>Adjusted NAV Attributable to WOT Owners</b>	<b>285,725</b>	<b>299,836</b>
Statutory adjustments:		
Flexspace business valuation	(80,000)	(80,000)
Goodwill	27,493	26,150
Management rights	3,329	-
Investments in Pymont property & associated funds	-	(45,175)
Pymont investment property	-	134,300
Pymont borrowings	-	(60,000)
Pymont other working capital	-	1,303
Pymont related NCI	-	(30,428)
<b>Statutory NAV Attributable to WOT Owners</b>	<b>236,547</b>	<b>245,986</b>

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

# \$1.46

Statutory NAV per Security  
(Jun - \$1.51)

# \$1.76

Adjusted NAV per Security  
(Jun - \$1.84)

# 27%

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

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



# Financial Statements

## Statements of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Revenue	4	49,722	48,523
Direct costs	5	(25,560)	(25,442)
<b>Net Rental Income</b>		<b>24,162</b>	<b>23,081</b>
Administration expenses	6	(10,625)	(8,114)
<b>Trading Profit</b>		<b>13,537</b>	<b>14,967</b>
Net loss on assets		(1,244)	(5,410)
<b>Operating Profit</b>		<b>12,293</b>	<b>9,557</b>
Depreciation and amortisation	7	(8,511)	(7,362)
Finance costs	8	(9,525)	(8,393)
Finance income	9	474	489
WOTSO Neutral Bay lease variation	4	4,900	-
Other net remeasurement gains	10	304	-
<b>Loss Before Income Tax</b>		<b>(65)</b>	<b>(5,709)</b>
Income tax benefit / (expense)	26	941	(499)
<b>Total Profit / (Loss)</b>		<b>876</b>	<b>(6,208)</b>
Foreign currency translation (losses) / gains		(95)	133
<b>Total Profit / (Loss) and Other Comprehensive Income / (Loss)</b>		<b>781</b>	<b>(6,075)</b>
Total profit / (loss) and other comprehensive income / (loss) attributable to:			
Members of WOTSO Property Trust		(10,593)	2,302
Members of Ostow Limited		8,918	(2,611)
Members of Planloc Limited		1,652	1,164
<b>Attributable to Members of Group</b>		<b>(23)</b>	<b>855</b>
Non-controlling interest		804	(6,930)
<b>Total Profit / (Loss) and Other Comprehensive Income / (Loss)</b>		<b>781</b>	<b>(6,075)</b>
<b>Earnings per Security</b>			
Weighted average number of securities		162,478,413	163,210,058
Basic and diluted earnings per security	34	0.0 cents	0.5 cents

### Revenue (from Note 4)

	2024 \$'000	2023 \$'000
<b>Revenue from Contracts with Customers</b>		
Operating business income	30,036	25,890
Real estate income	19,683	22,625
Other income	3	-
Government stimulus	-	8
<b>Total Revenue</b>	<b>49,722</b>	<b>48,523</b>

### Direct Costs (from Note 5)

	2024 \$'000	2023 \$'000
Property outgoings	(9,976)	(11,848)
Flexspace operating costs	(9,679)	(8,138)
Right of use lease asset depreciation	(5,833)	(5,261)
Bad debt expense	(72)	(195)
<b>Total Direct Costs</b>	<b>(25,560)</b>	<b>(25,442)</b>

# Balance Sheet at 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		3,674	7,450
Trade and other receivables	11	1,061	776
Loan portfolio	12	197	196
Other assets	13	506	379
<b>Total Current Assets</b>		<b>5,438</b>	<b>8,801</b>
<b>Non-Current Assets</b>			
Investment property portfolio	14	261,319	392,324
Investments in associates	15	34,092	162
Property, plant and equipment	16	15,622	13,929
Loan portfolio	12	2,252	1,425
WOTSO software development asset	17	899	896
Right of use lease assets	18	40,433	34,615
Intangible assets	19	3,329	-
Goodwill	20	27,493	26,150
Other assets	13	1,080	749
Other receivables	21	106	207
Hedge asset		-	2,604
<b>Total Non-Current Assets</b>		<b>386,625</b>	<b>473,061</b>
<b>Total Assets</b>		<b>392,063</b>	<b>481,862</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	22	5,935	5,210
Employee provisions	23	994	377
Borrowings	24	13,000	126,000
Make good provisions	25	685	392
Lease liabilities	18	5,958	5,461
<b>Total Current Liabilities</b>		<b>26,572</b>	<b>137,440</b>
<b>Non-Current Liabilities</b>			
Trade and other payables	22	29	201
Tenant bond liabilities		378	567
Employee provisions	23	183	66
Make good provisions	25	1,402	1,436
Borrowings	24	79,742	27,151
Deferred tax liability	26	4,973	5,195
Lease liabilities	18	38,537	33,195
<b>Total Non-Current Liabilities</b>		<b>125,244</b>	<b>67,811</b>
<b>Total Liabilities</b>		<b>151,816</b>	<b>205,251</b>
<b>Net Assets</b>		<b>240,247</b>	<b>276,611</b>

	2024 \$'000	2023 \$'000
<b>Equity</b>		
Issued capital	256,698	257,499
Accumulated losses	(20,189)	(11,646)
Foreign currency translation reserve	38	133
<b>Equity Holders of WOTSO Property</b>	<b>236,547</b>	<b>245,986</b>
<b>Non-Controlling Interests in WOTSO Property</b>	<b>3,700</b>	<b>30,625</b>
<b>Total Equity</b>	<b>240,247</b>	<b>276,611</b>
Net assets attributable to equity holders of WOTSO Property	236,547	245,986
Securities on issue (number)	162,176,344	162,859,009
Net assets per security	\$1.46	\$1.51

Investment Property Portfolio	Valuation at 30 Jun 2023 \$'000	CAPEX Movement \$'000	Straight-Line Leasing, Depreciation and Revaluation Movements \$'000	Additions / Derecognitions \$'000	Valuation at 30 Jun 2024 \$'000
Dickson, ACT	●● 32,000	1,006	(606)	-	32,400
Sunshine Coast, QLD	●● 31,500	40	(40)	-	31,500
Villawood, NSW	● 28,500	-	-	-	28,500
Gold Coast, QLD	●● 26,800	61	(61)	-	26,800
Penrith, NSW	● 26,250	6	(6)	-	26,250
Yandina, QLD	● 23,000	-	150	-	23,150
Cremorne, NSW	●● 17,100	1,242	(2,142)	-	16,200
Hobart, TAS	●● 14,000	893	(893)	-	14,000
Adelaide, SA	●● 13,600	448	(448)	-	13,600
Fortitude Valley, QLD	●● 11,700	115	(115)	-	11,700
Takapuna, NZ	●● 9,924	968	(93)	-	10,799
Symonston, ACT	●● 8,300	66	634	-	9,000
Newcastle, NSW	●● 7,050	253	(253)	-	7,050
Brookvale, NSW	●● 4,900	1	(1)	-	4,900
Mandurah, WA	●● 3,400	30	(30)	-	3,400
Belmont, NZ	●● -	-	-	2,070	2,070
Pymont, NSW	●● 134,300	199	(131)	(134,368)	-
<b>Total Investment Property Portfolio</b>	<b>392,324</b>	<b>5,328</b>	<b>(4,035)</b>	<b>(132,298)</b>	<b>261,319</b>

●● Properties with WOTSOs    ● Properties without WOTSOs



# Statement of Cash Flows

for the year ended 30 June 2024

	2024 \$'000	2023 \$'000
<b>Cash Flows from Operating Activities</b>		
Receipts from tenants / members	53,073	56,874
Payments to suppliers and employees	(32,754)	(35,703)
Payments of rental deposits	(360)	(174)
Other income received	4,973	8
<b>Net Cash Flows from Operating Activities</b>	<b>24,932</b>	<b>21,005</b>
<b>Cash Flows from Investing Activities</b>		
Payments for property, plant and equipment	(5,832)	(4,558)
Payments for capital improvements	(5,328)	(5,955)
Payments for investments in associates	(2,671)	(162)
Payments for property purchases	(2,070)	(8,491)
Payments for WOTSO software development asset	(270)	(270)
Loans advanced	(1,012)	-
Loans repaid from borrower	196	3,901
Proceeds from disposal of investments in associates	1,005	-
Purchase consideration for acquisition of subsidiary	(3,500)	-
Cash acquired on acquisition of subsidiary	1,070	-
Cash departing with loss of control of subsidiary	(40)	-
<b>Net Cash Flows used in Investing Activities</b>	<b>(18,452)</b>	<b>(15,535)</b>
<b>Cash Flows from Financing Activities</b>		
Interest paid	(8,093)	(8,393)
Rental payments	(7,778)	(4,589)
Distributions paid	(6,811)	(10,310)
Buy-back of issued securities	(818)	(646)
Repayment of borrowings	(393)	-
Proceeds from borrowings	-	26,151
Purchase of NCI shares	-	(4,210)
Interest received	287	489
Proceeds from issue of units to NCI	13,350	974
<b>Net Cash Flows used in Financing Activities</b>	<b>(10,256)</b>	<b>(534)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(3,776)</b>	<b>4,936</b>
Cash and cash equivalents at the beginning of the year	7,450	2,514
<b>Cash and Cash Equivalents at End of the Year</b>	<b>3,674</b>	<b>7,450</b>

\* All items inclusive of GST where applicable.

# Reconciliation of Operating Cash Flows

	2024 \$'000	2023 \$'000
<b>Profit / (Loss) for the Year</b>	<b>876</b>	<b>(6,208)</b>
<b>Non-Cash Flows in Loss:</b>		
Depreciation and amortisation	14,344	12,623
Net interest paid	9,051	7,904
Loss / (gain) on hedge asset	715	(71)
Net loss / (gain) on assets	529	5,481
Variable lease payments	369	535
Bad debt expense	72	-
Issue of securities	17	12
Deduct net lease waivers	-	(18)
Offset of North Strathfield bond	-	(1,077)
Foreign currency translation loss	(58)	-
Other net remeasurement gains	(304)	-
Straight-line rental income	(481)	(700)
<b>Operating Cash Flows Before Movement in Working Capital</b>	<b>25,130</b>	<b>18,481</b>
(Decrease) / increase in deferred tax liability	(941)	499
Increase / (decrease) in trade and other payables	1,356	(2,056)
Increase in provisions	110	131
(Increase) / decrease in trade and other receivables	(175)	352
(Increase) / decrease in rental deposits	(548)	3,598
<b>Net Cash Flows from Operating Activities</b>	<b>24,932</b>	<b>21,005</b>

# Statement of Changes in Equity

for the year ended 30 June 2024

	No. of Securities on Issue	Attributable to Owners of WOTSO 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 year	-	-	(10,498)	(10,498)	-	8,918	8,918	-	1,652	1,652	804	-	876
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	(95)	(95)
<b>Total Profit / (Loss) and Other Comprehensive Income / (Loss)</b>	<b>-</b>	<b>-</b>	<b>(10,498)</b>	<b>(10,498)</b>	<b>-</b>	<b>8,918</b>	<b>8,918</b>	<b>-</b>	<b>1,652</b>	<b>1,652</b>	<b>804</b>	<b>(95)</b>	<b>781</b>
<b>Transactions with Owners in Their Capacity as Owners:</b>													
Buy-back of issued securities	(697,064)	(722)	-	(722)	(96)	-	(96)	-	-	-	-	-	(818)
Issue of securities	14,399	15	-	15	1	-	1	1	-	1	-	-	17
Issue of NCI units	-	-	(2,105)	(2,105)	-	75	75	-	-	-	21,443	-	19,413
Purchase of NCI units	-	-	-	-	-	(81)	(81)	-	-	-	(5,432)	-	(5,513)
Deconsolidation of subsidiaries	-	-	-	-	-	-	-	-	-	-	(43,433)	-	(43,433)
Distributions paid	-	-	(6,504)	(6,504)	-	-	-	-	-	-	(307)	-	(6,811)
<b>Total Transactions with Owners</b>	<b>(682,665)</b>	<b>(707)</b>	<b>(8,609)</b>	<b>(9,316)</b>	<b>(95)</b>	<b>(6)</b>	<b>(101)</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>(27,729)</b>	<b>-</b>	<b>(37,145)</b>
<b>Balance at 30 June 2024</b>	<b>162,176,344</b>	<b>245,177</b>	<b>(48,118)</b>	<b>197,059</b>	<b>11,520</b>	<b>21,113</b>	<b>32,633</b>	<b>1</b>	<b>6,816</b>	<b>6,817</b>	<b>3,700</b>	<b>38</b>	<b>240,247</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 year	-	-	2,169	2,169	-	(2,611)	(2,611)	-	1,164	1,164	(6,930)	-	(6,208)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	133	133
<b>Total Profit / (Loss) and Other Comprehensive Income / (Loss)</b>	<b>-</b>	<b>-</b>	<b>2,169</b>	<b>2,169</b>	<b>-</b>	<b>(2,611)</b>	<b>(2,611)</b>	<b>-</b>	<b>1,164</b>	<b>1,164</b>	<b>(6,930)</b>	<b>133</b>	<b>(6,075)</b>
<b>Transactions with Owners in Their Capacity as Owners:</b>													
Buy-back of issued securities	(511,278)	(571)	-	(571)	(75)	-	(75)	-	-	-	-	-	(646)
Issue of securities	9,996	11	-	11	1	-	1	-	-	-	-	-	12
Issue of NCI units	-	-	-	-	-	-	-	-	-	-	974	-	974
Purchase of NCI units	-	-	-	-	-	-	-	-	-	-	(4,210)	-	(4,210)
Distributions paid	-	-	(9,807)	(9,807)	-	-	-	-	-	-	(503)	-	(10,310)
<b>Total Transactions with Owners</b>	<b>(501,282)</b>	<b>(560)</b>	<b>(9,807)</b>	<b>(10,367)</b>	<b>(74)</b>	<b>-</b>	<b>(74)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,739)</b>	<b>-</b>	<b>(14,180)</b>
<b>Balance at 30 June 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>



# Notes to the Financial Statements

## 1. Segment Reporting

### Identification of Reportable Operating Segments

WOT comprises three reportable operating segments based on different products and services provided, being:

- **Properties:** traditional commercial leases in owned properties;
- **WOTSO Flexspace:** flexspace month-to-month coworking business in both our owned portfolio of properties as well as third party leased properties; and
- **Corporate, overhead and investments:** responsible for the overall management and compliance of the Group and WOT's other investments.

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.

### Restatement of Prior Period Segment Report

During the year, the Group restructured the manner of its internal organisation and the composition of its reportable segments such that Directors manage the Group in accordance with three revised primary operating segments. These operating segments are based on the traditional leasing of the investment property portfolio, the flexible coworking business, as well as a corporate, overhead and investments segment responsible for the overall management and administration of the Group and its investments. This represents a change in operating segment management, where in previous years Directors viewed the Group as comprised of three operating segments being those properties that are owned by the Group and the flexspace business within those properties, the flexspace business which is operated under third party lease agreements, and an overhead segment.

Accordingly, the Group has restated the operating segment information for the year ended 30 June 2023.

# 1. Segment Reporting (continued)

## Operating Segment Information

Profit or Loss	Properties \$'000	WOTSO Flexspace \$'000	Corporate, Overhead and Investments \$'000	Total 2024 \$'000	Properties \$'000	WOTSO Flexspace \$'000	Corporate, Overhead and Investments \$'000	Total 2023 Restated \$'000
Real estate income	19,568	-	115	19,683	22,625	-	-	22,625
Operating business income	-	30,036	-	30,036	-	25,890	-	25,890
Other income	(69)	72	-	3	-	-	-	-
Government assistance	-	-	-	-	-	8	-	8
<b>Total Revenue</b>	<b>19,499</b>	<b>30,108</b>	<b>115</b>	<b>49,722</b>	<b>22,625</b>	<b>25,898</b>	<b>-</b>	<b>48,523</b>
Property outgoings	(10,048)	-	-	(10,048)	(12,043)	-	-	(12,043)
Rent expense – Third Parties	-	(7,365)	(131)	(7,496)	-	(6,589)	-	(6,589)
Rent expense – WOT Internal	6,290	(6,290)	-	-	6,316	(6,316)	-	-
WOTSO staff costs	-	(3,801)	-	(3,801)	-	(3,335)	-	(3,335)
WOTSO operating expenses	-	(5,510)	-	(5,510)	-	(4,287)	-	(4,287)
<b>Total Operating Expenses</b>	<b>(3,758)</b>	<b>(22,966)</b>	<b>(131)</b>	<b>(26,855)</b>	<b>(5,727)</b>	<b>(20,527)</b>	<b>-</b>	<b>(26,254)</b>
<b>Net Rental Income</b>	<b>15,741</b>	<b>7,142</b>	<b>(16)</b>	<b>22,867</b>	<b>16,898</b>	<b>5,371</b>	<b>-</b>	<b>22,269</b>
WOTSO Neutral Bay lease variation	-	4,900	-	4,900	-	-	-	-
Overhead and administration costs	-	-	(5,722)	(5,722)	-	-	(4,184)	(4,184)
Finance income	-	-	474	474	-	-	489	489
Finance costs	(7,992)	-	-	(7,992)	(7,263)	-	-	(7,263)
<b>Funds From Operations</b>	<b>7,749</b>	<b>12,042</b>	<b>(5,264)</b>	<b>14,527</b>	<b>9,635</b>	<b>5,371</b>	<b>(3,695)</b>	<b>11,311</b>
Non-recurring fund management fees	-	-	(4,903)	(4,903)	-	-	(3,930)	(3,930)
Loss in asset value	(1,244)	-	-	(1,244)	(5,410)	-	-	(5,410)
Other net remeasurement gains	-	-	225	225	-	-	-	-
Depreciation and amortisation	(3,934)	(4,139)	(438)	(8,511)	(3,727)	(3,421)	(214)	(7,362)
Impact of AASB 16	-	(147)	(12)	(159)	-	(318)	-	(318)
<b>Profit / (Loss) Before Tax</b>	<b>2,571</b>	<b>7,756</b>	<b>(10,392)</b>	<b>(65)</b>	<b>498</b>	<b>1,632</b>	<b>(7,839)</b>	<b>(5,709)</b>



# 1. Segment Reporting (continued)

Balance Sheet	Properties \$'000	WOTSO Flexspace \$'000	Corporate, Overhead and Investments \$'000	Total 2024 \$'000	Properties \$'000	WOTSO Flexspace \$'000	Corporate, Overhead and Investments \$'000	Total 2023 Restated \$'000
<b>Assets</b>								
<b>Current Assets</b>								
Cash and cash equivalents	142	390	3,142	3,674	7,044	190	216	7,450
Trade and other receivables	587	175	299	1,061	351	107	318	776
Loan portfolio	-	-	197	197	-	-	196	196
Other assets	391	115	-	506	324	55	-	379
<b>Total Current Assets</b>	<b>1,120</b>	<b>680</b>	<b>3,638</b>	<b>5,438</b>	<b>7,719</b>	<b>352</b>	<b>730</b>	<b>8,801</b>
<b>Non-Current Assets</b>								
Investment property portfolio	261,319	-	-	261,319	392,324	-	-	392,324
Investments in Pyrmont Bridge Property	-	-	28,634	28,634	-	-	-	-
Investments in Pyrmont Bridge Road Mortgage Fund	-	-	5,167	5,167	-	-	-	-
Investments in other associates	-	-	291	291	-	-	162	162
Property, plant and equipment	-	15,622	-	15,622	-	13,929	-	13,929
Loan portfolio	-	-	2,252	2,252	-	-	1,425	1,425
WOTSO software development asset	-	-	899	899	-	-	896	896
Intangible assets	-	-	3,329	3,329	-	-	-	-
Goodwill	-	26,150	1,343	27,493	-	26,150	-	26,150
Other assets	-	1,080	-	1,080	-	749	-	749
Other receivables	106	-	-	106	207	-	-	207
Hedge asset	-	-	-	-	2,604	-	-	2,604
<b>Total Non-Current Assets</b>	<b>261,425</b>	<b>42,852</b>	<b>41,915</b>	<b>346,192</b>	<b>395,135</b>	<b>40,828</b>	<b>2,483</b>	<b>438,446</b>
<b>Total Assets</b>	<b>262,545</b>	<b>43,532</b>	<b>45,553</b>	<b>351,630</b>	<b>402,854</b>	<b>41,180</b>	<b>3,213</b>	<b>447,247</b>
<b>Liabilities</b>								
<b>Current Liabilities</b>								
Trade and other payables	(2,000)	(2,800)	(1,135)	(5,935)	(2,934)	(1,992)	(284)	(5,210)
Employee provisions	-	-	(994)	(994)	-	-	(377)	(377)
Borrowings	(13,000)	-	-	(13,000)	(126,000)	-	-	(126,000)
<b>Total Current Liabilities</b>	<b>(15,000)</b>	<b>(2,800)</b>	<b>(2,129)</b>	<b>(19,929)</b>	<b>(128,934)</b>	<b>(1,992)</b>	<b>(661)</b>	<b>(131,587)</b>
<b>Non-Current Liabilities</b>								
Trade and other payables	-	(29)	-	(29)	-	(201)	-	(201)
Tenant bond liabilities	(378)	-	-	(378)	(567)	-	-	(567)
Employee provisions	-	-	(183)	(183)	-	-	(66)	(66)
Borrowings	(79,742)	-	-	(79,742)	(27,151)	-	-	(27,151)
<b>Total Non-Current Liabilities</b>	<b>(80,120)</b>	<b>(29)</b>	<b>(183)</b>	<b>(80,332)</b>	<b>(27,718)</b>	<b>(201)</b>	<b>(66)</b>	<b>(27,985)</b>
<b>Total Liabilities</b>	<b>(95,120)</b>	<b>(2,829)</b>	<b>(2,312)</b>	<b>(100,261)</b>	<b>(156,652)</b>	<b>(2,193)</b>	<b>(727)</b>	<b>(159,572)</b>
<b>Net Assets Before Statutory Adjustments</b>	<b>167,425</b>	<b>40,703</b>	<b>43,241</b>	<b>251,369</b>	<b>246,202</b>	<b>38,987</b>	<b>2,486</b>	<b>287,675</b>
Deferred tax liability	-	-	(4,973)	(4,973)	-	-	(5,195)	(5,195)
Net impact of AASB 16	-	(6,121)	(28)	(6,149)	-	(5,869)	-	(5,869)
<b>Net Assets After Statutory Adjustments</b>	<b>167,425</b>	<b>34,582</b>	<b>38,240</b>	<b>240,247</b>	<b>246,202</b>	<b>33,118</b>	<b>(2,709)</b>	<b>276,611</b>

## 2. Internalisation of Management Rights

During the year the Group undertook various corporate restructures resulting ultimately in the internalisation of management and the termination of the management agreements the Group held with BWF, 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 BWF.

The internalisation transaction has been accounted for as a business combination under AASB 3, with the amounts recognised in respect of the identifiable assets acquired and liabilities assumed set out in the table below.

As consideration for the internalisation of management, the Group paid cash consideration of \$3.5 million to BWF.

Goodwill of \$1.3 million has been recognised, being the excess of consideration issued over the net assets acquired.

	<b>2024 \$'000</b>
Cash and cash equivalents	76
Intangible assets – management rights	3,500
Trade and other payables	(76)
Employee provisions	(624)
Deferred tax liability	(719)
<b>Total Net Identifiable Assets Acquired and Liabilities Assumed</b>	<b>2,157</b>
Goodwill acquired	1,343
<b>Total Consideration</b>	<b>3,500</b>
<b>Satisfied by:</b>	
Cash and cash equivalents	3,500
<b>Total Consideration Transferred</b>	<b>3,500</b>
<b>Net Cash Flow Arising on Acquisition</b>	
Cash consideration paid	(3,500)
Cash and cash equivalents balances acquired	76
	<b>(3,424)</b>

## 3. Loss of Control of Subsidiaries

As a result of the restructure of the management of Pymont Bridge Property Pty Ltd, Pymont Bridge Road Mortgage Fund and their subsidiaries (collectively 'the Pymont Group') WOT no longer holds the ability to control the strategic and operational direction of the Pymont Group. Consequently, WOT has ceased to control the Pymont Group, resulting in the deconsolidation of those entities effective 29 February 2024 (being the date of loss of control). As at 30 June 2024, WOT's retained investments in the Pymont Group have been accounted for under the equity method as WOT has assessed it will retain significant influence over these investments.

An analysis of the net assets of which the Group lost control is presented as follows:

	<b>Pymont Bridge Property \$'000</b>	<b>Pymont Bridge Road Mortgage Fund \$'000</b>	<b>Total \$'000</b>
Cash and cash equivalents	44	(4)	40
Trade receivables	306	138	444
Other assets	90	-	90
Investment property portfolio	134,368	-	134,368
Hedge asset	1,889	-	1,889
Other receivables	120	-	120
Trade and other payables	(464)	(138)	(602)
Tenant bond liabilities	(63)	-	(63)
Borrowings	(60,000)	-	(60,000)
Mortgage fund	(9,505)	9,505	-
<b>Total Net Assets</b>	<b>66,785</b>	<b>9,501</b>	<b>76,286</b>
Non-controlling interests	(38,062)	(5,371)	(43,433)
<b>Remaining Investment at Fair Value</b>	<b>28,723</b>	<b>4,130</b>	<b>32,853</b>

The Group did not receive any consideration for the deconsolidation of the Pymont Group, nor was any gain or loss on deconsolidation recognised.

## 4. Revenue

Revenue is earned through real estate rental under traditional lease arrangements and month-to-month terms under the WOTSO FlexSpace brand.

	2024 \$'000	2023 \$'000
<b>Revenue from Contracts with Customers</b>		
Operating business income	30,036	25,890
Real estate income	19,683	22,625
Other income	3	-
Government stimulus	-	8
<b>Total Revenue</b>	<b>49,722</b>	<b>48,523</b>

The Group earned income from the WOTSO FlexSpace operating business of \$30 million for the year (2023 - \$26 million) as the operating business continued to grow with the addition of 4 new leased sites together with the openings of WOTSO Takapuna in New Zealand and WOTSO Cremorne, leading to an increase of just under 700 available desks.

The deconsolidation of the Pymont Group on 29 February 2024 has resulted in lower top-line property income, driving the decrease in property income to \$20 million (2023 - \$23 million).

The Group's option agreement at Neutral Bay was exercised in September 2023, resulting in the Group varying its existing lease. On exercise of the option the Group became entitled to a lease variation fee of \$4.9 million, which was received in March 2024 following the settlement of the sale of the Neutral Bay building. In May 2024 the WOTSO Neutral Bay business was relocated to the Cremorne property.

## 5. Direct Costs

	2024 \$'000	2023 \$'000
Property outgoings	9,976	11,848
Flexspace operating costs	9,679	8,138
Right of use lease asset depreciation	5,833	5,261
Bad debt expense	72	195
<b>Total Direct Costs</b>	<b>25,560</b>	<b>25,442</b>

## 6. Administration Expenses

	2024 \$'000	2023 \$'000
Management fees	4,903	3,930
Compliance costs	709	1,125
WOTSO FlexSpace overheads	2,998	1,981
Other WOT overheads	2,015	1,078
<b>Total Administration Expenses</b>	<b>10,625</b>	<b>8,114</b>

Administration expenses comprise management fees paid to BWF prior to the internalisation of the Group's management rights, compliance costs and group overheads. Prior to the Group internalising its management rights, the Group paid a management fee calculated at 0.75% of gross assets per annum and 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 \$3.0 million for head office staff and other overhead costs associated with running the WOTSO FlexSpace business, such as travel and marketing costs. Other WOT overheads include \$1.8 million for head office staff running non-flexspace aspects of the Group's operations.

## 7. Depreciation and Amortisation

	2024 \$'000	2023 \$'000
<b>Building and Fixtures Depreciation</b>		
WOTSO fitout depreciation	4,139	3,421
Property depreciation	3,934	3,727
<b>Total Building and Fixtures Depreciation</b>	<b>8,073</b>	<b>7,148</b>
<b>Amortisation of Intangible Assets</b>		
WOTSO software development asset	267	214
Management rights	171	-
<b>Total Amortisation of Intangible Assets</b>	<b>438</b>	<b>214</b>
<b>Total Depreciation and Amortisation</b>	<b>8,511</b>	<b>7,362</b>

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

The WOTSO software development asset and management rights are finite life intangible assets with the WOTSO software development asset amortised over a five year period, and the management rights being amortised over the remaining term of management agreement that expires in 2031.



## 8. Finance Costs

	2024 \$'000	2023 \$'000
Interest on borrowings	7,992	7,263
Interest on lease liabilities	1,533	1,130
<b>Total Finance Costs</b>	<b>9,525</b>	<b>8,393</b>

Finance costs increased during the year following the rise in the official cash rate to 4.35% as at 30 June 2024 (2023 – 4.1%). Further information on the borrowing costs and terms of borrowings are included in Note 24.

## 9. Finance Income

	2024 \$'000	2023 \$'000
Interest	304	489
Distributions	170	-
<b>Total Finance Income</b>	<b>474</b>	<b>489</b>

Finance income comprises interest received on loans as detailed in Note 12 and bank interest, as well as distributions received from the Group's investment in Pymont Bridge Road Mortgage Fund following the loss of control described in Note 3.

## 10. Other Net Remeasurement Gains

	2024 \$'000	2023 \$'000
Gain on acquisition of subsidiary	814	-
Gain on lease termination	79	-
Loss on equity accounted investments	(589)	-
<b>Total Other Net Remeasurement Gains</b>	<b>304</b>	<b>-</b>

Other net remeasurement gains comprise a gain on the acquisition of Yeost Lease Pty Ltd described further in Note 28.

## 11. Trade and Other Receivables

	2024 \$'000	2023 \$'000
Trade receivables – Operating business	165	127
Trade receivables – Real estate leases	171	358
Related parties	835	320
Expected credit loss allowance	(110)	(29)
<b>Total Trade and Other Receivables</b>	<b>1,061</b>	<b>776</b>

## 12. Loan Portfolio

Name	2024 \$'000	2023 \$'000	Current Security \$'000	Interest Rate	Security/Details
Vendor finance*	197	196	3,500	4.0% fixed	Commercial property in Toowoomba that was sold in 2021
<b>Total Current Loan Portfolio</b>	<b>197</b>	<b>196</b>			
Vendor finance*	1,228	1,425	3,500	4.0% fixed	Commercial property in Toowoomba that was sold in 2021
Employee loans	1,024	-	970	Cash rate + 2%	WOT securities and BWF shares
<b>Total Non-Current Loan Portfolio</b>	<b>2,252</b>	<b>1,425</b>			

\* Same asset as security.

## 13. Other Assets

	2024 \$'000	2023 \$'000
Prepaid expenses	354	268
Other	152	111
<b>Total Current Other Assets</b>	<b>506</b>	<b>379</b>
Rental deposits	796	675
Term deposit for bank guarantee	284	74
<b>Total Non-Current Other Assets</b>	<b>1,080</b>	<b>749</b>
<b>Total Other Assets</b>	<b>1,586</b>	<b>1,128</b>

## 14. Investment Property Portfolio

Investment Property Portfolio		Independent Valuation Date	Independent Valuer Cap Rate	2024 \$'000	2023 \$'000
<b>Start-Up Phase</b>					
Cremorne, NSW	●●	Jun-24	4.35%	16,200	17,100
Mandurah, WA	●●	PPC*	n/a	3,400	3,400
Takapuna, NZ	●●	Dec-22	5.00%	10,799	9,924
Belmont, NZ	●●	PPC*	n/a	2,070	-
<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-24	7.00%	9,000	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
<b>Total Investment Property Portfolio</b>				<b>261,319</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 30 June 2024, 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.

### Belmont Acquisition

In February 2024 contracts were exchanged to purchase the vacant property at 158 Lake Road, Belmont, Auckland, New Zealand for NZ\$2.3 million, with settlement completed in March 2024. WOT expects to open its second New Zealand based flexspace in the property in Q1 of fiscal 2025 as the Group explores redevelopment opportunities for the site over the longer term.

## 15. Investments in Associates

Name of Associate	Proportion of Ownership Interest	2024 \$'000	2023 \$'000
Pymont Bridge Property Pty Ltd (1)	43%	28,634	-
Pymont Bridge Road Mortgage Fund (1)	61%	5,167	-
Vicinia Pty Ltd (2)	35%	291	162
IndigoBlack Constructions (3)	25%	-	-
<b>Total Investments in Associates</b>		<b>34,092</b>	<b>162</b>

All of the above associates are accounted for using the equity method in these consolidated financial statements. Details of each associate are as follows:

- 1) Following the loss of control of the Pymont Group described in Note 3, the Group has retained investments in the Pymont property as well as the associated mortgage fund which provides a fixed return of 6% p.a.
- 2) Vicinia is a software development company primarily in development of the flexspace CRM platform Hamlet. Further details on Hamlet are described in Note 17.
- 3) During the year the Group invested in IndigoBlack Constructions, a construction company that the Group uses extensively to facilitate the development and construction of the WOTSO fitouts.

## 16. Property, Plant and Equipment

	2024 \$'000	2023 \$'000
Opening balance	13,929	12,854
Additions	5,832	4,558
Depreciation	(4,139)	(3,483)
<b>Total Property, Plant and Equipment</b>	<b>15,622</b>	<b>13,929</b>

## 17. 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, Hamlet, 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 year increased its ownership in the business to 35% (2023 – 31%). As at 30 June 2024 the Group has contributed \$899,000 net of amortisation (2023 - \$896,000) to fund the development of the software and has increased its investment in associate to \$291,000 (2023 - \$162,000).

During the year \$267,000 of amortisation (2023 – \$214,000) was recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income.

## 18. 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.

	2024 \$'000	2023 \$'000
Opening balance	34,615	33,605
Additions	6,420	6,271
Recognition of leases held with Pyrmont Bridge Property	4,995	-
Recognition of lease through acquisition of subsidiary	1,906	-
Depreciation	(5,833)	(5,261)
Disposals	(1,670)	-
<b>Total Right of Use Lease Assets</b>	<b>40,433</b>	<b>34,615</b>

	2024 \$'000	2023 \$'000
Right of use lease asset	62,558	53,266
Accumulated depreciation	(22,125)	(18,651)
<b>Written Down Value of Right of Use Lease Assets</b>	<b>40,433</b>	<b>34,615</b>

### Lease Liabilities

	2024 \$'000	2023 \$'000
Opening balance	38,656	37,743
Additions	6,420	6,271
Recognition of lease through acquisition of subsidiary	1,921	-
Interest charged	1,533	1,130
Repayments	(7,496)	(6,589)
Terminations	(1,724)	-
Modification	5,185	101
<b>Total Lease Liabilities (Current and Non-Current)</b>	<b>44,495</b>	<b>38,656</b>

### Neutral Bay Lease

During 2021 the Group entered into an option with the owners of the 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 year the option was exercised triggering the variation of the lease for the Neutral Bay site. The variation fee was paid on the settlement of the sale of the property in March 2024.

## 19. Intangible Assets

The Group's intangible assets of \$3.3 million comprise management rights acquired through the internalisation transaction described in Note 2. These management rights are deemed to have a finite useful life and are measured at cost and amortised using the straight line method over the estimated remaining useful life of 7 years.

During the year amortisation of \$171,000 was recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income.



## 20. Goodwill

Goodwill of \$26.15 million was generated when Ostow Limited (formerly WOTSO Limited) was stapled to WOTSO Property Trust (formerly BlackWall Property Trust) as part of the stapling transaction completed in February 2021.

The Group has determined the recoverable amount of goodwill as at 30 June 2024 by a value-in-use calculation using a discounted cash flow model based on a 5-year projection period and terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating unit is most sensitive.

The following key assumptions were used in the discounted cash flow model for WOTSO:

- the discount rate of 15% post-tax reflects management's estimate of the time value of money and the Group's weighted average cost of capital for WOTSO;
- As WOTSO has consistently opened 3-5 new sites per year in the last few years, the valuation has considered 9 new sites to be opened between 2024 and 2026;
- all sites are forecast to continue growing to reach maturity between now and 2027; and
- monthly target desk prices range from \$382 to \$639 and are considered competitive rates within each site's operating environment.

There were no other key assumptions.

### Sensitivity

As disclosed above, the Directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- the date at which sites meet maturity would need to be delayed by over 150 years for goodwill to be impaired, with all other assumptions remaining constant;
- the discount rate would need to increase to over 38% for goodwill to be impaired, with all other assumptions remaining constant; and
- WOTSO maturity revenue would need to decrease by more than 20% for goodwill to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of WOTSO's goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

### Internalisation of Management

As disclosed in Note 2, the internalisation transaction gave rise to goodwill of \$1.34 million during the year.

## 21. Other Receivables

	2024 \$'000	2023 \$'000
COVID deferred rent receivable	106	207
<b>Total Other Receivables</b>	<b>106</b>	<b>207</b>

## 22. Trade and Other Payables

	2024 \$'000	2023 \$'000
Trade payables	4,908	3,373
Accrued expenses	431	582
Related parties	18	434
Unearned revenue	437	619
Tenant deposits	90	43
COVID deferred rent	51	159
<b>Total Current Trade and Other Payables</b>	<b>5,935</b>	<b>5,210</b>
COVID deferred rent	29	201
<b>Total Non-Current Trade and Other Payables</b>	<b>29</b>	<b>201</b>
<b>Total Trade and Other Payables</b>	<b>5,964</b>	<b>5,411</b>

## 23. Employee Provisions

	2024 \$'000	2023 \$'000
Current employee provisions	994	377
Non-current employee provisions	183	66
<b>Total Employee Provisions</b>	<b>1,177</b>	<b>443</b>

Employee benefit provisions relate to annual leave and long service leave payable to employees. As a result of the internalisation of management described in Note 2, the Group assumed employee liability provisions of \$624,000. This transaction also increased the number of employees of the Group to 113 as at 30 June 2024 (2023 – 84).

## 24. Borrowings

All facilities are priced off the bank bill swap rate. The facilities have no undrawn balance, with the exception of the Takapuna facility which has AU\$393,000 undrawn. 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.

\$13 million of the Group's borrowings have been classified as current as they are due in the next 12 months. The Group has \$40.2 million of unencumbered properties.

Security	LVR (Covenant)	Borrowings		Security Value \$'000	Expiry	Margin	Lender
		2024 \$'000	2023 \$'000				
Penrith	50% (55%)	13,000*	13,000	26,250	12/24	2.20%	CBA
Villawood	42% (60%)	12,000	12,000*	28,500	01/26	1.81%	NAB
Various	44% (65%)	44,000	44,000*	99,700	01/26	1.86%	NAB
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	2.42%	BOQ
Takapuna	33% (N/A)	3,542	3,951	10,799	11/27	2.39%	BNZ
Yandina	43% (60%)	10,000	10,000*	23,150	02/28	2.01%	NAB
Pyrmont	N/A	-	60,000*	-	01/26	1.88%	NAB
Unencumbered properties		-	-	40,170			
<b>Total</b>		<b>92,742</b>	<b>153,151</b>				

\* Current

## 25. Make Good Provisions

Make good provisions relate to estimated costs required to return leased property to the state required by the lease. These have been discounted at the same rate as the underlying lease liability.

	2024 \$'000	2023 \$'000
Make good provisions – current	685	392
Make good provisions – non-current	1,402	1,436
<b>Total Make Good Provisions</b>	<b>2,087</b>	<b>1,828</b>

## 26. 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 2024 the property owning entities estimate to have carried forward revenue tax losses of approximately \$31 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 (2024 – \$5.0 million; 2023 - \$5.2 million) in relation to unrealised gains on the assets of the company.

### Ostow Limited

As a result of the internalisation transaction described in Note 2, deferred tax assets of \$719,000 and deferred tax liabilities of \$719,000 have been recognised. These deferred taxes have been presented on a net basis on the balance sheet of Ostow Limited (2023 - \$nil) given the ability and intent of Ostow to settle these on a net basis.

The below table shows a breakdown of the tax value of Ostow Limited's other net deferred tax asset balances not recognised. The Group has not recognised these as at 30 June 2024, due to uncertainty around the ability of the Group to recoup these in the short to medium term. The recoupment and realisation of the deferred tax assets will be determined by reference to each respective taxpayer of the Group. As such, the tax losses (and other deferred tax assets) incurred by Ostow Limited will be available to offset future taxable income of Ostow Limited and not the other members of the Group (subject to Ostow Limited meeting the relevant loss recoupment tests).

<b>Ostow Limited's Unrecognised Net Deferred Tax Assets</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Right of use leases	1,751	1,616
Accruals and provisions	459	263
Prepayments	(28)	(14)
Fixed asset depreciation	(1,580)	(2,224)
Investments	125	-
Management rights	(832)	-
Carried forward taxable losses	2,080	4,092
<b>Total Unrecognised Net Deferred Tax Assets</b>	<b>1,975</b>	<b>3,733</b>

## 27. Distributions

A distribution of 1.0 cent per security has been declared to be paid on 8 October 2024.

<b>Prior Distributions Paid</b>	<b>Payment Date</b>	<b>Amount Per Security</b>	<b>Distributions Paid \$'000</b>
Interim distribution	3 April 2024	1.0 cps	1,623
Final distribution	24 November 2023	3.0 cps	4,881
<b>Total 2024</b>			<b>6,504</b>
Interim distribution	14 March 2023	3.0 cps	4,906
Final distribution	6 September 2022	3.0 cps	4,901
<b>Total 2023</b>			<b>9,807</b>

## 28. Investment in New Subsidiaries

### Yeast Lease Pty Ltd

During the year, the Group acquired 100% of the issued and outstanding shares in Yeost Lease Pty Ltd, obtaining control of the company. Yeost Lease Pty Ltd is a special purpose entity that holds the lease over the Neutral Bay property until September

2026. The acquisition of Yeost Lease Pty Ltd does not constitute a business and accordingly, the assets acquired and liabilities assumed have been consolidated in accordance with AASB 10. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	<b>2024 \$'000</b>
Cash and cash equivalents	994
Trade and other receivables	(5)
Right of use lease asset	1,906
Trade and other payables	(148)
Tenant bond liabilities	(12)
Lease liabilities	(1,921)
<b>Total Identifiable Assets Acquired and Liabilities Assumed</b>	<b>814</b>
Excess of net assets acquired	(814)
<b>Total Consideration</b>	<b>-</b>
Satisfied by:	
Cash and cash equivalents	-
<b>Total Consideration Transferred</b>	<b>-</b>
Net cash inflow arising on acquisition:	
Cash consideration	-
Cash and cash equivalents balances acquired	994
	<b>994</b>

A gain on acquisition of \$814,000 has been recognised in profit or loss as part of the acquisition of Yeost Lease Pty Ltd, being the excess of net assets acquired over consideration of \$1.

### WOTSO HealthSpace Pty Ltd and WOTSO CookSpace Pty Ltd

During the prior year the Group subscribed to 50% of the issued capital in both WOTSO CookSpace Pty Ltd and WOTSO HealthSpace Pty Ltd for a nominal value. The Group is considered to control both WOTSO CookSpace and WOTSO HealthSpace through its ability to direct the strategic and operational decisions of both entities. Consequently, both WOTSO CookSpace and WOTSO HealthSpace were consolidated into the Group at that time.

Due to WOTSO CookSpace and WOTSO HealthSpace being formed during the prior year, both entities are in the early stage of development and have limited operational earnings in both the current and prior years. WOTSO CookSpace is still in the development phase and has not commenced operations at 30 June 2024. WOTSO HealthSpace commenced operations late in 2023 and incurred a small profit of \$157,000 in 2024 (2023 - \$4,000 loss).



## 29. Lease Commitments Receivable

Future minimum rent receivable under operating leases as at 30 June 2024 is as follows:

	2024 \$'000	2023 \$'000
Receivable within 1 year	15,398	23,573
Receivable within 2 - 5 years	38,718	36,686
Receivable in over 5 years	23,376	10,224
<b>Total</b>	<b>77,492</b>	<b>70,483</b>

## 30. Financial Instruments

### (a) Financial Risk Management

The main risks the Group is exposed to through its financial instruments are market risks (including interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Group's principal financial instruments are property investment structures and borrowings (including interest rate hedges). Additionally, the Group has various other financial instruments such as cash, 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, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors of the Group have overall responsibility for the establishment and oversight of the risk management framework. The Board monitors the Group's risk exposure by regularly reviewing finance and property markets. Major financial instruments held by the Group which are subject to financial risk analysis are as follows:

	2024 \$'000	2023 \$'000
<b>Financial Assets</b>		
Cash and cash equivalents	3,674	7,450
Trade receivables	1,061	776
Loan portfolio	2,449	1,621
Hedge asset	-	2,604
Other receivables	106	207
Other assets	1,586	1,128

	2024 \$'000	2023 \$'000
<b>Financial Liabilities</b>		
Trade and other payables	5,964	5,411
Employee provisions	1,177	443
Tenant bond liabilities	378	567
Lease liabilities	44,495	38,656
Borrowings	92,742	153,151

### (b) Sensitivity Analysis

The Group is exposed to interest rate and credit risk. Loans made to employees have ASX traded securities in WOTSO Property and shares in BlackWall Limited as security and thus management consider this to be low credit risk. The vendor finance loan is secured by a mortgage over a property and is also considered to be of low risk.

In relation to interest rate risk, if interest rates on borrowings were to increase or decrease by 1%, profit after tax would increase or decrease by \$917,000 (2022 - \$1.23 million).

The Group is exposed to currency risk through its investment properties and flexspace operations in New Zealand, which are carried at and transacted in New Zealand Dollars (NZD). Management considers this risk low given the relative parity and historical low volatility between Australian Dollars and NZD. If the NZD were to appreciate by 5%, the value of the New Zealand portion of the investment property portfolio would increase by \$677,000 (2023 - \$522,000). If the NZD were to depreciate by 5%, the value of the New Zealand portion of the investment property portfolio would decrease by \$613,000 (2023 - \$472,000).

### (c) Capital Management

The Group's objectives when managing capital are to:

- safeguard its ability to continue as a going concern so that it can continue to provide returns for securityholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of distributions paid to securityholders, issue new securities, buy-back securities, purchase or sell assets.

## (d) Liquidity Risk

The major liquidity risk faced by the Group is its ability to realise assets. The Group has borrowings of \$93 million (2023 - \$153 million) and total gross assets of \$392 million (2023 - \$482 million), of which \$295 million (2023 - \$392 million) are income producing real estate assets for which there is a deep and active market. At the end of the reporting period, the Group held the following financial arrangements:

	Maturing Within 1 Year \$'000	Maturing 2 - 5 Years \$'000	Maturing Over 5 Years \$'000	Total \$'000
<b>At 30 June 2024</b>				
<b>Financial Liabilities</b>				
Trade and other payables	5,935	29	-	5,964
Tenant bond liabilities	-	378	-	378
Employee provisions	994	183	-	1,177
Lease liabilities	5,958	14,203	24,334	44,495
Borrowings	13,000	79,742	-	92,742
<b>Total</b>	<b>25,887</b>	<b>94,535</b>	<b>24,334</b>	<b>144,756</b>
<b>At 30 June 2023</b>				
<b>Financial Liabilities</b>				
Trade and other payables	5,210	201	-	5,411
Tenant bond liabilities	-	567	-	567
Employee provisions	377	66	-	443
Lease liabilities	5,461	15,765	17,430	38,656
Borrowings	126,000	27,151	-	153,151
<b>Total</b>	<b>137,048</b>	<b>43,750</b>	<b>17,430</b>	<b>198,228</b>

## (e) Fair Value Measurements

### (i) Fair Value Hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making measurements. The fair value hierarchy has the following levels:

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

The 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 38 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 30 June 2024</b>				
Investment property portfolio	-	-	261,319	<b>261,319</b>
Loan portfolio	-	-	2,449	<b>2,449</b>
<b>At 30 June 2023</b>				
Investment property portfolio	-	-	392,324	<b>392,324</b>
Loan portfolio	-	-	1,621	<b>1,621</b>
Hedge asset	-	-	2,604	<b>2,604</b>

### (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 year.

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%	(9,000)	11,400
Net market rent	5%	16,400	(15,700)

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 year ended 30 June 2024:

	\$'000
<b>At 30 June 2024</b>	
Balance at the beginning of the year	396,549
Capital improvements	5,328
Acquisition of properties	2,070
Loans advanced	1,027
Straight-line rental income	481
Foreign currency translation gain	(53)
Loans repaid	(199)
Net loss on assets	(529)
Hedge asset	(715)
Depreciation	(3,934)
Derecognition of Pymont assets	(136,257)
<b>Balance at 30 June 2024</b>	<b>263,768</b>
<b>At 30 June 2023</b>	
Balance at the beginning of the year	402,755
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)
Net loss on assets	(5,481)
<b>Balance at 30 June 2023</b>	<b>396,549</b>

## 31. Parent Entity Disclosures

WOTSO Property Trust (WPT) has been identified as the parent entity (Parent Entity).

	2024 \$'000	2023 \$'000
Profit for the year	4,112	2,577
<b>Total Profit and Other Comprehensive Income for the Year</b>	<b>4,112</b>	<b>2,577</b>
<b>Financial Position:</b>		
Current assets	11,174	76,607
Non-current assets	217,740	158,778
<b>Total Assets</b>	<b>228,914</b>	<b>235,385</b>
Current liabilities	(947)	(1,265)
Non-current liabilities	(44,000)	(44,000)
<b>Total Liabilities</b>	<b>(44,947)</b>	<b>(45,265)</b>
<b>Net Assets</b>	<b>183,967</b>	<b>190,120</b>

### Contingent Liabilities

The Parent Entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

### Capital Commitments – Property, Plant and Equipment

The Parent Entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

### Material Accounting Policies

The accounting policies of the Parent Entity are consistent with those of the consolidated entity, as disclosed in Note 38.

## 32. Controlled Entities

Name	Percentage Owned 2024	2023
<b>Parent Entity:</b>		
WOTSO Property Trust	n/a	n/a
<b>Controlled Entities:</b>		
76 Brunswick Street Pty Ltd	100%	-
76 Brunswick Street Unit Trust	100%	100%
Ada Avenue Brookvale Pty Ltd	100%	-
Ada Avenue Brookvale Unit Trust	100%	100%
BlackWall Opportunities Fund	100%	-
BlackWall Penrith Fund No. 3	100%	-

Name	Percentage Owned	
	2024	2023
Browns Bay Investments Limited	100%	-
Flinders Street Pty Ltd	100%	-
Flinders Street Unit Trust	100%	100%
GyMEA Bay Road Pty Ltd	100%	-
GyMEA Bay Road Unit Trust	100%	100%
Karaka House Investments Limited	100%	100%
Kirela Development Unit Trust	-	100%
Macquarie Hobart Pty Ltd	100%	-
Macquarie Hobart Unit Trust	100%	100%
Military Road Cremorne Pty Ltd	100%	-
Military Road Cremorne Unit Trust	100%	100%
Northbourne Dickson Pty Ltd	100%	-
Northbourne Dickson Unit Trust	100%	-
Ormsby Terrace Pty Ltd	100%	-
Ormsby Terrace Unit Trust	100%	100%
Ostow Investments Pty Ltd	100%	100%
Ostow Property Management Pty Ltd	100%	100%
Ostow Limited	100%	100%
Pioneer Road Yandina Pty Ltd	100%	100%
Planloc Limited	100%	100%
Pymont Bridge Finance Pty Ltd	100%	-
Pymont Bridge Property Pty Ltd*	N/A	46%
Pymont Bridge Trust*	N/A	71%
Pymont Bridge Road Mortgage Fund*	N/A	71%
Pymont Bridge Notes Trust	N/A	84%
Ryrie Geelong Pty Ltd	100%	-
Ryrie Geelong Unit Trust	100%	-
Tudor Street Newcastle Pty Ltd	100%	-
Tudor Street Newcastle Unit Trust	100%	100%
Woods PIPES Fund	-	100%
Wormald Symonston Pty Ltd	100%	-
Wormald Symonston Unit Trust	100%	-
WOTSO Pty Ltd	100%	-
WOTSO Adelaide Pty Ltd	100%	100%
WOTSO Barracks Pty Ltd	100%	100%
WOTSO Blacktown Pty Ltd	100%	100%
WOTSO Bondi Junction Pty Ltd	100%	100%
WOTSO Botany Pty Ltd	100%	100%
WOTSO Brookvale Pty Ltd	100%	100%
WOTSO Chermside Pty Ltd	100%	100%
WOTSO CookSpace Pty Ltd	50%	50%

Name	Percentage Owned	
	2024	2023
WOTSO Cremorne Pty Ltd	100%	-
WOTSO Dickson Pty Ltd	100%	100%
WOTSO Employment Services Pty Ltd	100%	100%
WOTSO External Pty Ltd	100%	100%
WOTSO Fund Services Limited	100%	-
WOTSO Fortitude Valley Pty Ltd	100%	100%
WOTSO Gold Coast Pty Ltd	100%	100%
WOTSO HealthSpace Pty Ltd	50%	50%
WOTSO Hobart Pty Ltd	100%	100%
WOTSO Holdings Pty Ltd	100%	100%
WOTSO Internal Pty Ltd	100%	100%
WOTSO Liverpool Pty Ltd	100%	-
WOTSO Macarthur Square Pty Ltd	100%	100%
WOTSO Mahuhu Limited	100%	-
WOTSO Mandurah Pty Ltd	100%	100%
WOTSO Neutral Bay Pty Ltd	100%	100%
WOTSO Newcastle Pty Ltd	100%	100%
WOTSO Penrith Pty Ltd	100%	100%
WOTSO Pymont Pty Ltd	100%	100%
WOTSO at RFW Manly Pty Ltd	100%	100%
WOTSO Robina Pty Ltd	100%	100%
WOTSO Services Pty Ltd	100%	100%
WOTSO Services 1 Pty Ltd	100%	100%
WOTSO Services 2 Unit Trust	100%	100%
WOTSO Services 2 Pty Ltd	100%	100%
WOTSO Services 3 Pty Ltd	100%	100%
WOTSO Storage Space Pty Ltd	100%	100%
WOTSO Sunshine Coast Pty Ltd	100%	100%
WOTSO Symonston Pty Ltd	100%	100%
WOTSO Takapuna Limited	100%	100%
WOTSO Toowoomba Pty Ltd	100%	100%
WOTSO Woden Pty Ltd	100%	100%
WOTSO Wollert Pty Ltd	100%	-
WOTSO Zetland Pty Ltd	100%	100%
WRV Pty Ltd	100%	-
WRV Unit Trust	75%	99%
Yandina Sub-Trust	100%	100%
Yeast Lease Pty Ltd	100%	-

\* Consolidated because WOTSO Property Trust was the most significant shareholder and exercised management control. In 2024 WOT assessed that it ceased to control the Pymont Group as disclosed in Note 3.



## 33. Related Party Transactions

### (a) Related Parties

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.

### (b) Interests in Related Parties

As at year end the Group held no interests in related parties.

### (c) Loans to Related Parties

The Group holds the following outstanding loans with related parties:

	2024 \$	2023 \$
Employees	1,024,000	-
<b>Total</b>	<b>1,024,000</b>	<b>-</b>

### (d) Related Party Transactions

Prior to the internalisation of management as described in Note 2, under the management agreements the following management fees were paid to BWF:

- Management fee charged to WPT and Planloc of 0.75% of gross assets per annum (2023 – 0.75%); and
- Management fee charged to WOTSO based on 2% of gross revenue on all sales up to \$20 million per annum and 5% on sales above \$20 million per annum (2023 – 2% and 5% respectively).

All transactions with related parties were made on arm's length commercial terms, at market rates, and were approved by the Board. Related party transactions that occurred during the year are as follows:

	2024 \$	2023 \$
<b>Income</b>		
Rent and outgoings	76,740	-
Interest income	25,660	53,474
Sundry recoveries	94,454	107,820
Neutral Bay lease variation fee	4,900,000	-
<b>Total Income</b>	<b>5,096,854</b>	<b>161,294</b>

	2024 \$	2023 \$
<b>Expenses</b>		
WOTSO rent expenses	845,372	942,435
Fees paid to BWF	6,173,350	6,767,311
Software development costs	270,000	270,000
Fit-out costs	467,106	926,538
<b>Total Expenses</b>	<b>7,755,828</b>	<b>8,906,284</b>
<b>Outstanding Balances</b>		
Trade and other receivables (current)	835,200	319,632
Trade and other payables (current)	(18,341)	433,628

The internalisation transaction described in Note 2 and the acquisition of Yeost Lease Pty Ltd described in Note 28 are considered related party transactions as the Group and the respective vendors both share common directors.

## 34. Earnings per Security

	2024 \$'000	2023 \$'000
Profit / (Loss) after income tax	781	(6,075)
Non-controlling interest	(804)	6,930
<b>(Loss) / Profit After Income Tax Attributable to Owners of WOT Securities</b>	<b>(23)</b>	<b>855</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary securities used in calculating basic and diluted earnings per security	162,478,413	163,210,058
	<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per security	0.0	0.5

## 35. Auditor's Remuneration

	2024 \$	2023 \$
Audit and assurance services	184,230	160,933
Tax services	28,170	41,012
<b>Total Auditor's Remuneration</b>	<b>212,400</b>	<b>201,945</b>

## 36. Subsequent Events

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

## 37. Critical Accounting Estimates and Judgments

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 14. 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 24 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 38. 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.

## 38. Material Accounting Policies

The financial statements cover the Group, which comprises WOTSO Property Trust, Ostow Limited, Planloc Limited and their controlled entities. All are incorporated and domiciled in Australia with the exception of four controlled entities incorporated and domiciled in New Zealand. WOTSO 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 have been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, as appropriate for for-profit oriented entities.

The financial statements of the Group 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 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 \$21 million at 30 June 2024. This is largely driven by current borrowings of \$13 million and AASB 16 current lease liabilities of \$7 million of which no corresponding current lease asset is recorded under AASB 16. The Group has positive operating cash flow and closely monitors liquidity to manage cash flows.

## 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.

## Principles of Consolidation

### Controlled Entities

The consolidated financial statements comprise the financial statements of the Group (refer to Note 32). The controlled entities each have June financial years end and use consistent accounting policies. Investments in controlled entities held by the Parent Entity are accounted for at cost less any impairment charges (refer to Note 31).

Subsidiaries are all those entities over which the Parent Entity has control. The Parent Entity controls an entity when the Parent 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 Group. They are de-consolidated from the date that control ceases.

### Inter-entity Balances

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

### Impairment of Assets

At each reporting date, the Group reviews the carrying values of its 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 income statement.

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

### Interest Rate Hedges

The Group uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rates. Such derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to fair value. Derivatives are carried as assets when their net fair value is positive and as liabilities when their net fair value is negative.

The fair values of interest rate swaps are determined by reference to market values for similar instruments and are reported on by the counter party to the instrument. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss for the year.

### Non-Derivative Financial Instruments

Non-derivative financial instruments comprise financial assets (including property investment structures), 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 recognised 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 liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

## Loans and Receivables

Loans and receivables include loans to related entities. They are subsequently measured at amortised cost, less any allowance for expected credit losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

## 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.

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 statement of profit or loss and other comprehensive income.

## Financial Liabilities

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

## Financial Assets (Investment Property Portfolio)

The investment property portfolio contains a portion of financial assets being property investment structures at fair value through profit or loss. All gains and losses in relation to financial assets are recognised in profit or loss. 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. Currently all financial assets are measured subsequently at fair value.

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

### Measurement

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The Group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in profit or loss as applicable.

### 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 an allowance for any expected credit losses. 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

Trade and other payables 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.

## Revenue

### Rent

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

WOTSO income comprises rental and recovery of outgoings from members. Rental income is accounted for on a straight-line basis over the membership term, if applicable.

### Lease Incentives

Rent free incentives granted are recognised as an integral part of total rental income.

Cash incentives paid or payable to tenants are capitalised as part of investment properties.

### Investment Income

Interest income is recognised as interest accrues using the effective interest method. Property investment structure income is recognised when the right to receive distribution has been established.

For tax deferred distributions (returns of capital) earned from any trusts that have significant carried forward tax losses, such distributions are brought on to the balance sheet by an adjustment in the carrying value of the relevant investment and then reflected in profit or loss as an unrealised gain.

### Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognised as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

## Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

## Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office equipment	2 – 10 years
Furniture, fixtures and fittings	2 – 10 years
Fit-out	Lesser of 10 years and expected remaining lease term
Leasehold improvements	Lesser of 10 years and expected remaining lease term

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

## Held for Sale Properties

Properties are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather through continuing use and a sale is considered highly probable. They are measured at their carrying amount. Any subsequent increases or decreases in carrying amount is recognised in profit or loss.

## Investment Properties

The Group recognises investment properties, and corresponding property settlement payables when contracts have been exchanged for the acquisition of new investment properties.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise. Included in the value measurement are adjustments for straight-lining of lease income.

## Right of Use Lease Assets

A right of use asset is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right of use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## Intangible Assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any accumulated impairment losses. Finite life intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net

disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Amortisation of finite life intangible assets are calculated on a straight-line basis over the expected useful lives of the asset as follows:

Management rights	7 years
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## Internally Generated Intangible Assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised if, and only if, all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated on a straight-line basis over the expected useful lives of the intangible asset as follows:

Software development	5 years
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The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

## Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

## Impairment of Non-Financial Assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

## Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## Distributions

Distributions are recognised when declared during the financial year and no longer at the discretion of the Group.

## Foreign Currencies

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange

prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognised in other comprehensive income or loss in the period in which they arise.

## Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a



reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

## 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 relevant taxation authority. 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.

## Earnings per Security (EPS)

The Group presents basic and diluted EPS. Basic EPS is calculated by dividing the profit or loss attributable to ordinary securityholders of the Group by the weighted average number of securities outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary securityholders and the weighted average number of securities outstanding for the effects of all dilutive potential securities.

## New Accounting Standards and Interpretations

The Group has adopted 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 year. Several amendments apply for the first time in the current year. 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.



# Consolidated Entity Disclosure Statement

as at 30 June 2024

Entity Name		Entity Type	Body Corporates		Tax Residency	
			Place of Incorporation	% of Share Capital Held	Australian or Foreign	Foreign Jurisdiction
WOTSO Property Trust		Trust	Australia	N/A	Australian	N/A
76 Brunswick Street Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A
76 Brunswick Street Unit Trust		Trust	Australia	N/A	Australian	N/A
Ada Avenue Brookvale Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A
Ada Avenue Brookvale Unit Trust		Trust	Australia	N/A	Australian	N/A
BlackWall Opportunities Fund		Trust	Australia	N/A	Australian	N/A
BlackWall Penrith Fund No. 3		Trust	Australia	N/A	Australian	N/A
Browns Bay Investments Limited		Body corporate	New Zealand	100%	Foreign	New Zealand
Flinders Street Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A
Flinders Street Unit Trust		Trust	Australia	N/A	Australian	N/A
Gymea Bay Road Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A
Gymea Bay Road Unit Trust		Trust	Australia	N/A	Australian	N/A
Karaka House Investments Limited		Body corporate	New Zealand	100%	Foreign	New Zealand
Macquarie Hobart Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A
Macquarie Hobart Unit Trust		Trust	Australia	N/A	Australian	N/A
Military Road Cremorne Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A

Entity Name		Entity Type	Body Corporates		Tax Residency	
			Place of Incorporation	% of Share Capital Held	Australian or Foreign	Foreign Jurisdiction
Military Road Cremorne Unit Trust		Trust	Australia	N/A	Australian	N/A
Northbourne Dickson Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A
Northbourne Dickson Unit Trust		Trust	Australia	N/A	Australian	N/A
Ormsby Terrace Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A
Ormsby Terrace Unit Trust		Trust	Australia	N/A	Australian	N/A
Ostow Investments Pty Ltd		Body corporate	Australia	100%	Australian	N/A
Ostow Property Management Pty Ltd		Body corporate	Australia	100%	Australian	N/A
Ostow Limited	1	Body corporate	Australia	N/A	Australian	N/A
Pioneer Road Yandina Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A
Planloc Limited	1	Body corporate	Australia	N/A	Australian	N/A
Pymont Bridge Finance Pty Ltd		Body corporate	Australia	100%	Australian	N/A
Ryrie Geelong Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A
Ryrie Geelong Unit Trust		Trust	Australia	N/A	Australian	N/A
Tudor Street Newcastle Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A
Tudor Street Newcastle Unit Trust		Trust	Australia	N/A	Australian	N/A
Wormald Symonston Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A

Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place of Incorporation	% of Share Capital Held	Australian or Foreign	Foreign Jurisdiction
Wormald Symonston Unit Trust	Trust	Australia	N/A	Australian	N/A
WOTSO Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Adelaide Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Barracks Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Blacktown Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Bondi Junction Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Botany Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Brookvale Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Chermside Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO CookSpace Pty Ltd	Body corporate	Australia	50%	Australian	N/A
WOTSO Cremorne Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Dickson Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Employment Services Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO External Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Fund Services Limited	2 Body corporate	Australia	100%	Australian	N/A
WOTSO Fortitude Valley Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Gold Coast Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO HealthSpace Pty Ltd	Body corporate	Australia	50%	Australian	N/A
WOTSO Hobart Pty Ltd	Body corporate	Australia	100%	Australian	N/A

Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place of Incorporation	% of Share Capital Held	Australian or Foreign	Foreign Jurisdiction
WOTSO Holdings Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Internal Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Liverpool Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Macarthur Square Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Mahuhu Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
WOTSO Mandurah Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Neutral Bay Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Newcastle Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Penrith Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Pyrmont Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO at RFW Manly Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Robina Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Services Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Services 1 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Services 2 Unit Trust	Trust	Australia	N/A	Australian	N/A
WOTSO Services 2 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Services 3 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Storage Space Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Sunshine Coast Pty Ltd	Body corporate	Australia	100%	Australian	N/A



Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place of Incorporation	% of Share Capital Held	Australian or Foreign	Foreign Jurisdiction
WOTSO Symonston Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Takapuna Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
WOTSO Toowoomba Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Woden Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Wollert Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Zetland Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WRV Pty Ltd	2 Body corporate	Australia	100%	Australian	N/A
WRV Unit Trust	Trust	Australia	N/A	Australian	N/A
Yandina Sub-Trust	Trust	Australia	N/A	Australian	N/A

1. Entity is a stapled member of WOTSO Property.

2. Trustee entity of a trust which is consolidated within these consolidated financial statements.



Cremorne, NSW



# Directors' Report

## (Continued from Page 10)

### Business Risks

In the current economic, geopolitical and social climate effective risk management is critical in achieving our strategy and continuing to grow the WOTSO FlexSpace business and capitalising on investment opportunities to expand our property portfolio. Below we have highlighted a number of the key risks we manage in achieving these goals.

<b>Material Business Risk</b>	<b>Inflation</b>
<b>Potential Impact</b>	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
<b>Management Plan</b>	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.
<b>Material Business Risk</b>	<b>Interest Costs</b>
<b>Potential Impact</b>	The Group has borrowings that are exposed to interest rate movements and rising interest costs will negatively impact net earnings.
<b>Management Plan</b>	The Directors believe that Group gearing is such that foreseeable increases in interest costs can be managed without undue stress.
<b>Material Business Risk</b>	<b>Lease Obligations</b>
<b>Potential Impact</b>	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.
<b>Management Plan</b>	We mitigate this risk by siloing each lease in a separate company.

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#### **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.

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#### **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.

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#### **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.

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#### **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.

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## Business Risks (continued)

<b>Material Business Risk</b>	<b>Cyber Risk</b>
<b>Potential Impact</b>	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.
<b>Management Plan</b>	We hold specific cyber insurance policies that provide cover in the event of a cyber attack/breach.
<b>Material Business Risk</b>	<b>Unplanned Capital Expenditures</b>
<b>Potential Impact</b>	The need for significant unforeseen capital expenditure would affect the Group and may negatively impact debt obligations and/or distributions to investors.
<b>Management Plan</b>	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.
<b>Material Business Risk</b>	<b>Macroeconomic Factors</b>
<b>Potential Impact</b>	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.
<b>Management Plan</b>	As a management team we continually monitor these factors however, ultimately, they are often beyond our control.

## 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, with the exception of those events disclosed in Note 36.

## Directory of Properties

Property	Property Address
<b>Queensland:</b>	
Fortitude Valley	76 Brunswick St, Fortitude Valley QLD 4006
Gold Coast	194 Varsity Pde, Varsity Lakes QLD 4227
Sunshine Coast	30 Chancellor Village Blvd, Sippy Downs QLD 4556
Yandina	54 Pioneer Rd, Yandina QLD 4561
<b>New South Wales:</b>	
Pymont	55 Pymont Bridge Rd, Pymont NSW 2009
Villawood	824-850 Woodville Rd, Villawood NSW 2163
Newcastle	1 Tudor St, Newcastle NSW 2302
Brookvale	2 Ada Ave, Brookvale NSW 2100
Penrith	120 Mulgoa Rd, Penrith NSW 2750
Cremorne	233-239 Military Rd, Cremorne NSW 2090
<b>Australian Capital Territory:</b>	
Dickson	490 Northbourne Ave, Dickson ACT 2602
Symonston	10-14 Wormald St, Symonston ACT 2609
<b>South Australia:</b>	
Adelaide	217-223 Flinders St, Adelaide SA 5000
<b>Tasmania:</b>	
Hobart	162 Macquarie St, Hobart TAS 7000
<b>Western Australia:</b>	
Mandurah	22 Ormsby Terrace, Mandurah WA 6210
<b>New Zealand:</b>	
Belmont	158 Lake Road, Belmont, Auckland NZ 0622
Takapuna	9 Huron Street, Takapuna, Auckland NZ 0622

## ASX Additional Information

Additional information required by the ASX and not shown elsewhere in this report is as follows. The securityholder information set out below was current as at 31 July 2024.

## 1. Securityholders

The Group's top 20 largest securityholders were:

Investor	Securities (No.)	Securities (%)
1 Pelorus Private Equity Limited	30,075,162	18.54%
2 Jagar Holdings Pty Ltd	19,399,550	11.96%
3 SAO Investments Pty Ltd	15,730,000	9.70%
4 Hollia Pty Limited	13,877,324	8.56%
5 Vintage Capital Pty Ltd	10,996,167	6.78%
6 Seno Management Pty Ltd <Taipa Trust>	5,650,000	3.48%
7 Alerik Pty Limited <The Alerik Unit A/C>	4,257,914	2.63%
8 Mr Richard Hill & Mrs Evelyn Hill	3,787,888	2.34%
9 PRSC Pty Ltd	3,746,073	2.31%
10 Mr Archibald Geoffrey Loudon	3,724,838	2.30%
11 Tampopo Pty Ltd <The Hill Family A/C>	3,113,823	1.92%
12 Castle Bay Pty Limited	2,755,258	1.70%
13 Ms Gia Ravazzotti	2,700,000	1.66%
14 Seno Management Pty Ltd <Seno Super Fund>	2,125,000	1.31%
15 HSBC Custody Nominees (Australia) Limited	1,870,806	1.15%
16 Lymkeesh Pty Ltd <Employees Super Fund A/C>	1,533,819	0.95%
17 Glenahilty Pty Ltd <Clare Loudon Family A/C>	1,412,907	0.87%
18 Oyama Pty Limited <Fennel Family Super Fund A/C>	1,360,757	0.84%
19 Koonta Pty Ltd <Koonta PL Super Fund A/C>	1,289,302	0.80%
20 Frogstorm Pty Ltd <Rockahula A/C>	1,149,871	0.71%

## 2. Distribution of Securityholders

The distribution of securityholders by size of holding was:

Category (Securities Held)	No. of Holders
1 – 1,000	1,463
1,001 – 5,000	651
5,001 – 10,000	190
10,001 – 100,000	282
100,001 and over	81
<b>Total Number of Securityholders</b>	<b>2,667</b>

The Group has 162,176,344 securities on issue. All securities carry one vote per security without restrictions. All securities are quoted on the Australian Securities Exchange (ASX: WOT).

## 3. Substantial Securityholders

The Group's substantial securityholders are set out below:

Investor	Securities (No.)	Securities (%)
BlackWall Limited	45,805,162	28.24%
Seph Glew	35,441,805	21.85%
Paul Tresidder	21,733,578	13.40%
Robin Tedder	14,418,883	8.89%

## 4. Key Management Personnel's Relevant Interests

The current relevant interests in the Group held by Key Management Personnel of the Group are shown below.

Name (Position)	27 July 2023	Net Change	31 July 2024
<b>Seph Glew</b> (Non-Executive Director)	66,140,387	(30,698,582)	35,441,805
<b>Jessie Glew</b> (CEO and Executive Director)	579,090	12,350	591,440
<b>Richard Hill</b> (Non-Executive Director)	6,671,245	241,364	6,912,609
<b>Paul Tresidder</b> (Non-Executive Director)*	-	21,733,578	21,733,578
<b>Robin Tedder</b> (Non-Executive Director)**	14,236,432	N/A	N/A
<b>Timothy Brown</b> (Joint MD and CFO)**	887,717	N/A	N/A
<b>Total</b>	<b>88,514,871</b>	<b>(8,711,290)</b>	<b>64,679,432</b>

\* Paul Tresidder joined the Group as a non-executive director effective 28 February 2024.

\*\* Robin Tedder and Timothy Brown resigned as officeholders of the Group effective 28 February 2024, and from that date ceased to be key management personnel of the Group.

## Information on Officeholders of the Group

WOTSO Fund Services Limited, as responsible entity of the WOTSO Property Trust, Ostow Limited and Planloc Limited have identical Boards of Directors. The term Board hereafter should be read as a reference to all three of these Boards.

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 the beginning of the financial year.

## Joseph (Seph) Glew

### Non-Executive Director and Chairman

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 40 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.

## Jessica (Jessie) Glew

### CEO and Executive Director (from 28 February 2024)

### Joint Managing Director and COO (to 28 February 2024)

Jessie is Chief Executive Officer (CEO) and a Director for WOTSO Property. Jessie was with the BlackWall Group since early 2011 and has a strong background in, and passion for, the property industry. For the past 14 years, Jessie has specialised in working with distressed properties and spaces and the operations of the WOTSO business. Jessie holds a Bachelor of International Communication from Macquarie University and a NSW Real Estate License.

Jessie joined the Board of The Kids Cancer Project in 2021 and over the last 3 years has provided insights and operational knowledge to help support The Kids Cancer Project. Jessie also joined the Board of Flexible Workspace Australia in March 2024, the peak body for coworking and flexible workspace providers and partners across all cities and regions of Australia.

## Richard Hill

### Non-Executive Director

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

## Paul Tresidder

### Non-Executive Director (from 28 February 2024)

Paul has considerable experience in retail management, leading, development and strategic planning. He spent eight years with Lendlease where he held a number of roles, including National Leasing Manager, before being appointed to the position of Divisional Manager responsible for half of the General Property Trust retail portfolio. Paul and fellow Lendlease executive Guy Wynn, formed a property management company which was subsequently acquired by Baillieu Knight Frank. In 1993, Paul joined Seph Glew in the development business that would ultimately become ASX listed BlackWall Limited.

## Agata Ryan

### Company Secretary

Agata joined BlackWall in February 2023 and oversees all aspects of BlackWall's corporate and fund transactions, the corporate governance and regulatory functions and investor relations. Before joining BlackWall, Agata worked as a lawyer at a boutique property law firm and prior to that was legal counsel in the commercial property legal team at Stockland. Agata holds a Bachelor of Arts, Master of Commerce and Juris Doctor degree from UNSW. She is admitted as a solicitor of the Supreme Court of New South Wales and the High Court of Australia.

## Robin Tedder

### Non-Executive Director (to 28 February 2024)

Robin began his career on the dealing desk of a merchant bank in 1976. In 1981 he founded Hatmax Capital Markets which grew rapidly through organic development and merger with Australian Gilt Securities in 1988, such that by the time he departed after 14 years as CEO in 1995, over 80 people were employed across debt capital markets, both the Sydney Futures Exchange and ASX, in asset management and corporate finance. In 1995 Robin established Vintage Capital which became an active investor in funds management, commercial property, retailing, healthcare and logistics. He has been an investor in BlackWall projects since 1997, is a former member of ASX, and has served on various boards of both listed and private companies since 1984.

## Timothy Brown

### Joint Managing Director and CFO (to 28 February 2024)

Tim was Joint Managing Director and Chief Financial Officer for the BlackWall Group and its funds. Tim joined the Group in 2008 as Financial Controller and became Chief Financial Officer in 2009. He has a Bachelor of Commerce from the University of New South Wales and is a member of the of Chartered Accountants of Australia and New Zealand. With over 20 years' experience in the financial services and property industries, he started his career with Deloitte and joined Lend Lease Corporation in 2002. Tim is also on the board of Eastern Suburbs Cricket Club and Coogee Boy's Preparatory School. Tim resigned from the Group effective 28 February 2024.

## Meeting Attendances

Director	No. of Board Meetings Held	Board Meeting Attendance
Seph Glew	5	5
Jessie Glew	5	5
Richard Hill	5	5
Paul Tresidder*	5	1
Timothy Brown**	5	4
Robin Tedder**	5	4

\* Paul Tresidder joined the board of directors effective 28 February 2024.

\*\* Robin Tedder and Timothy Brown resigned as officeholders of the Group effective 28 February 2024.

## 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 (CEO) and directors.

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 securityholders;
- 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 times 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:

	Directors' Fees		Salary and Other		Post-Employment Superannuation		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
Jessie Glew	-	-	86,875	-	7,769	-	94,644	-
Seph Glew	50,000	-	-	-	-	-	50,000	-
Richard Hill	42,500	-	-	-	-	-	42,500	-
Paul Tresidder	42,500	-	-	-	-	-	42,500	-
<b>Total</b>	<b>135,000</b>	<b>-</b>	<b>86,875</b>	<b>-</b>	<b>7,769</b>	<b>-</b>	<b>229,644</b>	<b>-</b>

Loans have been made to KMP in order for them to acquire shares under WOT's employee share scheme. The loans attract interest at a rate of 2% above the RBA cash rate and are secured against the securities. All distributions received from these securities repay the loan balance. The following loans were outstanding at year-end:

	2024	2023
	\$	\$
Jessie Glew	963,536	-
<b>Total</b>	<b>963,536</b>	<b>-</b>

## Options

There were no options granted during the year ended 30 June 2024. There are no options on issue as at the date of this report.

## Responsible Entity, Manager and Custodian Remuneration

BFSL's remuneration details, prior to the internalisation of management on 29 February 2024 can be found under the Related Party Transactions note (Note 33) of the financial statements.



The Custodian of WOTSO Property Trust is Perpetual Limited. The custody fee is calculated at the greater of \$25,000 per annum or 0.025% per annum of the gross asset value up to \$100 million then 0.015% for gross assets value between \$100-\$500 million of WPT, plus GST. In addition, the Custodian is entitled to be paid any out-of-pocket expenses incurred in the performance of its duties.

## Interests in the Group

At the date of this report, the Group has 162,176,344 securities on issue (2023 – 162,830,104). BlackWall Limited and its associates held 45.8 million securities in the Group.

## Value of the Group's Assets

At 30 June 2024, the Group asset values are set out in the Group's Consolidated Balance Sheet. Refer to the Investment Property Portfolio table in Note 14 for valuation details.

## Environmental Regulation

The Group operations are not regulated by any significant environmental law or regulation under either Commonwealth or State legislation. However, the Group has adequate systems in place for the management of its environmental requirements and is not aware of any instances of non-compliance of those environmental requirements as they apply to the Group.

## 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. The insurance policy prohibits disclosure of the nature of the liability, the amount of the premium and the limit of liability.

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 accessed at [wotso.com](http://wotso.com).

## Auditor and Non-Audit Services

\$184,230 and \$28,170 was paid to the auditor for audit and non-audit services respectively during the year (2023 - \$160,933 and \$41,012). 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.

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.

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



**Seph Glew**  
Chairman  
Sydney 29 August 2024



**Jessie Glew**  
Director  
Sydney 29 August 2024

# Directors' Declaration

In the opinion of the Directors of Ostow Limited, Planloc Limited and WOTSO Fund Services Limited, the Responsible Entity of WOTSO 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 Standards, 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 30 June 2024 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that each of Ostow Limited, Planloc Limited and WOTSO 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.

In the Directors' opinion, the attached consolidated entity disclosure statement is true and correct.

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



**Seph Glew**  
Chairman  
Sydney 29 August 2024



**Jessie Glew**  
Director  
Sydney 29 August 2024



# Auditor's Independence Declaration and Auditor's Report

Business advice  
and accounting

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

As auditor for the audit of WOTSO Property Trust, the deemed parent for stapled security WOTSO Property, for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor 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 on the 29<sup>th</sup> day of August 2024.

  
ESV Business Advice and Accounting  
  
Chris Kirkwood  
Partner

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**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF WOTSO PROPERTY TRUST**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of WOTSO Property Trust as the deemed parent representing the stapled security arrangement of WOTSO Property ('the Group'), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on pages 11 to 14, notes including material accounting policy information on pages 15 to 38, the consolidated entity disclosure statement and the directors' declaration of the Group.

The WOTSO Property consists of WOTSO Property Trust and its controlled entities at the year end, Ostow Limited and its controlled entities at the year end and Planloc Limited. Units in WOTSO 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.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Valuation of Property Investment Portfolio	
Key Audit Matter	How the scope of our audit responded to the risk
<p>As of 30 June 2024, the total property investment portfolio of the group was valued at \$261.3 million (30 June 2023: \$392.3 million) which is significant to the balance sheet. The property investment portfolio is recorded at fair value.</p> <p>For several properties disclosed in note 14 of the financial statements, valuations recorded at year end are based on independent valuations performed during the year. The remaining properties' value is based on Director's valuation which is based on prior independent valuations obtained then adjusted for capital expenditure incurred since that date till year end. Valuation for properties acquired during the year is based on cost and adjusted for capital expenditure incurred since the acquisition date till year end.</p> <p>The external valuations make several property specific key estimates and assumptions; assumptions in relation to market comparable yields and estimates in relation to future rental income increases or decreases and discount rates and other inputs.</p> <p>The rising interest rates have resulted in economic uncertainty and a reduction in market transaction evidence. Management has addressed the higher risk by using external valuation experts to value some investment properties. The audit approach considered how rising interest rates is likely to affect property values and inputs into valuation models and included assessing lease expiry, rent waivers, growth rates and let up timeframes.</p> <p>The valuation of the property investment portfolio held is the key driver of the net assets value and total return. Incorrect valuation could have significant impact on the investment valuation and, therefore, the return generated for unitholders.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>Obtain a schedule of property investment portfolio and agree it to the consolidation workbook and trial balance.</li> <li>Obtained copies of independent valuation reports (where performed during the year) for all properties and compared the values to recorded valuation in general ledger and calculated the difference between the two values and make inquiries regarding changes in tenancy levels and level of capital expenditure incurred and assess the reasonableness of impact it has on the valuation of the property.</li> <li>For all properties we compared: <ul style="list-style-type: none"> <li>Rental Income for July 2022 to June 2023, to July 2023 to June 2024 to assess for any impairment indicators.</li> <li>Review of tenancy schedules and considered if there were any significant movements in occupancy rate that could result in a change in value.</li> <li>Assessed the disclosures in the financial report including using our understanding obtained from the testing against the requirements of the accounting standards.</li> </ul> </li> <li>On sample basis we: <ul style="list-style-type: none"> <li>Assessed reasonableness of key judgements, assumptions and inputs used, such as lease incentives, rental growth rates, let up periods, allowances for rent waivers and deferrals.</li> <li>Compared the yield rates used in the calculation to other market participants.</li> <li>We agreed key inputs to underlying tenancy schedules.</li> <li>Review of the expert's professional competence and objectivity as independent valuer.</li> <li>Obtain the tenancy schedules and considered if there are any significant movements that could result in a change in value.</li> <li>Performed a sensitivity analysis on the significant assumptions.</li> </ul> </li> <li>Assessing the disclosures in the financial report including using our understanding obtained from the testing against the requirements of the accounting standard.</li> </ul> <p>There are increased economic and financial uncertainties as a result of rising interest rates. This may require management to increase the frequency of valuation and provide clear and full disclosure of valuations.</p> <p>Based on our work performed, we conclude the valuation of the property investment portfolio is not materially misstated as at year end.</p>
Revenue	
Key Audit Matter	How the scope of our audit responded to the risk
<p>The Group generates its revenue from two distinct revenue streams – rental income from long-term tenancies and rental income from short-term tenancies. During the year ended 30 June 2024, the Group recorded \$19.68 million of rental revenue from long-term tenancies and \$30.04</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>For long-term rental income on sample basis, we obtained the underlying tenancy agreements and agreed the key details to the tenancy schedule. We verified the monthly</li> </ul>

<p>million of rental revenue from short-term tenancies.</p> <p>Rental income from long-term tenancy is earned from leasing of the commercial investment properties owned by the Group – owned in WOTSO Property Trust and Planloc Limited. Majority of rental income earned is as a result of tenancy agreement with 3rd party tenants and a small portion is earned from leasing to related party – OSTOW Limited which is eliminated on consolidation.</p> <p>Rental income from short-term tenancies is earned from leasing of desks, office space, meeting rooms and related services (co-working business) to short term tenants – operated by OSTOW Limited. Majority of premises used for operating of WOTSO co-working business is leased from related entity – WOTSO Property Trust and some are leased from third party landlords.</p> <p>Given the number of tenancies across the two operations – long-term (for owned commercial investment properties) and short-term (for co-working business), there is a risk that revenue is incorrectly recorded.</p>	<p>rental invoicing to details as per tenancy schedule to check for accuracy. Based on monthly rental as per tenancy schedule we created an annual rental income expectation adjusted for rental waivers and deferrals and checked the actual total year to date rental income for accuracy and completeness. We compared the total rental income per property with prior period rental income and investigated material/unusual variances.</p> <ul style="list-style-type: none"> <li>For short-term rental income relating to co-working business, on sample basis of tenancies across different site locations we verified the monthly billing for desks, office space hired to the agreed terms as per information in the tenancy management database and the price list per location. We performed comparisons of monthly revenue per location with monthly revenue from prior period and investigated any unusual or significant movement.</li> <li>Performed analytical procedures by comparing monthly performance per location and comparing with prior period and investigating material variances.</li> <li>Assessed the disclosures included in the financial statement for revenue are in accordance with AASB 15.</li> </ul> <p>Based on our work performed, we conclude the revenue for the Group is free from material misstatement.</p>
Goodwill	
Key Audit Matter	How the scope of our audit responded to the risk
<p>The Stapling of OSTOW Limited to the Stapled Group resulted in recognition of goodwill of \$26.15 million in the Group financials.</p> <p>At the date of the stapling transaction, OSTOW Limited was valued at \$30 million and the acquisition of WOTSO by the Stapled Group was accounted for using the full goodwill method resulting in a goodwill of \$26.1 million. The goodwill has been allocated to the WOTSO cash-generating unit.</p> <p>At the time of stapling, management prepared a valuation of the WOTSO business and obtained an independent expert to evaluate the valuation for reasonability.</p> <p>During FY24, the internalisation of management rights resulted in a further \$1.34m of goodwill recognised. This has been allocated to the same cash-generating unit as from the stapling transaction.</p> <p>Management are expected to perform impairment testing annually to assess if the recorded goodwill amount is recoverable from future operations and not impaired.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>Obtaining and verifying the discounted cash flow model prepared at 31 December 2023 for arithmetical accuracy.</li> <li>Discussions with management in relation to underlying assumptions and reviewed the actual performance to 30 June 2024 and the forecasts to 30 June 2025.</li> <li>Review the WACC calculation to external market data.</li> <li>Reviewing the impairment assessment paper prepared by management covering the appropriateness of the December assessment for the June year end.</li> </ul> <p>Based on our work performed, we conclude that nothing has come to our attention that makes us believe that goodwill is materially misstated at period end.</p>
Deconsolidation of Pyrmont Bridge Property	
Key Audit Matter	How the scope of our audit responded to the risk
<p>Management determined that it was appropriate to deconsolidate a previously controlled entity, Pyrmont Bridge Property Pty Ltd ("PBR"), from the WOT consolidation on the basis that WOT no longer exercised control over the PBR.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>Reviewing management's latest assessment paper detailing loss of control of PBR.</li> </ul>

During the year, the Group reduced its holding and went through a restructure to solidify this position.	<ul style="list-style-type: none"> <li>&gt; Further discussions with management on their view and standpoint.</li> <li>&gt; Obtained independent expert advice on the application of AASB10 ensuring PBRs assets and liabilities have been deconsolidated at carrying value.</li> <li>&gt; Testing of the journal entries relating to the deconsolidation. Based on the work performed, we conclude that the consolidation of PBR as at 30 June 2024 is appropriate.</li> </ul>
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#### Other Information

Other information is financial and non-financial information in the Group's annual report which is provided in addition to the Financial Report and the Auditor's Report for the year ended 30 June 2024. The directors of the Responsible Entity ('the directors') are responsible for the other information. The other information comprises the information included in the Directors' report (42-48) which we obtained prior to the date of this auditor's report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Directors' Responsibilities for the Financial Report

The directors are responsible for the preparation of a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf) This description forms part of our auditor's report.

#### Report on the Remuneration Report

##### Opinion on the Remuneration Report

We have audited the Remuneration Report included on page 46 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of WOTSO Property Trust, for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

##### Responsibilities

The directors of the Company 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.

Dated at Sydney on the 29<sup>th</sup> day of August 2024.



ESV Business Advice and Accounting



Chris Kirkwood  
Partner





Cremorne, NSW



**WOTSO**  
PROPERTY

**WOTSO Property (ASX:WOT)**

A security comprising:

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

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Ostow Limited (formerly "WOTSO Limited")  
ABN 39 636 701 267

ANNUAL REPORT  
JUNE 2024

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# 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” or “Group”) consisting of Ostow Limited (referred to hereafter as the “Company”) and the entities it controlled at the end of, or during, the year ended 30 June 2024.

### Principal Activities

During the reporting year, 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.

### 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.

### 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**  
The Company 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 2024 Financial 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 Australian Accounting Standards Board (“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.

	2024 \$’000	2023 \$’000
<b>Profit or Loss</b>		
Flexspace income	30,157	25,894
Flexspace COVID-19 waivers given	-	(4)
Government assistance	-	8
<b>Total Revenue</b>	<b>30,157</b>	<b>25,898</b>
Rent expense – related parties	(8,205)	(7,258)
Rent expense – third parties	(6,542)	(5,664)
COVID-19 waivers received	-	18
Operating expenses	(6,522)	(4,611)
WOTSO site staff costs	(3,800)	(3,335)
<b>Total Operating Expenses</b>	<b>(25,069)</b>	<b>(20,850)</b>
<b>Net Flexspace Income</b>	<b>5,088</b>	<b>5,048</b>
WOTSO Neutral Bay lease variation fee	4,900	-
Other income	2,500	-
Distributions income	1,070	563
Interest income	1,173	131
Other net remeasurement gains	314	-
Directors’ fees	(135)	-
Amortisation	(438)	(214)
Impact of AASB 16	(526)	415
Management fees	(598)	(688)
Loss on disposal of asset	(3,684)	-
Depreciation – fit-out	(4,139)	(3,421)
Overhead and administration costs	(4,841)	(3,020)
<b>Statutory Profit / (Loss)</b>	<b>684</b>	<b>(1,186)</b>

### WOTSO Flexspace Business Valuation

The value created through the growth of our flexspace business 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 embarked on a valuation of its flexspace business during the year, which has yielded an indicative value of \$80 million.

# Ostow Limited – Financial Statements

## Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Revenue</b>			
Revenue from WOTSO members	5	30,157	25,890
Other income	5	7,400	-
Government assistance	5	-	8
<b>Total Revenue</b>		<b>37,557</b>	<b>25,898</b>
<b>Expenses</b>			
Staff costs		(7,273)	(5,605)
Director fees		(135)	-
Variable lease payments		(2,682)	(1,997)
Other operating expenses		(8,419)	(5,988)
Bad debt expenses		(24)	(54)
COVID rent waivers received from landlords		-	18
<b>Total Expenses</b>		<b>(18,533)</b>	<b>(13,626)</b>
<b>Operating Profit</b>		<b>19,024</b>	<b>12,272</b>
Depreciation – fit-out	6	(4,139)	(3,421)
Depreciation – right of use lease asset	7	(10,012)	(9,518)
Interest – right of use lease liability	7	(3,021)	(1,457)
Amortisation	9,10	(438)	(214)
Interest income		1,070	563
Finance income		1,173	131
Loss on disposal of asset	3	(3,684)	-
Other net remeasurement gains	8	757	464
Other non-operating expenses		(46)	(6)
<b>Profit / (Loss) before income tax</b>		<b>684</b>	<b>(1,186)</b>
Income tax benefit	18	719	-
<b>Profit / (Loss) for the year</b>		<b>1,403</b>	<b>(1,186)</b>
Other comprehensive income		-	-
<b>Total Profit / (Loss) and Other Comprehensive Profit / (Loss)</b>		<b>1,403</b>	<b>(1,186)</b>
Attributable to members of the Group		946	(1,222)
Non-controlling interest		457	36
<b>Total Profit / (Loss) and Other Comprehensive Profit / (Loss)</b>		<b>1,403</b>	<b>(1,186)</b>

## Balance Sheet as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		3,532	406
Trade and other receivables	11	899	1,058
<b>Total current assets</b>		<b>4,431</b>	<b>1,464</b>
<b>Non-current assets</b>			
Pymont Bridge Road Mortgage Fund	3	5,167	20,000
Pymont Bridge Property convertible notes	3	-	14,000
Investment in associate	9	291	162
WOTSO software development asset	9	899	896
Rental deposits	12	1,080	749
Loans receivable - related parties	13	32,142	13,420
Intangible assets	10	3,329	-
Goodwill	2	1,343	-
Property, plant and equipment	6	15,623	13,930
Right of use lease asset	7	63,339	42,247
<b>Total non-current assets</b>		<b>123,213</b>	<b>105,404</b>
<b>Total Assets</b>		<b>127,644</b>	<b>106,868</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	3,780	1,562
Distributions payable	15	-	158
Unearned revenue		374	399
Deferred lease payments – COVID		51	159
Employee provisions	16	994	377
Tenant deposits		90	43
Make good provisions	16	685	477
Right of use lease liabilities	7	7,791	10,662
<b>Total current liabilities</b>		<b>13,765</b>	<b>13,837</b>
<b>Non-current liabilities</b>			
Loans payable – related party	17	53,134	48,219
Deferred lease payments – COVID		29	201
Make good provisions	16	1,402	1,436
Employee provisions	16	183	66
Right of use lease liabilities	7	60,466	36,136
<b>Total non-current liabilities</b>		<b>115,214</b>	<b>86,058</b>
<b>Total Liabilities</b>		<b>128,979</b>	<b>99,895</b>
<b>Net (Liabilities) Assets</b>		<b>(1,335)</b>	<b>6,973</b>
Share capital	20	11,520	11,615
Accumulated losses		(12,811)	(13,888)
Non-controlling interest in Ostow Limited		(44)	9,246
<b>Total (Accumulated Deficiency) Equity</b>		<b>(1,335)</b>	<b>6,973</b>



# Ostow Limited – Financial Statements

## Statement of Cash Flows for the Year ended 30 June 2024

	2024 \$'000	2023 Restated Note 24 \$'000
<b>Cash flows from operating activities</b>		
Members receipts	29,658	28,706
Government assistance	-	8
Other income	7,407	-
Operating expenditure	(9,235)	(10,405)
Employee payments	(7,142)	(5,643)
Payment of rental deposits	(331)	(174)
<b>Net cash flows from operating activities</b>	<b>20,357</b>	<b>12,492</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	1,005	-
Cash acquired on control of investments	1,074	16
Distributions received	1,094	-
Loans advanced	(1,012)	-
Payments for investment in associates	(629)	(162)
Payments for investment in PBRMF	(2,044)	-
Purchase of subsidiaries	(3,500)	-
Payments for WOTSO software development asset	(270)	(270)
Payments for property, plant and equipment	(5,832)	(4,555)
<b>Net cash flows used in investing activities</b>	<b>(10,114)</b>	<b>(4,971)</b>
<b>Cash flows from financing activities</b>		
Rental payments	(12,346)	(10,492)
Borrowings (repaid) advanced	(3,068)	3,073
Proceeds from issue of units in NCI	7,140	-
Interest received	1,157	30
<b>Net cash flows used in financing activities</b>	<b>(7,117)</b>	<b>(7,389)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,126</b>	<b>132</b>
Cash and cash equivalents at the beginning of the year	406	274
<b>Cash and cash equivalents at the end of the year</b>	<b>3,532</b>	<b>406</b>

All items are inclusive of GST where applicable.

## Reconciliation of Operating Cash Flows

	Note	2024 \$'000	2023 Restated Note 24 \$'000
<b>Profit / (loss) for the year</b>		<b>1,403</b>	<b>(1,186)</b>
<b>Non-cash flows in profit / (loss):</b>			
Depreciation and amortisation	6,7,9,10	14,589	13,153
Net interest paid		780	1,327
Other net remeasurement gains	8	(757)	(464)
Loss on disposal of assets		3,684	-
Employee shares (included in staff costs)		17	-
<b>Changes in working capital:</b>			
Decrease in trade and other receivables		(561)	(202)
Increase / (decrease) in trade and other payables		2,132	(239)
Decrease in rental deposits		(331)	(174)
Increase in provisions		110	131
(Decrease) / increase in unearned revenue		(25)	146
Increase in tenant cash bonds		35	-
Increase in deferred tax asset		(719)	-
<b>Net cash flows from operating activities</b>		<b>20,357</b>	<b>12,492</b>

# Ostow Limited – Financial Statements

## Statement of Changes in Equity for the Year ended 30 June 2024

	Attributable to Owners of Ostow Limited				Non-Controlling Interests \$'000	Total Equity (Accumulated Deficiency) \$'000
	No. of Shares On issue	Issued Capital \$'000	Accumulated Losses \$'000	Total \$'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 year	-	-	946	946	457	1,403
Other comprehensive income	-	-	-	-	-	-
<b>Total Profit and Other Comprehensive Income for the Year</b>	<b>-</b>	<b>-</b>	<b>946</b>	<b>946</b>	<b>457</b>	<b>1,403</b>
<b>Transactions with Owners in their Capacity as Owners</b>						
Buy-back of securities	(697,064)	(96)	-	(96)	-	(96)
Issue of securities	14,399	1	-	1	-	1
Distributions paid	-	-	-	-	(398)	(398)
Issue on non-controlling units	-	-	131	131	12,147	12,278
Deconsolidation of subsidiary	-	-	-	-	(21,496)	(21,496)
<b>Total Transactions with Owners in their Capacity as Owners</b>	<b>(682,665)</b>	<b>(95)</b>	<b>131</b>	<b>36</b>	<b>(9,747)</b>	<b>(9,711)</b>
<b>Balance at 30 June 2024</b>	<b>162,176,344</b>	<b>11,520</b>	<b>(12,811)</b>	<b>(1,291)</b>	<b>(44)</b>	<b>(1,335)</b>

	Attributable to Owners of Ostow Limited				Non-Controlling Interests \$'000	Total Equity (Accumulated Deficiency) \$'000
	No. of Shares On issue	Issued Capital \$'000	Accumulated Losses \$'000	Total \$'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 year	-	-	(1,222)	(1,222)	36	(1,186)
Other comprehensive income	-	-	-	-	-	-
<b>Total Loss and Other Comprehensive Loss for the Year</b>	<b>-</b>	<b>-</b>	<b>(1,222)</b>	<b>(1,222)</b>	<b>36</b>	<b>(1,186)</b>
<b>Transactions with Owners in their Capacity as Owners</b>						
Buy-back of securities	(511,278)	(75)	-	(75)	-	(75)
Acquisition of subsidiaries	-	-	-	-	9,355	9,355
Issue of securities	9,996	1	-	1	-	1
Distributions paid	-	-	-	-	(145)	(145)
<b>Total Transactions with Owners in their Capacity as Owners</b>	<b>(501,282)</b>	<b>(74)</b>	<b>-</b>	<b>(74)</b>	<b>9,210</b>	<b>9,136</b>
<b>Balance at 30 June 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>

# 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 2024 \$'000	Flexspace \$'000	Investment \$'000	Corporate \$'000	Total 2023 \$'000
<b>Profit or Loss</b>								
<b>Revenue</b>								
Revenue from WOTSO members	29,681	476	-	30,157	25,890	-	-	25,890
Government assistance	-	-	-	-	8	-	-	8
Other income	4,900	-	2,500	7,400	-	-	-	-
<b>Total Revenue</b>	<b>34,581</b>	<b>476</b>	<b>2,500</b>	<b>37,557</b>	<b>25,898</b>	<b>-</b>	<b>-</b>	<b>25,898</b>
<b>Expenses</b>								
Other operating expenses	(6,970)	(278)	(1,171)	(8,419)	(5,988)	-	-	(5,988)
Staff costs	(5,813)	-	(1,460)	(7,273)	(5,605)	-	-	(5,605)
Director fees	-	(135)	-	(135)	-	-	-	-
Variable lease payments	(2,682)	-	-	(2,682)	(1,997)	-	-	(1,997)
Bad debt expenses	(24)	-	-	(24)	(54)	-	-	(54)
COVID rent waivers received from landlords	-	-	-	-	18	-	-	18
<b>Total Expenses</b>	<b>(15,489)</b>	<b>(413)</b>	<b>(2,631)</b>	<b>(18,533)</b>	<b>(13,626)</b>	<b>-</b>	<b>-</b>	<b>(13,626)</b>
<b>Operating Profit</b>	<b>19,092</b>	<b>63</b>	<b>(131)</b>	<b>19,024</b>	<b>12,272</b>	<b>-</b>	<b>-</b>	<b>12,272</b>
Depreciation – fit-out	(4,042)	(96)	(1)	(4,139)	(3,421)	-	-	(3,421)
Depreciation – right of use lease asset	(9,890)	(122)	-	(10,012)	(9,518)	-	-	(9,518)
Interest – right of use lease liability	(2,999)	(22)	-	(3,021)	(1,457)	-	-	(1,457)
Amortisation	-	(267)	(171)	(438)	-	(214)	-	(214)
Interest income	-	900	170	1,070	-	563	-	563
Finance income	14	23	1,136	1,173	131	-	-	131
Other non-operating expenses	-	(46)	-	(46)	-	(6)	-	(6)
Other net remeasurement gains	443	314	-	757	464	-	-	464
Loss on disposal of assets	-	-	(3,684)	(3,684)	-	-	-	-
<b>Profit / (loss) before income tax</b>	<b>2,618</b>	<b>747</b>	<b>(2,681)</b>	<b>684</b>	<b>(1,529)</b>	<b>343</b>	<b>-</b>	<b>(1,186)</b>

# Ostow Limited – Notes to the Financial Statements

Balance Sheet	Flexspace \$'000	Investment \$'000	Corporate \$'000	Total 2024 \$'000	Flexspace \$'000	Investment \$'000	Corporate \$'000	Total 2023 \$'000
<b>Current assets</b>								
Cash and cash equivalents	390	997	2,145	3,532	398	8	-	406
Trade and other receivables	275	213	411	899	480	578	-	1,058
<b>Total current assets</b>	<b>665</b>	<b>1,210</b>	<b>2,556</b>	<b>4,431</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	-	-	5,167	5,167	-	20,000	-	20,000
Pymont Bridge Property convertible notes	-	-	-	-	-	14,000	-	14,000
Investment in Hamlet	-	291	-	291	-	162	-	162
WOTSO software development asset	-	899	-	899	-	896	-	896
Rental deposits	1,080	-	-	1,080	749	-	-	749
Loans receivable - related parties	-	-	32,142	32,142	-	-	13,420	13,420
Goodwill and intangible assets	-	-	4,672	4,672	-	-	-	-
Property, plant and equipment	15,169	431	23	15,623	13,930	-	-	13,930
Right of use lease asset	61,556	1,783	-	63,339	42,247	-	-	42,247
<b>Total non-current assets</b>	<b>77,805</b>	<b>3,404</b>	<b>42,004</b>	<b>123,213</b>	<b>56,926</b>	<b>35,058</b>	<b>13,420</b>	<b>105,404</b>
<b>Total Assets</b>	<b>78,470</b>	<b>4,614</b>	<b>44,560</b>	<b>127,644</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	2,696	322	762	3,780	1,531	31	-	1,562
Distributions payable	-	-	-	-	-	158	-	158
Unearned revenue	374	-	-	374	399	-	-	399
Deferred lease payments – COVID	51	-	-	51	159	-	-	159
Employee provisions	172	-	822	994	377	-	-	377
Tenant deposits	78	-	12	90	43	-	-	43
Make good provisions	685	-	-	685	477	-	-	477
Right of use lease liabilities	7,095	696	-	7,791	10,662	-	-	10,662
<b>Total current liabilities</b>	<b>11,151</b>	<b>1,018</b>	<b>1,596</b>	<b>13,765</b>	<b>13,648</b>	<b>189</b>	<b>-</b>	<b>13,837</b>
<b>Non-current liabilities</b>								
Loans payable – related party	-	-	53,134	53,134	-	-	48,219	48,219
Deferred lease payments – COVID	29	-	-	29	201	-	-	201
Make good provisions	1,402	-	-	1,402	1,436	-	-	1,436
Employee provisions	33	-	150	183	66	-	-	66
Right of use lease liabilities	59,352	1,114	-	60,466	36,136	-	-	36,136
<b>Total non-current liabilities</b>	<b>60,816</b>	<b>1,114</b>	<b>53,284</b>	<b>115,214</b>	<b>37,839</b>	<b>-</b>	<b>48,219</b>	<b>86,058</b>
<b>Total Liabilities</b>	<b>71,967</b>	<b>2,132</b>	<b>54,880</b>	<b>128,979</b>	<b>51,487</b>	<b>189</b>	<b>48,219</b>	<b>99,895</b>
<b>Net Assets / (Liabilities)</b>	<b>6,503</b>	<b>2,482</b>	<b>(10,320)</b>	<b>(1,335)</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. Internalisation of Management Rights

During the year the Group undertook various corporate restructures resulting ultimately in the internalisation of management and the termination of the management agreements the Group held with BlackWall Limited ("BWF"), 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 BWF.

The internalisation transaction has been accounted for as a business combination under AASB 3, with the amounts recognised in respect of the identifiable assets acquired and liabilities assumed set out in the table below.

As consideration for the internalisation of management, the Group paid cash consideration of \$3.5 million to BWF.

Goodwill of \$1.3 million has been recognised being the excess of consideration issued over the net assets acquired.

	<b>2024 \$'000</b>
Cash and cash equivalents	76
Intangible assets – management rights	3,500
Deferred tax liability	(719)
Trade and other payables	(76)
Employee provisions	(624)
<b>Total identifiable assets acquired and liabilities assumed</b>	<b>2,157</b>
Goodwill Acquired	1,343
<b>Total Consideration</b>	<b>3,500</b>
<b>Satisfied by:</b>	
Cash and cash equivalents	3,500
<b>Total Consideration Transferred</b>	<b>3,500</b>
Net cash flow arising on acquisition	
Cash consideration	(3,500)
Cash and cash equivalents balances acquired	76
	<b>(3,424)</b>

## 3. Pymont Restructures

During the year various restructures occurred with respect to Pymont Bridge Notes Trust ("PBNT"), Pymont Bridge Road Mortgage Fund ("PBRMF") and a related entity Pymont Bridge Property Pty Ltd ("PBR").

### *PBNT Restructure*

As part of the PBNT restructure, the Group reduced its holdings in the fund to \$nil, while at the same time providing the Group with an investment in PBR. Consequently, PBNT was deconsolidated from the Group. No gain or loss was recognised upon deconsolidation of the fund.

### *PBRMF Restructure*

PBRMF's mortgage advanced to PBR was also restructured during the year resulting in the total number of units on issue in PBRMF reducing to 9,505,055. As a result, the Group's holding in PBRMF was reduced to 4.1 million units in exchange for a further increase in the Group's non-controlling interest in PBR.

Following this restructure, the management of both PBR and PBRMF was restructured and consequently the Group ceased to control the strategic and operational direction of PBRMF, resulting in the deconsolidation of PBRMF effective 29 February 2024 (being the date of loss of control).

An analysis of the net assets of which the Group lost control is presented as follows:

	<b>2024 \$'000</b>
Cash and cash equivalents	(4)
Trade and other receivables	138
Trade and other payables	(138)
Mortgage fund	9,505
<b>Total Net Assets</b>	<b>9,501</b>
Non-controlling interests	(5,371)
<b>Remaining investment at fair value at date of loss of control</b>	<b>4,130</b>

The Group did not receive any consideration for the deconsolidation of PBRMF, nor was any gain or loss on deconsolidation recognised.

### *PBR Investment*

Subsequent to the above, the Group disposed of its investment in PBR to Planloc Limited, a stapled member of WOTSO Property along with the Company. This transaction gave rise to a loss on disposal of \$3.7 million which is recognised in profit or loss.

An analysis of the movements in the investment balances of these Pymont entities is presented as follows:

	<b>Investment in PBNT \$'000</b>	<b>Investment in PBRMF \$'000</b>	<b>Investment in PBR \$'000</b>
Balance at 1 July 2023	11,756	12,888	-
Purchases	-	2,044	-
Conversions	(8,369)	(5,063)	13,432
Disposals	(3,387)	(4,702)	(13,432)
<b>Balance at 30 June 2024</b>	<b>-</b>	<b>5,167</b>	<b>-</b>

## 4. Cash Flow Management

At the end of the year the Balance Sheet showed current liabilities exceeded current assets by \$9.3 million (2023 - \$12.4 million) as well as a net liability position of \$1.3 million (2023 - net asset position of \$7.0 million).



# Ostow Limited – Notes to the Financial Statements

The net current liability position is primarily driven by lease payments and make good provisions due over the next 12 months totalling \$8.5 million (2023 - \$11.1 million). The corresponding leased assets are not allowed to be classified as current assets under accounting standards, but would approximately offset this deficit. Subsequent to year end the Group executed a lease renewal for the current WOTSO sites at Zetland, Woden and Penrith, which will result in the reclassification of these related make good provisions as non-current liabilities.

The net liability position is expected to improve over the next financial year as more WOTSO FlexSpaces reach maturity and the full effect of the internalisation transaction is realised, giving rise to increased corporate fee income.

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 WOTSO Property Trust ("WPT"), the trust to which it is stapled making up WOTSO Property. The majority of the lease liability referred to above is also payable to WPT owned properties.

## 5. Revenue

<i>Disaggregation of Revenue from Contracts with Customers</i>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Offices	22,150	19,052
Coworking	3,344	3,090
Other Services*	4,663	3,748
<b>Total Revenue from WOTSO Members</b>	<b>30,157</b>	<b>25,890</b>
Other income	7,400	-
Government Assistance	-	8
<b>Total Revenue</b>	<b>37,557</b>	<b>25,898</b>

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

The Group's option at Neutral Bay was exercised in September 2023, resulting in the Group varying its existing lease. On exercise of the option the Group became entitled to a lease variation fee of \$4.9 million, which was received in March 2024 following the settlement of the sale of the Neutral Bay building. In May 2024 the WOTSO Neutral Bay business was relocated to the Cremorne property.

## 6. Property, Plant and Equipment

	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Fit-out	32,061	26,229
Less: accumulated depreciation	(16,438)	(12,299)
<b>Total</b>	<b>15,623</b>	<b>13,930</b>

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

	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Carrying amount at the beginning of the year	13,930	12,796
Additions	5,832	4,555
Depreciation expense	(4,139)	(3,421)
<b>Carrying amount at the end of the year</b>	<b>15,623</b>	<b>13,930</b>

## 7. 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.

	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Right of use assets	104,750	76,774
Less: accumulated depreciation	(41,411)	(34,527)
	<b>63,339</b>	<b>42,247</b>

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

	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Carrying amount at the beginning of the year	42,247	44,684
Right of use assets – modifications *	13,025	2,642
Remeasurement of right of use assets **	1,442	1,753
Additions ***	17,977	6,019
Recognition of lease through acquisition of subsidiary ****	1,906	-
Depreciation expense	(10,012)	(9,518)
Disposals *****	(3,246)	(3,333)
<b>Carrying amount at the end of the year</b>	<b>63,339</b>	<b>42,247</b>

\*Lease modifications relate to the extension of the lease terms for WOTSO sites located at WPT owned properties and WOTSO Chermide.

\*\*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 leases for the existing WOTSO sites at Varsity Lakes, Mandurah, Brookvale, Adelaide, Pyrmont and the new WOTSO sites at Botany, Robina and Cremorne.

\*\*\*\*With the acquisition of Yeost Lease Pty Ltd as disclosed in Note 22, the Group assumed the lease over the Neutral Bay property.

# Ostow Limited – Notes to the Financial Statements

\*\*\*\*\*As disclosed in Note 5 WOTSO varied its lease at Neutral Bay and is now operating under a month to month lease at this site. Other lease modifications were the result of new leases at Varsity Lakes and Pyrmont.

## Right of Use Lease Liabilities

Right of use lease liabilities are measured and repaid over the term of the lease. For lease commitment details refer to Note 27(d).

	2024 \$'000	2023 \$'000
Opening Balance	46,798	50,067
Modifications and remeasurements	14,293	3,978
Additions	17,977	6,019
Recognition of lease through acquisition of subsidiary	1,921	-
Disposals	(3,689)	(3,797)
Interest charged	3,021	1,457
Repayments	(12,064)	(10,926)
<b>Total Lease Liabilities</b>	<b>68,257</b>	<b>46,798</b>
Current lease liabilities	7,791	10,662
Non-current lease liabilities	60,466	36,136
<b>Total Lease Liabilities</b>	<b>68,257</b>	<b>46,798</b>

## 8. Other Net Remeasurement Gains

	2024 \$'000	2023 \$'000
Gain on lease modifications	443	464
Gain on acquisition of subsidiary	814	-
Loss on equity accounted investments	(500)	-
<b>Total</b>	<b>757</b>	<b>464</b>

Other net remeasurement gains comprise a gain on the acquisition of Yeost Lease Pty Ltd, gains on lease modifications and a loss on the revaluation of equity accounted investments. The acquisition of Yeost Lease Pty Ltd is described further in Note 22. 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.

## 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 year it increased its ownership in the software business to 35% (Jun 2023 – 31%). As at 30 June 2024 the Group has contributed \$899,000

net of amortisation (Jun 2023 – \$896,000) to fund the development of the software and has increased its investment in associate to \$291,000 (2023 – \$162,000).

During 2024 \$267,000 of amortisation (2023 – \$214,000) was recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income.

## 10. Intangible Assets

The Group's intangible assets of \$3.3 million comprise management rights acquired through the internalisation transaction described in Note 2. These management rights are deemed to have a finite useful life and are measured at cost and amortised using the straight line method over the estimated remaining useful life of 7 years.

During the year amortisation of \$171,000 was recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income.

## 11. Trade and Other Receivables

	2024 \$'000	2023 \$'000
Trade receivables from WOTSO members	195	93
Trade receivables from related parties	621	322
Interest receivable from related parties	-	578
Expected credit loss allowance	(32)	(22)
Other receivables	115	87
<b>Total</b>	<b>899</b>	<b>1,058</b>

## 12. Rental Deposits

	2024 \$'000	2023 \$'000
Lease rental deposits	796	675
Term deposit for bank guarantee	284	74
<b>Total Non-Current Rental Deposits</b>	<b>1,080</b>	<b>749</b>

## 13. Loan Portfolio

	2024 \$'000	2023 \$'000
Loan receivable – Planloc	31,118	13,370
Loan receivable – WRV	-	50
Loan receivable – Employees	1,024	-
<b>Total Non-Current Loan Portfolio</b>	<b>32,142</b>	<b>13,420</b>

The loan to Planloc is unsecured and subject to a term of 5 years from June 2023 with interest chargeable at the discretion of the lender. For the year ended 30 June 2024 the Company charged interest of \$1.1 million at a margin of 3% over the RBA cash rate (2023 – \$nil).

# Ostow Limited – Notes to the Financial Statements

The employee loans are subject to interest charged at 2% over the RBA cash rate and are secured over WOT securities and BWF shares which were valued at \$970,000 at 30 June 2024 based on the quoted ASX price of both securities.

## 14. Trade and Other Payables

	2024 \$'000	2023 \$'000
Current trade and other payables	2,080	493
Current Payables with related party	400	148
<b>Total Trade and Other Payables</b>	<b>2,480</b>	<b>641</b>
Accrued expenses	445	581
Sundry payables	855	340
<b>Total</b>	<b>3,780</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 30 June 2024 WOTSO had rent deferral liabilities totalling \$80,000 (Jun 2023 - \$360,000), for which deferred repayments will continue over the term of the leases.

## 15. Distributions Payable

	2024 \$'000	2023 \$'000
Distributions payable to related parties	-	158
<b>Total</b>	<b>-</b>	<b>158</b>

## 16. Provisions

	2024 \$'000	2023 \$'000
Current – employee benefits	994	377
Non-current – employee benefits	183	66
<b>Total employee benefits provisions</b>	<b>1,177</b>	<b>443</b>
Current – make good provision	685	477
Non-current – make good provision	1,402	1,436
<b>Total make good provisions</b>	<b>2,087</b>	<b>1,913</b>
<b>Total provisions</b>	<b>3,264</b>	<b>2,356</b>

Employee benefit provisions relate to annual leave and long service leave payable to employees. The number of employees for the Group as at 30 June 2024 was 113 (2023: 84).

Make good provisions relate to estimated costs required to return leased property to the state required by the lease. These have been discounted at the same rate as the underlying lease liability, per AASB 16 *Leases*.

## 17. Borrowings

	2024 \$'000	2023 \$'000
Loan from related party - WPT	53,134	48,219
<b>Total non-current borrowings</b>	<b>53,134</b>	<b>48,219</b>

The borrowings from WPT 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 year.

## 18. Income Tax

### a) Income Tax Benefit

	2024 \$'000	2023 \$'000
<b>Reconciliation of prima facie tax payable to income tax</b>		
Profit / (loss) before income tax	684	(1,186)
Expected tax expense / (benefit) at 25%	171	(297)
Accounting loss on disposal	888	-
Capital loss recouped	(110)	-
Timing differences not recognised	(949)	297
DTA not previously recognised	(719)	-
<b>Total Income Tax (Benefit)</b>	<b>(719)</b>	<b>-</b>

### b) Deferred Tax

As a result of the internalisation transaction described in Note 2, deferred tax assets of \$719,000 and deferred tax liabilities of \$719,000 have been recognised. These deferred taxes have been presented on a net basis on the balance sheet of Ostow Limited (2023 - \$nil) given the ability and intent of Ostow to settle these on a net basis.

	2024 \$'000	2023 \$'000
<b>Movements in Deferred Tax:</b>		
Balance, at the beginning of the year	-	-
Acquired through business combination	(719)	-
Charged to profit and loss	719	-
<b>Balance, at the end of the year</b>	<b>-</b>	<b>-</b>

# Ostow Limited – Notes to the Financial Statements

The below table shows a breakdown of the tax value of Ostow Limited's other net deferred tax asset balances not recognised. The Group has not recognised these as at 30 June 2024, due to uncertainty around the ability of the Group to recoup these in the short to medium term. The recoupment and realisation of the deferred tax assets will be determined by reference to each respective taxpayer of the Group. As such, the tax losses (and other deferred tax assets) incurred by Ostow Limited will be available to offset future taxable income of Ostow Limited and not the other members of the Group (subject to Ostow Limited meeting the relevant loss recoupment tests).

	2024 \$'000	2023 \$'000
Right of use leases	1,751	1,616
Accruals and provisions	459	263
Prepayments	(28)	(14)
Fixed asset depreciation and amortisation	(1,580)	(2,224)
Investments	125	-
Management rights	(832)	-
Carried forward tax losses	2,080	4,092
<b>Total unrecognised net deferred tax assets</b>	<b>1,975</b>	<b>3,733</b>

## 19. Auditor's Remuneration

Remuneration of ESV for:	2024 \$	2023 \$
Audit and assurance services	55,000	69,000
Taxation and other services	8,930	13,095
<b>Total</b>	<b>63,930</b>	<b>82,095</b>

## 20. Issued Capital

	2024 Shares	2023 Shares	2024 \$'000	2023 \$'000
At the beginning of the year	162,859,009	163,360,291	11,615	11,689
Buy-back of issued securities	(697,064)	(511,278)	(96)	(75)
Issue of new units	14,399	9,996	1	1
<b>At the end of the year</b>	<b>162,176,344</b>	<b>162,859,009</b>	<b>11,520</b>	<b>11,615</b>

## 21. Contingencies

The Group had no contingent assets or liabilities at 30 June 2024 (2023 - \$nil).

## 22. Investment in New Subsidiaries

### Yeast Lease Pty Ltd

During the year, the Group acquired 100% of the issued and outstanding shares of Yeost Lease Pty Ltd, obtaining control of the company. Yeost Lease Pty Ltd is a special purpose entity that holds the lease over the Neutral Bay property until September 2026. The acquisition of Yeost Lease Pty

Ltd does not constitute a business and accordingly, the assets acquired and liabilities assumed have been consolidated in accordance with AASB 10. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	2024 \$'000
Cash and cash equivalents	994
Trade and other receivables	(5)
ROU lease asset	1,906
Trade and other payables	(148)
Tenant bond liabilities	(12)
ROU lease liability	(1,921)
<b>Total identifiable assets acquired and liabilities assumed</b>	<b>814</b>
Excess of net assets acquired	(814)
<b>Total Consideration</b>	<b>-</b>
<b>Satisfied by:</b>	
Cash and cash equivalents	-
<b>Total Consideration Transferred</b>	<b>-</b>
Net cash inflow arising on acquisition:	
Cash consideration	-
Cash and cash equivalents balances acquired	994
	<b>994</b>

A gain on acquisition of \$814,000 has been recognised in profit or loss as part of the acquisition of Yeost Lease Pty Ltd, being the excess of net assets acquired over consideration of \$1.

### WOTSO HealthSpace Pty Ltd and WOTSO CookSpace Pty Ltd

During the prior year the Group subscribed to 50% of the issued capital in both WOTSO CookSpace Pty Ltd and WOTSO HealthSpace Pty Ltd for a nominal value. The Group is considered to control both WOTSO CookSpace and WOTSO HealthSpace through its ability to direct the strategic and operational decisions of both entities. Consequently, both WOTSO CookSpace and WOTSO HealthSpace were consolidated into the Group at that time.

Due to WOTSO CookSpace and WOTSO HealthSpace being formed during the prior year, both entities are in the early stage of development and have limited operational earnings in both the current and prior years. WOTSO CookSpace is still in the development phase and had not commenced operations at 30 June 2024. WOTSO HealthSpace commenced operations late in 2023 and earned a small profit of \$157,000 in 2024 (2023 - \$4,000 loss).

# Ostow Limited – Notes to the Financial Statements

## 23. Parent Entity Information

The Company has been identified as the parent entity ("Parent Entity")

<b>Results:</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Loss after tax	(3,188)	(474)
<b>Total comprehensive loss after tax</b>	<b>(3,188)</b>	<b>(474)</b>
<b>Financial position:</b>		
Current assets	202	194
Non-current assets	8,500	58,444
<b>Total assets</b>	<b>8,702</b>	<b>58,638</b>
Current liabilities	(29)	-
Non-current liabilities	(1,503)	(48,185)
<b>Total liabilities</b>	<b>(1,532)</b>	<b>(48,185)</b>
<b>Net assets</b>	<b>7,170</b>	<b>10,453</b>
Share capital	11,520	11,615
Accumulated losses	(4,350)	(1,162)
<b>Total equity</b>	<b>7,170</b>	<b>10,453</b>

### Contingent Liabilities

The Parent Entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

### Capital Commitments

The Parent Entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

### Material Accounting Policies

The accounting policies of the Parent Entity are consistent with those of the Consolidated Entity, as disclosed in Note 30.

## 24. Prior Period Adjustment

During the year, the Group assessed that variable lease payments were more appropriately classified as operating activity cash flows rather than financing activity cash flows. As a consequence, for the year ended 30 June 2023, operating cash flow activities have been reduced by \$1.98 million and financing cash flow activities have been increased by \$1.98 million.

## 25. Controlled Entities

<b>Name</b>	<b>Percentage Owned</b>	
	<b>2024</b>	<b>2023</b>
<b>Parent Entity:</b>		
Ostow Limited	N/A	N/A
<b>Controlled Entities:</b>		

76 Brunswick Street Pty Ltd	100%	-
Ada Avenue Brookvale Pty Ltd	100%	-
BlackWall Opportunities Fund	100%	-
BlackWall Penrith Fund No. 3	100%	-
Flinders Street Pty Ltd	100%	-
Gymea Bay Road Pty Ltd	100%	-
Gymea Bay Road Unit Trust	100%	100%
Kirela Development Unit Trust	-	100%
Macquarie Hobart Pty Ltd	100%	-
Military Road Cremorne Pty Ltd	100%	-
Northbourne Dickson Pty Ltd	100%	-
Ormsby Terrace Pty Ltd	100%	-
Ostow Investments Pty Ltd	100%	100%
Ostow Property Management Pty Ltd	100%	100%
Pioneer Road Yandina Pty Ltd	100%	100%
Pymont Bridge Finance Pty Ltd	100%	-
Pymont Bridge Trust	N/A	64%
Pymont Bridge Road Mortgage Fund	N/A	64%
Pymont Bridge Notes Trust	N/A	84%
Ryrie Geelong Pty Ltd	100%	-
Tudor Street Newcastle Pty Ltd	100%	-
Woods PIPES Fund	-	100%
Wormald Symonston Pty Ltd	100%	-
WOTSO Pty Ltd	100%	-
WOTSO Adelaide Pty Ltd	100%	100%
WOTSO Barracks Pty Ltd	100%	100%
WOTSO Blacktown Pty Ltd	100%	100%
WOTSO Bondi Junction Pty Ltd	100%	100%
WOTSO Botany Pty Ltd	100%	100%
WOTSO Brookvale Pty Ltd	100%	100%
WOTSO Chermiside Pty Ltd	100%	100%
WOTSO CookSpace Pty Ltd	50%	50%
WOTSO Cremorne Pty Ltd	100%	-
WOTSO Dickson Pty Ltd	100%	100%
WOTSO Employment Services Pty Ltd	100%	100%
WOTSO External Pty Ltd	100%	100%
WOTSO Fund Services Limited	100%	-
WOTSO Fortitude Valley Pty Ltd	100%	100%
WOTSO Gold Coast Pty Ltd	100%	100%
WOTSO HealthSpace Pty Ltd	50%	50%
WOTSO Hobart Pty Ltd	100%	100%
WOTSO Holdings Pty Ltd	100%	100%
WOTSO Internal Pty Ltd	100%	100%
WOTSO Liverpool Pty Ltd	100%	-
WOTSO Macarthur Square Pty Ltd	100%	100%
WOTSO Mahuhu Limited	100%	-
WOTSO Mandurah Pty Ltd	100%	100%
WOTSO Neutral Bay Pty Ltd	100%	100%
WOTSO Newcastle Pty Ltd	100%	100%
WOTSO Penrith Pty Ltd	100%	100%
WOTSO Pymont Pty Ltd	100%	100%
WOTSO at RFW Manly Pty Ltd	100%	100%



# Ostow Limited – Notes to the Financial Statements

WOTSO Robina Pty Ltd	100%	100%
WOTSO Services Pty Ltd	100%	100%
WOTSO Services 1 Pty Ltd	100%	100%
WOTSO Services 2 Unit Trust	100%	100%
WOTSO Services 2 Pty Ltd	100%	100%
WOTSO Services 3 Pty Ltd	100%	100%
WOTSO Storage Space Pty Ltd	100%	100%
WOTSO Sunshine Coast Pty Ltd	100%	100%
WOTSO Symonston Pty Ltd	100%	100%
WOTSO Takapuna Limited	100%	100%
WOTSO Toowoomba Pty Ltd	100%	100%
WOTSO Woden Pty Ltd	100%	100%
WOTSO Wollert Pty Ltd	100%	-
WOTSO Zetland Pty Ltd	100%	100%
WRV Pty Ltd	100%	-
Yeast Lease Pty Ltd	100%	-

## 26. Related Party Transactions

### Related Parties, Associates

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

Interests held in associates by the Group are set out in Notes 3 and 9.

### Transactions With Related Entities

The Group pays rent for leased properties owned by related parties. The rent paid is determined with reference to arm's length commercial rates. Additionally, WOTSO pays for fit-out costs, management fees, distributions and general expenses such as car parking and cleaning. The Group receives revenue from related parties, including interest income and flexspace. 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.

	2024	2023
	\$	\$
<b>Revenue:</b>		
Interest income	2,132,553	563,326
Other revenue	5,260,715	107,820
Management fees	2,015,154	-
<b>Total Revenue</b>	<b>9,408,422</b>	<b>671,146</b>
<b>Expenses:</b>		
Rent and outgoing paid	8,118,962	7,258,209
Management fees	598,189	1,015,939
Fit-out	467,106	926,538
Software development costs	270,000	270,000
Staff costs	109,942	94,179

Other expenses	978,759	644,030
<b>Total Expenses</b>	<b>10,542,958</b>	<b>10,208,895</b>

### Outstanding balances:

Trade and other receivables	620,895	321,289
Trade and other payables	400,421	147,672
Interest receivable	-	578,461
Distributions payable	-	158,765
Deferred lease payments – COVID – current	-	87,843
Deferred lease payments – COVID – non-current	-	87,843
Loans receivable	31,118,000	13,420,000
Loans payable	53,134,584	48,218,903

## 27. Financial Risk Management

### a) Financial Risk Management

The main risks the Group is exposed to through its financial instruments are market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's principal financial instruments are cash and cash equivalents, financial assets and loans payable. Additionally, the Group has various other financial instruments such as trade debtors, lease rental deposits 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 overseeing 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:

	2024	2023
	\$'000	\$'000
<b>Financial assets</b>		
Cash and cash equivalents	3,532	406
Trade and other receivables	899	480
Interest receivable	-	578
Rental deposits	1,080	749
Loans receivable – related party	32,142	13,420
<b>Financial liabilities</b>		
Trade and other payables	3,780	1,562
Distributions payable	-	158
Loans payable – related party	53,134	48,219
Lease liabilities	68,257	46,798

### (b) Sensitivity analysis

Although the Group is exposed to currency risk through its subsidiary in New Zealand, which operates the flexspace business in New Zealand Dollars (NZD), management considers that this is

# Ostow Limited – Notes to the Financial Statements

a low risk due to the immaterial investment and the low volatility between both currencies, Australian and New Zealand Dollars. The Group is not exposed to any material credit, interest or liquidity risks.

## c) Capital management

The Group's objectives when managing capital are to:

- safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, issue new shares, buy-back shares, and purchase or sell assets.

## (d) Liquidity risk

	Maturing In 1 year \$'000	Maturing in 2 – 5 years \$'000	Maturing over 5 years \$'000	Total \$'000
<b>At 30 June 2024</b>				
Trade and other payables	3,780	-	-	3,780
Borrowings	-	53,134	-	53,134
Lease Liabilities	7,791	17,523	42,943	68,257
	<b>11,571</b>	<b>70,657</b>	<b>42,943</b>	<b>125,171</b>
<b>At 30 June 2023</b>				
Trade and other payables	1,562	-	-	1,562
Borrowings	-	48,219	-	48,219
Lease Liabilities	10,662	15,081	21,055	46,798
	<b>12,224</b>	<b>63,300</b>	<b>21,055</b>	<b>96,579</b>

## 28. Subsequent Events

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

## 29. 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 30.

### 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 in 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.

## 30. Statement of Material 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.

### Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the AASB 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 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 year ended 30 June 2024 and for the comparative year ended 30 June 2023.

The financial statements are presented in Australian dollars.

# Ostow Limited – Notes to the Financial Statements

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 and a net liability position, as described in Note 4. 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 year 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 the Company 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. Investments in subsidiaries held by the Group are accounted for at cost, less any impairment charges.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when it 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 Company. 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.

## Property, Plant and Equipment

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 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 or 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.

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

Furniture, fixtures and fittings	over 2 to 10 years
Office equipment	over 4 to 10 years
Leasehold improvements	lesser of 10 years and expected remaining lease term.
Right of use assets	remaining lease terms, including any options where they are reasonably certain to be exercised.

At each balance sheet date, assets' residual values and useful lives are reviewed, particularly with reference to the remaining expected lease term of each site and adjusted if appropriate.

## 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 de-recognition 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.

## Internally Generated Intangible Assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised if, and only if, all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated on a straight-line basis over the expected useful lives of the intangible asset as follows:

Software development	5 years
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The estimated useful life and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

# Ostow Limited – Notes to the Financial Statements

## 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 or loss.

Impairment losses recognised in prior years 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.

## Right of Use Lease Assets

A right of use asset is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right of use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## Intangible Assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any accumulated impairment losses. Finite life intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Amortisation of finite life intangible assets are calculated on a straight-line basis over the expected useful lives of the asset as follows:

Management rights	7 years
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## Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

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

### Financial Assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets not measured at amortised cost are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

# Ostow Limited – Notes to the Financial Statements

## (i) 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.

## (ii) 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 or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

## 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 or loss.

## 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 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 or loss when they are due.

### 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

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

## Business Combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- equity interests issued by the Group; and



# Ostow Limited – Notes to the Financial Statements

- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

## 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.

### 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

The Company has elected to form a tax consolidated group with its wholly owned entities for income tax purposes under the tax consolidation regime. As a consequence, all members of the tax consolidated group are taxed as a single entity. The Parent Entity within the tax consolidated group is Ostow Limited.

In addition to its own current and deferred tax amounts, the Company 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 Parent 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.

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.

### Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 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 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 – Financial Statements

Consolidated Entity Disclosure Statement  
as at 30 June 2024

Entity Name		Entity Type	Place of Incorporation	Body Corporates % of Share Capital Held	Tax Residency		WOTSO Pty Ltd	Body corporate	Australia	100%	Australian	N/A
					Australian or Foreign	Foreign Jurisdiction						
Ostow Limited	1	Body corporate	Australia	N/A	Australian	N/A	WOTSO Pty Ltd	Body corporate	Australia	100%	Australian	N/A
76 Brunswick Street Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A	WOTSO Adelaide Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Ada Avenue Brookvale Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A	WOTSO Barracks Pty Ltd	Body corporate	Australia	100%	Australian	N/A
BlackWall Opportunities Fund		Trust	Australia	N/A	Australian	N/A	WOTSO Blacktown Pty Ltd	Body corporate	Australia	100%	Australian	N/A
BlackWall Penrith Fund No. 3		Trust	Australia	N/A	Australian	N/A	WOTSO Bondi Junction Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Flinders Street Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A	WOTSO Botany Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Gymea Bay Road Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A	WOTSO Brookvale Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Macquarie Hobart Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A	WOTSO Chermside Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Military Road Cremorne Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A	WOTSO CookSpace Pty Ltd	Body corporate	Australia	50%	Australian	N/A
Northbourne Dickson Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A	WOTSO Cremorne Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Ormsby Terrace Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A	WOTSO Dickson Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Ostow Investments Pty Ltd		Body corporate	Australia	100%	Australian	N/A	WOTSO Employment Services Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Ostow Property Management Pty Ltd		Body corporate	Australia	100%	Australian	N/A	WOTSO External Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Pioneer Road Yandina Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A	WOTSO Fund Services Limited	Body corporate	Australia	100%	Australian	N/A
Pyrmont Bridge Finance Pty Ltd		Body corporate	Australia	100%	Australian	N/A	WOTSO Fortitude Valley Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Ryrie Geelong Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A	WOTSO Gold Coast Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Tudor Street Newcastle Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A	WOTSO HealthSpace Pty Ltd	Body corporate	Australia	50%	Australian	N/A
Wormald Symonston Pty Ltd	2	Body corporate	Australia	100%	Australian	N/A	WOTSO Hobart Pty Ltd	Body corporate	Australia	100%	Australian	N/A
							WOTSO Holdings Pty Ltd	Body corporate	Australia	100%	Australian	N/A
							WOTSO Internal Pty Ltd	Body corporate	Australia	100%	Australian	N/A
							WOTSO Liverpool Pty Ltd	Body corporate	Australia	100%	Australian	N/A
							WOTSO Macarthur Square Pty Ltd	Body corporate	Australia	100%	Australian	N/A
							WOTSO Mahuhu Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
							WOTSO Mandurah Pty Ltd	Body corporate	Australia	100%	Australian	N/A

# Ostow Limited – Financial Statements

WOTSO Neutral Bay Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Newcastle Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Penrith Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Pyrmont Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO at RFW Manly Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Robina Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Services Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Services 1 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Services 2 Unit Trust	Trust	Australia	N/A	Australian	N/A
WOTSO Services 2 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Services 3 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Storage Space Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Sunshine Coast Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Symonston Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Takapuna Limited	Body corporate	New Zealand	100%	Foreign	New Zealand
WOTSO Toowoomba Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Woden Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Wollert Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WOTSO Zetland Pty Ltd	Body corporate	Australia	100%	Australian	N/A
WRV Pty Ltd	2 Body corporate	Australia	100%	Australian	N/A

1. Entity is a stapled member of WOTSO Property.
2. Trustee entity of a trust which is consolidated within the stapled WOT group consolidated financial statements.
3. Trustee entity of a trust which is consolidated within these consolidated financial statements.

# Ostow Limited – Directors’ Report

## Directors’ Report (Continued)

### 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 the beginning of the financial year to the date of these financial statements.

#### Joseph (Seph) Glew

##### Non-Executive Director and Chairman

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 40 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.

#### Jessica Glew

##### CEO and Executive Director (from 28 February 2024)

##### Joint Managing Director and COO (to 28 February 2024)

Jessie is Chief Executive Officer and a director of WOTSO Property. Jessie was with the BlackWall Group since early 2011 and has a strong background in, and passion for, the property industry. For the past 14 years, Jessie has specialised in working with distressed properties and spaces and the operations of the WOTSO business. Jessie holds a Bachelor of International Communication from Macquarie University and a NSW Real Estate Licence.

Jessie joined the Board of The Kids Cancer Project in 2021 and over the last 3 years has provided insights and operational knowledge to help support The Kids Cancer Project. Jessie also joined the Board of Flexible Workspace Australia in March 2024, the peak body for coworking and flexible workspace providers and partners across all cities and regions of Australia.

#### Richard Hill

##### Non-Executive Director

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

#### Paul Tresidder

##### Non-Executive Director (from 28 February 2024)

Paul has considerable experience in retail management, leading, development and strategic planning. He spent eight years with Lendlease where he held a number of roles, including National Leasing Manager, before being appointed to the position of Divisional Manager responsible for half of the General Property Trust retail portfolio. Paul and fellow Lendlease

executive Guy Wynn, formed a property management company which was subsequently acquired by Baillieu Knight Frank. In 1993, Paul joined Seph Glew in the development business that would ultimately become ASX listed BlackWall Limited.

#### Agata Ryan

##### Company Secretary

Agata joined WOTSO in February 2023 and oversees all aspects of WOTSO’s corporate transactions, corporate governance and regulatory functions and investor relations. Before joining WOTSO, Agata worked as a lawyer at a boutique property law firm and prior to that was legal counsel in the commercial property legal team at Stockland. Agata holds a Bachelor of Arts, Master of Commerce and Juris Doctor degree from UNSW. She is admitted as a solicitor of the Supreme Court of New South Wales and the High Court of Australia.

#### Robin Tedder

##### Non-Executive Director (to 28 February 2024)

Robin began his career on the dealing desk of a merchant bank in 1976. In 1981 he founded Hatmax Capital Markets which grew rapidly through organic development and merger with Australian Gilt Securities in 1988, such that by the time he departed after 14 years as CEO in 1995, over 80 people were employed across debt capital markets, both the Sydney Futures Exchange and ASX, in asset management and corporate finance. In 1995 Robin established Vintage Capital which became an active investor in funds management, commercial property, retailing, healthcare, and logistics. He has been an investor in BlackWall projects since 1997, is a former member of ASX, and has served on various boards of both listed and private companies since 1984. Robin resigned from the Group effective 28 February 2024.

#### Timothy Brown

##### Joint Managing Director and CFO (to 28 February 2024)

Tim was Joint Managing Director and Chief Financial Officer for the BlackWall Group and its funds. Tim joined the Group in 2008 as Financial Controller and became Chief Financial Officer in 2009. He has a Bachelor of Commerce from the University of New South Wales and is a member of the of Chartered Accountants of Australia and New Zealand. With over 20 years’ experience in the financial services and property industries, he started his career with Deloitte and joined Lend Lease Corporation in 2002. Tim is also on the board of Eastern Suburbs Cricket Club and Coogee Boy’s Preparatory School. Tim resigned from the Group effective 28 February 2024.

#### Auditor and Non-audit Services

\$55,000 and \$8,930 was paid to the auditor for audit and non-audit services respectively during the financial year (2023: \$69,000 and \$13,095 respectively) as detailed in Note 19. 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.

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.

# Ostow Limited – Directors’ Report

## Meeting Attendances

Director	No. of Board Meetings Held	Board Meeting Attendance
Seph Glew	5	5
Jessica Glew	5	5
Richard Hill	5	5
Paul Tresidder*	5	1
Timothy Brown**	5	4
Robyn Tedder**	5	4

\* Paul Tresidder joined the Board of Directors effective 28 February 2024.  
\*\* Robin Tedder and Timothy Brown resigned from the Board of Directors effective 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

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



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



**Jessie Glew**  
Director  
Sydney, 29 August 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 30 June 2024 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 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.

In the Directors’ opinion, the attached consolidated entity disclosure statement is true and correct.

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



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



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



# Ostow Limited – Auditor’s Independence Declaration and Auditor’s Report



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

As auditor for the audit of Ostow Limited and its controlled entities for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor 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 on the 29<sup>th</sup> day of August 2024.

ESV Business Advice and Accounting

Chris Kirkwood  
Partner

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**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF OSTOW LIMITED AND ITS CONTROLLED ENTITIES**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of OSTOW Limited (‘the Company’) and its controlled entities (‘the Group’), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes including material accounting policy information, the consolidated entity disclosure statement and the directors’ declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group’s financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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# Ostow Limited – Auditor’s Independence Declaration and Auditor’s Report

Business advice  
and accounting

## INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF OSTOW LIMITED AND ITS CONTROLLED ENTITIES

Key Audit Matter	Revenue
	How the scope of our audit responded to the risk
The Group generates its rental income from short-term tenancies. During the year 2024, Group recorded \$30.16 million (June 2023: \$25.89 million) of rental revenue from short-term tenancies.  Rental income from short-term tenancies is earned from leasing of desks, office space, meeting rooms and related services (co-working business) to short term tenants – operated by OSTOW Limited. Majority of premises used for operating of WOTSO co-working business is leased from related entity – WOTSO Property Trust and some are leased from third party landlords.  Due to large number of short-term tenancies across numerous WOTSO locations, there is a risk that revenue is incorrectly recorded.	Our procedures included, but were not limited to:  ➤ For short-term rental income relating to co-working business, on sample basis of tenancies across different site locations we verified the monthly billing for desks, office space hired to the agreed terms as per information in the tenancy management database and the price list per location. We also performed comparison of monthly revenue per location with monthly revenue from prior period and investigated any unusual or significant movement.  ➤ Obtained bank transactions for all bank accounts to assess completeness of receipts of rental income.  ➤ Performed analytical procedures by comparing monthly performance per location and comparing with prior period and investigating material variances.  ➤ Assessed the disclosures included in the financial statement for revenue are in accordance with AASB 15.  Based on our work performed, we conclude the revenue for the Group is free from material misstatement.

### Other Information

Other information is financial and non-financial information in the Company’s annual report which is provided in addition to the Financial Report and the Auditor’s Report for the year ended 30 June 2024. The directors of the Company are responsible for the other information. The other information comprises the information included in the Directors’ report (page 3 and 23-24) which we obtained prior to the date of this auditor’s report but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Business advice  
and accounting

## INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF OSTOW LIMITED AND ITS CONTROLLED ENTITIES

### Directors’ Responsibilities for the Financial Report

The directors are responsible for the preparation of a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor’s Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf) This description forms part of our auditor’s report.

Dated at Sydney on the 29<sup>th</sup> day of August 2024.



ESV Business Advice and Accounting



Chris Kirkwood  
Partner

PLANLOC LIMITED  
ABN 50 062 367 560

ANNUAL REPORT  
JUNE 2024

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## Directors’ Report

The Directors present their report, together with the financial statements of Planloc Limited (referred to hereafter as the ‘Company’) for the year ended 30 June 2024.

### Principal activities

Planloc Limited is a listed property investment company. The Company is stapled to two other entities (WOTSO Property Trust and Ostow Limited) and forms the listed WOTSO Property (ASX: WOT). The Company owns a retail mixed use property located in Penrith, NSW, and holds investment positions in two property investment structures that ultimately own an entertainment precinct in Villawood, NSW and an office building in Pyrmont, NSW.

#### *Penrith Investment Property*

The Penrith property held by the Company, 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.

#### *Villawood Investment*

The Company also owns just under 50% of the WRV Unit Trust, which owns The Woods property. 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, the Woods Café, Reverse Vending Machine and Cross Fit Bawn. It was also independently valued in June 2022 at \$28.5 million.

#### *Pyrmont Investment*

Following a restructure of the WOT group during the year, the Company acquired the WOT group’s remaining 43% investment in the property at 55 Pyrmont Bridge Road. The property is an office building located on the fringe of Sydney CBD with over 14,000sqm of NLA. The property was last independently valued in June 2023 at \$134.3 million.

### Risks

The Company 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 2024 Annual 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 year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Revenue			
Property rental income		2,231	2,066
Finance income		61	69
Unrealised (losses) / gains	3	(92)	1,362
<b>Total Revenue</b>		<b>2,200</b>	<b>3,497</b>
Expenses			
Property outgoings		(533)	(744)
Business operating expenses	4	(371)	(278)
Depreciation expense	9	(125)	(143)
Finance costs		(1,909)	(669)
<b>Total Expenses</b>		<b>(2,938)</b>	<b>(1,834)</b>
<b>(Loss) / profit before income tax</b>		<b>(738)</b>	<b>1,663</b>
Income tax benefit / (expense)		221	(499)
<b>(Loss) / profit for the year</b>		<b>(517)</b>	<b>1,164</b>
Other comprehensive income		-	-
<b>Total (Loss) / Income and Other Comprehensive (Loss) / Income</b>		<b>(517)</b>	<b>1,164</b>

## Balance Sheet as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Assets</b>			
Current assets			
Cash and cash equivalents		29	58
Loan portfolio	5	197	196
Deferred rent receivable	6	24	26
Trade and other receivables	7	63	26
<b>Total current assets</b>		<b>313</b>	<b>306</b>
<b>Non-current assets</b>			
Deferred rent receivable	6	30	53
Loan portfolio	5	1,228	1,425
Financial assets	8	26,370	8,838
Investment property	9	26,250	26,250
<b>Total non-current assets</b>		<b>53,878</b>	<b>36,566</b>
<b>Total Assets</b>		<b>54,191</b>	<b>36,872</b>
<b>Liabilities</b>			
Current liabilities			
Trade and other payables	10	450	142
Borrowings	11	13,000	-
<b>Total current liabilities</b>		<b>13,450</b>	<b>142</b>
<b>Non-current liabilities</b>			
Borrowings	11	31,118	26,370
Deferred tax liabilities	13	4,974	5,195
<b>Total non-current liabilities</b>		<b>36,092</b>	<b>31,565</b>
<b>Total Liabilities</b>		<b>49,542</b>	<b>31,707</b>
<b>Net Assets</b>		<b>4,649</b>	<b>5,165</b>
Share capital	12	1	-
Retained earnings		4,648	5,165
<b>Total Equity</b>		<b>4,649</b>	<b>5,165</b>



# PLANLOC Limited – Financial Statements

## Statement of Cash Flows for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Cash Flows from Operating Activities</b>			
Receipt from property tenants		2,407	2,142
Payments to suppliers		(812)	(1,104)
Interest received		61	69
Interest paid		(1,909)	(669)
<b>Net Cash Flows (used in) / from Operating Activities</b>		<b>(253)</b>	<b>438</b>
<b>Cash Flows from Investing Activities</b>			
Return of equity		1,995	-
Repayment of loan portfolio		196	197
Payments of capital expenditure	9	(5)	(115)
<b>Net Cash Flows from Investing Activities</b>		<b>2,186</b>	<b>82</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds of borrowings		1,820	3,000
Repayment of borrowings		(3,782)	(3,490)
<b>Net Cash Flows (used in) Financing Activities</b>		<b>(1,962)</b>	<b>(490)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>		<b>(29)</b>	<b>30</b>
Cash and cash equivalents, at the beginning of the year		58	28
<b>Cash and Cash Equivalents, at End of the Year</b>		<b>29</b>	<b>58</b>

## Reconciliation of Operating Cash Flows

	2024 \$'000	2023 \$'000
<b>(Loss) / Profit for the Year</b>	<b>(517)</b>	<b>1,164</b>
<b>Non-Cash Flows in Profit:</b>		
Straight-line rental income	(29)	(43)
Unrealised loss on revaluation of PBR	829	-
Unrealised gain on revaluation of WRV	(646)	(1,377)
Unrealised (gain) loss on revaluation of Penrith Property	(91)	15
Depreciation	125	143
Issue of securities	1	-
<b>Changes in Operating Assets and Liabilities:</b>		
(Decrease) / increase in deferred tax liabilities	(221)	499
Decrease in trade and other receivables	(12)	-
Increase in trade and other payables	308	37
<b>Net Cash Flows / (used in) from Operating Activities</b>	<b>(253)</b>	<b>438</b>

# PLANLOC Limited – Financial Statements

## Statement of Changes in Equity for the year ended 30 June 2024

	No. of Shares on Issue	Ordinary Shares \$'000	Retained Earnings / (Accumulated Losses) \$'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>
Loss for the year	-	-	(517)	(517)
Other comprehensive income	-	-	-	-
<b>Total Loss and Other Comprehensive Loss for the Year</b>	<b>-</b>	<b>-</b>	<b>(517)</b>	<b>(517)</b>
<b>Transactions with Owners in Their Capacity as Owners</b>				
Issue of securities	14,399	1	-	1
Buy-back of issued securities	(697,064)	-	-	-
<b>Total Transactions with Owners in Their Capacity as Owners</b>	<b>(682,665)</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>Balance at 30 June 2024</b>	<b>162,176,344</b>	<b>1</b>	<b>4,648</b>	<b>4,649</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 year	-	-	1,164	1,164
Other comprehensive income	-	-	-	-
<b>Total Profit and Other Comprehensive Income for the Year</b>	<b>-</b>	<b>-</b>	<b>1,164</b>	<b>1,164</b>
<b>Transactions with Owners in Their Capacity as Owners</b>				
Issue of securities	9,996	-	-	-
Buy-back of issued securities	(511,278)	-	-	-
<b>Total Transactions with Owners in Their Capacity as Owners</b>	<b>(501,282)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 30 June 2023</b>	<b>162,859,009</b>	<b>-</b>	<b>5,165</b>	<b>5,165</b>

# PLANLOC Limited – Notes to the Financial Statements

## 1. Segment Reporting

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

## 2. Cash Flow Management

At the end of the year, the Balance Sheet showed current liabilities exceeded current assets by \$13.1 million (30 June 2023 – current assets exceeded current liabilities by \$164,000). This is mainly driven by the loan from CBA which is due to mature in December 2024. The loan is secured against the Company's Penrith property. The Company is confident that upon maturity the loan will be renewed on similar terms.

The Group closely monitors liquidity. The Company also has an available line of credit in the form of a loan agreement with Ostow Limited, the company to which it is stapled, along with WOTSO Property Trust, to make up WOTSO Property.

## 3. Unrealised (Loss) / Gains

	2024 \$'000	2023 \$'000
Investment property in Penrith	91	(15)
Investment in WRV Unit Trust (WRV)	646	1,377
Investment in Pyrmont Bridge Property Pty Ltd (PBR)	(829)	-
	<b>(92)</b>	<b>1,362</b>

## 4. Business Operating Expenses

	2024 \$'000	2023 \$'000
Fund management fees	336	225
Consultants fees	7	22
Administration expenses	28	31
<b>Total business operating expenses</b>	<b>371</b>	<b>278</b>

## 5. Loan Portfolio

	2024 \$'000	2023 \$'000	Current Security \$'000	Interest Rate	Details
Current – vendor finance	197	196	3,500*	4.0%	See below
Non-current – vendor finance	1,228	1,425	3,500*	4.0%	See below
	<b>1,425</b>	<b>1,621</b>			

\* Same asset as security.

In 2021, WOTSO Property Trust (formerly "BlackWall Property Trust") (WPT), part of the stapled WOT Group, sold its Toowoomba property. The sale was executed through a vendor finance agreement with the Company 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.

## 6. Deferred Rent Receivable

	2024 \$'000	2023 \$'000
Current – deferred rent receivable	24	26
Non-current – deferred rent receivable	30	53
<b>Total deferred rent receivable</b>	<b>54</b>	<b>79</b>

## 7. Trade and Other Receivables

	2024 \$'000	2023 \$'000
Accounts receivable	32	26
Other receivables	31	-
<b>Total trade and other receivables</b>	<b>63</b>	<b>26</b>

## 8. Financial Assets

The Company's financial assets comprise an investment in WRV and PBR. The investment in WRV reflects a 49.88% (2023: 49.88%) holding of WRV Unit Trust, which owns The Woods, Villawood, NSW. 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, the Woods Café, Reverse Vending Machine and Cross Fit Bawn. It was independently valued on June 2022 at \$28.5 million.

During the year, the Company acquired a 43% investment holding in PBR. This entity owns the property at 55 Pyrmont Bridge Road, Pyrmont, NSW. The property holds over 14,000sqm of NLA. The property was last independently valued in June 2023 at \$134.3 million. This acquisition was funded through an increase in the Company's borrowings with Ostow Limited.

	2024 \$'000	2023 \$'000
Balance at the beginning of the year	8,838	7,461
Additions	21,705	-
Distributions received	(3,990)	-
Revaluation increase	(183)	1,377
<b>Balance at 30 June</b>	<b>26,370</b>	<b>8,838</b>

As at year end the Company owned units in WRV and PBR as follows:

# PLANLOC Limited – Notes to the Financial Statements

Entity	Holdings	2023	Returns of Capital / Distribution Received	
	2024 '000		2024 \$'000	2023 \$'000
WRV Unit Trust	3,990	1,995	3,990	-
Pymont Bridge Property	49,275	-	-	-
			<b>3,990</b>	<b>-</b>

## 9. Investment Property

The Company has a property investment in a big box retail complex located at 120 Mulgoa Road, Penrith. Tenants in this 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. The Company has assessed the independent valuation and considers that this is appropriate as the fair value is determined having regard to the highest and best use of the property, which is fully occupied. 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 value is as follows:

	\$'000
<b>Balance at 1 July 2023</b>	<b>26,250</b>
Capital improvements	5
Depreciation	(125)
Revaluations	91
Movement in straight-line receivable	29
<b>Balance at 30 June 2024</b>	<b>26,250</b>
<b>Balance at 1 July 2022</b>	<b>26,250</b>
Capital improvements	115
Depreciation	(143)
Movement in straight-line receivable	43
Revaluations	(15)
<b>Balance at 30 June 2023</b>	<b>26,250</b>

## 10. Trade and Other Payables

	2024 \$'000	2023 \$'000
Trade and other payables	385	105
Rental income in advance	34	6
Tenant deposits	31	31
<b>Total Trade and Other Payables</b>	<b>450</b>	<b>142</b>

## 11. Borrowings

	2024 \$'000	2023 \$'000
CBA	13,000	-
<b>Total current borrowings</b>	<b>13,000</b>	<b>-</b>
Ostow Limited	31,118	13,370
CBA	-	13,000
<b>Total non-current borrowings</b>	<b>31,118</b>	<b>26,370</b>
<b>Total Borrowings</b>	<b>44,118</b>	<b>26,370</b>

The loan from CBA, which is due to mature in December 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. The Company is confident that upon maturity this loan will be renewed on similar terms.

The unsecured borrowings are from Ostow Limited, which is stapled to the Company 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 30 June 2024, the Company had paid interest for \$1.1 million at a margin of 3% over the RBA cash rate (June 2023 - \$nil).

## 12. Share Capital

	2024 Shares	2023 Shares	2024 \$'000	2023 \$'000
<b>At the beginning of the year</b>	<b>162,859,009</b>	<b>163,360,291</b>	<b>-</b>	<b>-</b>
Buy-back of issued securities	(697,064)	(511,278)	-	-
Issue of new securities	14,399	9,996	1	-
<b>At the end of the year</b>	<b>162,176,344</b>	<b>162,859,009</b>	<b>1</b>	<b>-</b>

# PLANLOC Limited – Notes to the Financial Statements

## 13. Income Tax Expense and Deferred Tax Liabilities

### (a) Income tax benefit / (expense)

	2024 \$'000	2023 \$'000
Deferred tax benefit / (expense)	221	(499)
<b>Total Income tax benefit / (expense)</b>	<b>221</b>	<b>(499)</b>

### Reconciliation of prima facie tax payable to income tax

(Loss) / profit before income tax	(738)	1,663
-----------------------------------	-------	-------

Expected tax benefit / (expense) at 30%	221	(499)
<b>Total Income Tax Benefit / (Expense)</b>	<b>221</b>	<b>(499)</b>

### (b) Deferred tax liabilities

Net deferred tax liabilities are recognised on the balance sheet (2024 - \$5.0million; 2023 - \$5.2million) in relation to unrealised gains on the assets of the company.

	2024 \$'000	2023 \$'000
Financial assets	1,736	1,790
Investment properties	3,500	3,480
Tax losses	(262)	(75)
<b>Total Deferred Tax Liabilities</b>	<b>4,974</b>	<b>5,195</b>

### Movements:

Balance, at the beginning of the year	5,195	4,696
Charged to profit and loss	(221)	499
<b>Balance, at the end of the year</b>	<b>4,974</b>	<b>5,195</b>

## 14. Auditor's Remuneration

Remuneration of ESV for:	2024 \$	2023 \$
Audit and assurance services	22,252	18,500
Taxation and other services	2,228	2,717
	<b>24,480</b>	<b>21,217</b>

## 15. Commitments and Contingencies

The Company leases out its investment property held under operating leases. The future minimum lease payments receivables are disclosed as follows:

	2024 \$'000	2023 \$'000
Receivable within 1 year	2,101	2,040
Receivable within 2-5 years	5,276	5,739
Receivable over 5 years	3,562	3,808
<b>Total</b>	<b>10,939</b>	<b>11,587</b>

There are no other commitments and contingencies as at 30 June 2024 (2023: \$nil).

## 16. Subsequent Events

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

## 17. Related Party Transactions

### (a) Related Entities

In these financial statements, related parties are parties as defined by AASB 124 Related Party Disclosures.

### Fees and Transactions

Management fees are charged to entities predominately for property management services and the fees charged are determined with reference to arm's length commercial rates.

These services principally relate to the provision of property management services, property portfolio advisory services, maintenance and insurance, strategic advice and management supervision services, administration, marketing and risk management services.

The Company paid management fees and interest to related parties. The interest was incurred on a mortgage related loan. 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.

As at 30 June 2024, there were no outstanding receivables with related entities.

The following represents the transactions that occurred during the financial year, and the balances outstanding at year end, between the Company and its related entities.

# PLANLOC Limited – Notes to the Financial Statements

	2024 \$	2023 \$
<b>Expenses:</b>		
Fund management fee paid	122,200	225,500
Repairs and maintenance	13,931	161,702
Consulting and management fees paid	25,534	150,985
<b>Outstanding balances:</b>		
Trade and other payables	201,616	4,050
Borrowings	31,118,000	13,370,000

## (b) Interests in Related Parties

As at year end the Company owned 49.88% (2023: 49.88%) of units in WRV Unit Trust and 43% of PBR, detailed in Note 8 – Financial Assets.

## 18. Financial Risk Management

### (a) Financial Risk Management

The main risks the Company is exposed to through its financial instruments are market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's principal financial instruments are the loan portfolio, financial assets and borrowings. Additionally, the Company has various other financial instruments such as cash and cash equivalents, trade debtors and trade creditors.

This note presents information about the Company's exposure to each of the above risks, its objectives, policies, and processes for measuring and managing risk, and the management of capital.

The Board has overall responsibility for the establishment and overseeing of the risk management framework. It monitors the Company's risk exposure by regularly reviewing finance and property markets.

The Company holds the following major financial instruments:

	2024 \$'000	2023 \$'000
<b>Financial Assets</b>		
Cash and cash equivalents	29	58
Trade and other receivables	63	26
Deferred rent receivables	24	79
Loan portfolio	1,425	1,621
Financial assets	26,370	8,838

### Financial liabilities

Trade and other payables	450	142
Borrowings	44,118	26,370

### (b) Material risk

#### (i) Interest rate risk

The Company has exposure to market risk for changes in interest rates on its loan portfolio and borrowings. The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the interest rates on borrowings, is as follows:

	June 2024		June 2023	
	Interest rate %	Balance \$'000	Interest rate %	Balance \$'000
<b>Assets</b>				
Loan portfolio	4.00	1,425	4.00	1,621
<b>Liabilities</b>				
Borrowings – Ostow	3.00 above cash rate	31,118	-	13,370
Borrowings - CBA	2.20 above BBSY	13,000	2.20 above BBSY	13,000

### Sensitivity analysis

At 30 June 2024, if interest rates on the loan portfolio and borrowings had moved, as illustrated in the table below, with all other variables held constant, profit would be affected as follows:

	2024 \$'000	2023 \$'000
<b>Movement in interest rates</b>		
+ 1.0%	(441)	(130)
- 1.0%	441	130

#### (ii) Price risk

The major exposure is the Company's investments in financial assets. In relation to the investments in WRV and PBR units, a 10% decrease in the price (from the price at 30 June 2024, i.e. \$1.87 and \$0.38 respectively per unit) would result in an unrealised loss of \$1.9 million (2023: \$884,000).

### (c) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.



# PLANLOC Limited – Notes to the Financial Statements

The Company has credit risk exposures to related parties' investments in related and unrelated property structures under financial instruments and contractual arrangements entered into by the Company. The Company limits its exposure to credit risk by obtaining equitable mortgages over real property for related / unrelated party loan receivables and investments in related and unrelated property structures.

## (d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

At the end of the year, the Company held the following financial arrangements:

	Maturing within 1 year \$'000	Maturing within 2 – 5 years \$'000	Maturing over 5 years \$'000	Total \$'000
<b>At 30 June 2024</b>				
Trade and other payables	450	-	-	450
Borrowings	13,000	31,118	-	44,118
	<b>13,450</b>	<b>31,118</b>	<b>-</b>	<b>44,568</b>
<b>At 30 June 2023</b>				
Trade and other payables	142	-	-	142
Borrowings	-	26,370	-	26,370
	<b>142</b>	<b>26,370</b>	<b>-</b>	<b>26,512</b>

## (e) Fair value measurement

### (i) Fair value hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level in 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.

The following table presents the Company's assets measured at fair value as at the reporting date. Refer to note 19 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 30 June 2024</b>				
Loan portfolio	-	-	1,425	1,425
Investment properties	-	-	26,250	26,250
Financial assets	-	-	26,370	26,370
<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.

### (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 2024:

	\$'000
<b>At 30 June 2024</b>	
Balance, at beginning of the year	36,709
Additions	21,705
Loan repayment	(196)
Fair value movement	(183)
Distributions	(3,990)
<b>Balance, at end of the year</b>	<b>54,045</b>
<b>At 30 June 2023</b>	<b>\$'000</b>
Balance, at beginning of the year	35,529
Loan repayment	(197)
Fair value movement	1,377
<b>Balance, at end of the year</b>	<b>36,709</b>

# PLANLOC Limited – Notes to the Financial Statements

## 19. 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 8.

### Financial assets

Investments in unlisted securities have been classified as financial assets and movements in fair value are 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 9. 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%.

## 20. Basis of Preparation and Accounting policies

Planloc Limited 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.

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.

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.

### 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 Company is in net current liability position of \$13.1 million as at 30 June 2024. This is largely driven by current borrowings that are expected to be renewed prior to expiration in December 2024.

### Presentation of Financial Statements

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

### Investment Properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

### Impairment of Assets

At each reporting date, the Company reviews the carrying values of its 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 or 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.

### Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of a qualifying asset are capitalised as part of the cost of the asset.

### 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.

# PLANLOC Limited – Notes to the Financial Statements

## Recognition

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flow from the financial assets expire or if the Company 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 the trade date, i.e. the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

## 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.

## Financial Assets

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Unrealised gains and losses arising from changes in the fair value of these assets are included in the profit or loss in the period in which they arise, unless they relate to reversal of previous unrealised loss, which were then recognised in profit or loss.

## Financial Liabilities

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

## 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 Company 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 or loss.

## 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.

## 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 the original invoice amount less a provision for any uncollectible debts. An estimate for expected credit losses is made when there is objective evidence that the Company 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 uncollectible.

## 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 Company 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.

## Revenue

Rent comprises rental and recovery of outgoings from property tenants. Rental income from investment properties is accounted for on a straight-line basis over the lease term. Rent is recognised monthly in advance.

## Investment

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate.

Dividend revenue is recognised when the right to receive a dividend has been established, which in the case of quoted securities is the ex-dividend date.

In-specie distributions and returns of capital are brought on to the balance sheet by an adjustment in the carrying value of the relevant investment and then reflected in the comprehensive income as an unrealised gain.

## Income Tax

### Current Income Tax Expense

The charge for current income tax expense is based on the profit for the 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.

# PLANLOC Limited – Notes to the Financial Statements

## 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.

## 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.

## 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.

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.

## Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 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 – Financial Statements

## Consolidated Entity Disclosure Statement as at 30 June 2024

Subsection 295(3A)(a) of the Corporations Act 2001 does not apply to Planloc Limited as the Company is not required to prepare consolidated financial statements by Australian Accounting Standards.

# PLANLOC Limited – Directors’ Report (Continued)

## Directors’ Report (Continued)

### 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 the beginning of the financial year to the date of these financial statements.

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

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 40 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.

#### Jessica Glew CEO and Executive Director (from 28 February 2024) Joint Managing Director and COO (to 28 February 2024)

Jessie is Chief Executive Officer and a director of WOTSO Property. Jessie was with the BlackWall Group since early 2011 and has a strong background in, and passion for, the property industry. For the past 14 years, Jessie has specialised in working with distressed properties and spaces and the operations of the WOTSO business. Jessie holds a Bachelor of International Communication from Macquarie University and a NSW Real Estate License.

Jessie joined the Board of The Kids Cancer Project in 2021 and over the last 3 years has provided insights and operational knowledge to help support The Kids Cancer Project. Jessie also joined the Board of Flexible Workspace Australia in March 2024, the peak body for coworking and flexible workspace providers and partners across all cities and regions of Australia.

#### Richard Hill Non-Executive Director

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

#### Paul Tresidder Non-Executive Director (from 28 February 2024)

Paul has considerable experience in retail management, leading, development and strategic planning. He spent eight years with Lendlease where he held a number of roles, including National Leasing Manager, before being appointed to the position of Divisional Manager responsible for half of the General Property Trust retail portfolio. Paul and fellow Lendlease executive Guy Wynn, formed a property management company which was subsequently acquired by Baillieu Knight Frank. In 1993, Paul joined Seph Glew in the development business that would ultimately become

ASX listed BlackWall Limited.

#### Agata Ryan Company Secretary

Agata joined WOTSO Property in February 2023 and oversees all aspects of WOTSO’s corporate transactions, corporate governance and regulatory functions and investor relations. Before joining WOTSO, Agata worked as a lawyer at a boutique property law firm and prior to that was legal counsel in the commercial property legal team at Stockland. Agata holds a Bachelor of Arts, Master of Commerce and Juris Doctor degree from UNSW. She is admitted as a solicitor of the Supreme Court of New South Wales and the High Court of Australia.

#### Robin Tedder Non-Executive Director (to 28 February 2024)

Robin began his career on the dealing desk of a merchant bank in 1976. In 1981 he founded Hatmax Capital Markets which grew rapidly through organic development and merger with Australian Gilt Securities in 1988, such that by the time he departed after 14 years as CEO in 1995, over 80 people were employed across debt capital markets, both the Sydney Futures Exchange and ASX, in asset management and corporate finance. In 1995 Robin established Vintage Capital which became an active investor in funds management, commercial property, retailing, healthcare, and logistics. He has been an investor in BlackWall projects since 1997, is a former member of ASX, and has served on various boards of both listed and private companies since 1984. Robin resigned from the Group effective 28 February 2024.

#### Timothy Brown Joint Managing Director and CFO (to 28 February 2024)

Tim was Joint Managing Director and Chief Financial Officer for the BlackWall Group and its funds. Tim joined the Group in 2008 as Financial Controller and became Chief Financial Officer in 2009. He has a Bachelor of Commerce from the University of New South Wales and is a member of the of Chartered Accountants of Australia and New Zealand. With over 20 years’ experience in the financial services and property industries, he started his career with Deloitte and joined Lend Lease Corporation in 2002. Tim is also on the board of Eastern Suburbs Cricket Club and Coogee Boy’s Preparatory School. Tim resigned from the Group effective 28 February 2024.

### Meeting Attendances

Director	No. of Board Meetings Held	Board Meeting Attendance
Seph Glew	5	5
Jessica Glew	5	5
Richard Hill	5	5
Paul Tresidder*	5	1
Timothy Brown**	5	4
Robin Tedder**	5	4

\* Paul Tresidder joined the Board of Directors effective 28 February 2024.

\*\* Robin Tedder and Timothy Brown resigned from the Board of Directors effective 28 February 2024.

### 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.

# PLANLOC Limited – Directors’ Report (Continued)

## Indemnities of Officers

During the financial year, the Company paid premiums to insure each of the Directors named in this report along with officers of the Company 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 Company, 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 Company.

## Auditor and Non-audit Services

\$22,252 and \$2,228 were paid to the auditor for audit and non-audit services respectively during the financial year (2023: \$18,500 and \$2,717 respectively) as detailed in Note 14. 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.

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 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 year, there have been no matters or circumstances, except for those disclosed in Note 16, 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 years.

## Registered office

Level 1 50 Yeo Street Neutral Bay, Sydney, NSW  
Phone: +61 2 9033 8699 or 1800 4 WOTSO

## 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 August 2024



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



# PLANLOC Limited – Directors’ 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 Standards, 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 30 June 2024 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.

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.

In the Directors’ opinion, the attached consolidated entity disclosure statement is true and correct.

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



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



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

# PLANLOC Limited – Auditors’ Independence Declaration and Auditor’s Report



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

As auditor for the audit of Planloc Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor 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 on the 29<sup>th</sup> day of August 2024.

ESV Business Advice and Accounting

Chris Kirkwood  
Partner

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

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Planloc Limited (‘the Company’), which comprises the statement of financial position as at 30 June 2024, 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 including a summary of significant accounting policies, and the directors’ declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company’s financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit 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 the Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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# PLANLOC Limited – Auditors’ Independence Declaration and Auditor’s Report

Business advice  
and accounting

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

Valuation of Investment Property	
Key Audit Matter	How the scope of our audit responded to the risk
As of 30 June 2024, the investment property is valued at \$26.25 million (June 2023: \$26.25 million) which is significant to the balance sheet. The investment property is recorded at fair value.	Our procedures included, but were not limited to:
The valuation recorded as at year end is based on Directors’ valuation which is based on the independent valuation obtained as at 30 June 2022.	<ul style="list-style-type: none"><li>➤ Reconcile the recorded value of investment property in financial statements to underlying general ledger.</li><li>➤ Obtained copies of independent valuers’ valuation report and compared the values to recorded valuation in general ledger and made inquiries regarding changes in tenancy levels and level of capital expenditure incurred and assess the reasonableness of impact it has on the valuation of the property.</li><li>➤ We performed following procedures:<ul style="list-style-type: none"><li>– Assessed reasonableness of key judgements, assumptions and inputs used, such as lease incentives, rental growth rates, let up periods, allowances for rent waivers and deferrals.</li><li>– Compared the yield rates used in the calculation to other market participants.</li><li>– Agreed key inputs to underlying tenancy schedule.</li><li>– Review independent valuer’s competence and objectivity as independent valuer.</li><li>– Obtain tenancy schedule and considered if there are any significant movements that could result in a change in value.</li><li>– Performed a sensitivity analysis on the significant assumptions.</li></ul></li><li>➤ Assessing the disclosures in the financial report including using our understanding obtained from the testing against the requirements of the accounting standard.</li></ul>
The external valuation make several property specific key estimates and assumptions; assumptions in relation to market comparable yields and estimates in relation to future rental income increases or decreases and discount rates and other inputs.	There are increased economic and financial uncertainties as a result of rising interest rates. This may require management to increase the frequency of valuation and provide clear and full disclosure of valuations.
The rising interest rates have resulted in economic uncertainty and a reduction in market transaction evidence. Management has addressed the higher risk by using external valuation experts to value some investment properties. The audit approach considered how rising interest rates is likely to affect property values and inputs into valuation models and included assessing lease expiry, rent waivers, growth rates and let up timeframes.	Based on our work performed, we conclude the valuation of the investment property is not materially misstated as at year end
The valuation of the property investment is the key driver of the net assets value and total return. Incorrect valuation could have significant impact on the investment valuation and, therefore, the return generated to the members of the company.	

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

### Other Information

Other information is financial and non-financial information in the Company’s annual report which is provided in addition to the Financial Report and the Auditor’s Report for the year ended 30 June 2024. The directors of the Company are responsible for the other information. The other information comprises the information included in the Directors’ report (pages 3 and 16-17) which we obtained prior to the date of this auditor’s report but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Directors’ Responsibilities for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor’s Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf) This description forms part of our auditor’s report.

Dated at Sydney on the 29<sup>th</sup> day of August 2024.



ESV Business Advice and Accounting



Chris Kirkwood  
Partner