



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



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



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 locations¹ 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 locations¹
- 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.

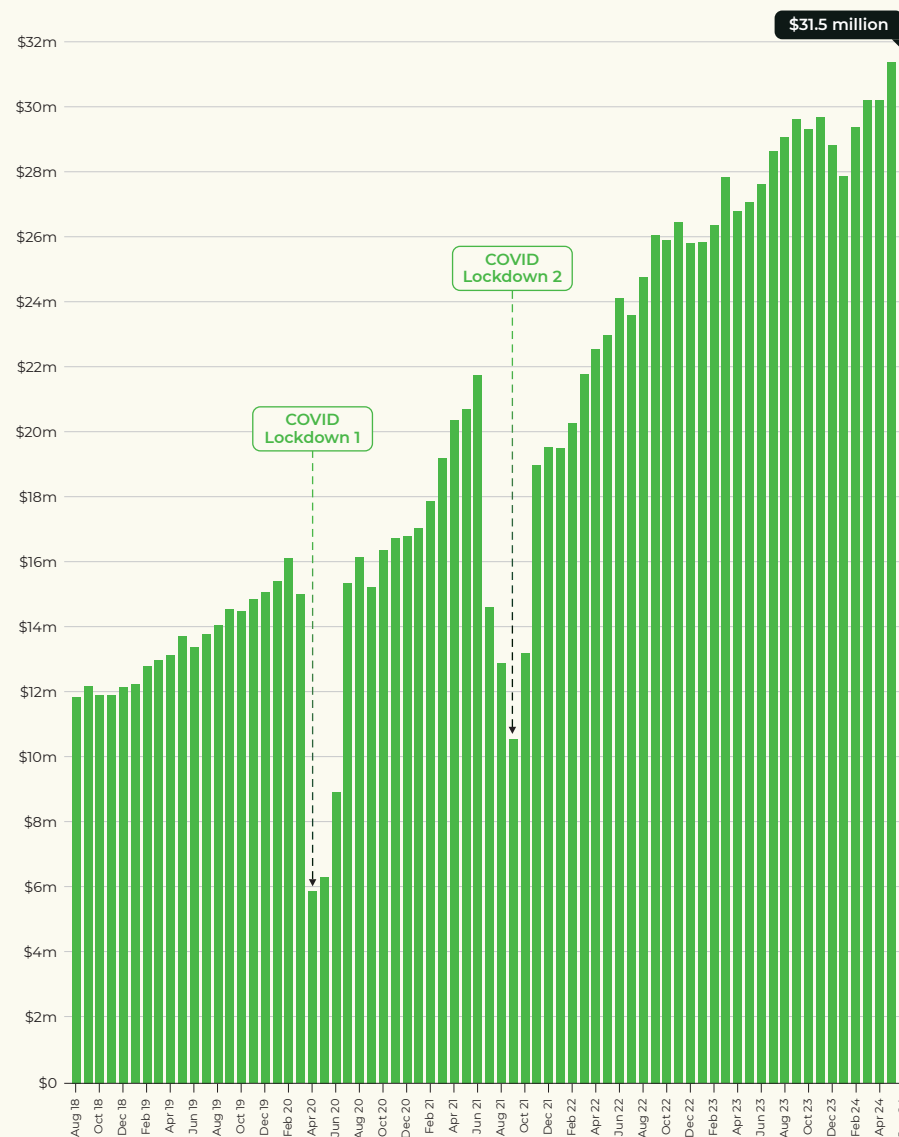
Separately, Pyrmont and North Strathfield are not performing as expected. Pyrmont appears to still be suffering from the impact of the COVID-19 pandemic, with a weak CBD market impacting the leasing of city and fringe properties. We have recently renegotiated the lease and expect WOTSO's performance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

¹ 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
TOTAL	15,191	4,274	81	3,710



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
TOTAL	16,266	984	81	3,518

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%**



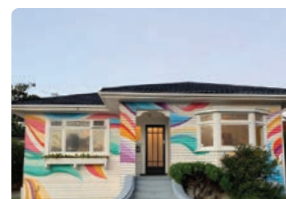
Penrith

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
Profit or Loss		
Real estate income	14,481	13,458
Operating business income	30,036	25,890
Other income	84	-
Government assistance	-	8
Total Revenue	44,601	39,356
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)
Total Operating Expenses	(24,953)	(23,000)
Net Rental Income	19,648	16,356
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
Funds From Operations	13,115	8,262
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)
Statutory Loss Before Tax	(65)	(5,709)

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
Total Assets	400,808	409,469
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)
Total Liabilities	(111,383)	(109,412)
Attributable to NCI	(3,700)	(221)
Adjusted NAV Attributable to WOT Owners	285,725	299,836
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)
Statutory NAV Attributable to WOT Owners	236,547	245,986

* 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)
Net Rental Income		24,162	23,081
Administration expenses	6	(10,625)	(8,114)
Trading Profit		13,537	14,967
Net loss on assets		(1,244)	(5,410)
Operating Profit		12,293	9,557
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	-
Loss Before Income Tax		(65)	(5,709)
Income tax benefit / (expense)	26	941	(499)
Total Profit / (Loss)		876	(6,208)
Foreign currency translation (losses) / gains		(95)	133
Total Profit / (Loss) and Other Comprehensive Income / (Loss)		781	(6,075)
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
Attributable to Members of Group		(23)	855
Non-controlling interest		804	(6,930)
Total Profit / (Loss) and Other Comprehensive Income / (Loss)		781	(6,075)
Earnings per Security			
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
Revenue from Contracts with Customers		
Operating business income	30,036	25,890
Real estate income	19,683	22,625
Other income	3	-
Government stimulus	-	8
Total Revenue	49,722	48,523

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)
Total Direct Costs	(25,560)	(25,442)

Balance Sheet at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current Assets			
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
Total Current Assets		5,438	8,801
Non-Current Assets			
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
Total Non-Current Assets		386,625	473,061
Total Assets		392,063	481,862
Liabilities			
Current Liabilities			
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
Total Current Liabilities		26,572	137,440
Non-Current Liabilities			
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
Total Non-Current Liabilities		125,244	67,811
Total Liabilities		151,816	205,251
Net Assets		240,247	276,611

	2024 \$'000	2023 \$'000
Equity		
Issued capital	256,698	257,499
Accumulated losses	(20,189)	(11,646)
Foreign currency translation reserve	38	133
Equity Holders of WOTSO Property	236,547	245,986
Non-Controlling Interests in WOTSO Property	3,700	30,625
Total Equity	240,247	276,611
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)	-
Total Investment Property Portfolio	392,324	5,328	(4,035)	(132,298)	261,319

●● Properties with WOTSOs ● Properties without WOTSOs

Statement of Cash Flows

for the year ended 30 June 2024

	2024 \$'000	2023 \$'000
Cash Flows from Operating Activities		
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
Net Cash Flows from Operating Activities	24,932	21,005
Cash Flows from Investing Activities		
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)	-
Net Cash Flows used in Investing Activities	(18,452)	(15,535)
Cash Flows from Financing Activities		
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
Net Cash Flows used in Financing Activities	(10,256)	(534)
Net (Decrease) / Increase in Cash and Cash Equivalents	(3,776)	4,936
Cash and cash equivalents at the beginning of the year	7,450	2,514
Cash and Cash Equivalents at End of the Year	3,674	7,450

* All items inclusive of GST where applicable.

Reconciliation of Operating Cash Flows

	2024 \$'000	2023 \$'000
Profit / (Loss) for the Year	876	(6,208)
Non-Cash Flows in Loss:		
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)
Operating Cash Flows Before Movement in Working Capital	25,130	18,481
(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
Net Cash Flows from Operating Activities	24,932	21,005

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			
Balance at 1 July 2023	162,859,009	245,884	(29,011)	216,873	11,615	12,201	23,816	-	5,164	5,164	30,625	133	276,611
Profit / (loss) for the year	-	-	(10,498)	(10,498)	-	8,918	8,918	-	1,652	1,652	804	-	876
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	(95)	(95)
Total Profit / (Loss) and Other Comprehensive Income / (Loss)	-	-	(10,498)	(10,498)	-	8,918	8,918	-	1,652	1,652	804	(95)	781
Transactions with Owners in Their Capacity as Owners:													
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)
Total Transactions with Owners	(682,665)	(707)	(8,609)	(9,316)	(95)	(6)	(101)	1	-	1	(27,729)	-	(37,145)
Balance at 30 June 2024	162,176,344	245,177	(48,118)	197,059	11,520	21,113	32,633	1	6,816	6,817	3,700	38	240,247
Balance at 1 July 2022	163,360,291	246,444	(21,373)	225,071	11,689	14,812	26,501	-	4,000	4,000	41,294	-	296,866
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
Total Profit / (Loss) and Other Comprehensive Income / (Loss)	-	-	2,169	2,169	-	(2,611)	(2,611)	-	1,164	1,164	(6,930)	133	(6,075)
Transactions with Owners in Their Capacity as Owners:													
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)
Total Transactions with Owners	(501,282)	(560)	(9,807)	(10,367)	(74)	-	(74)	-	-	-	(3,739)	-	(14,180)
Balance at 30 June 2023	162,859,009	245,884	(29,011)	216,873	11,615	12,201	23,816	-	5,164	5,164	30,625	133	276,611

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
Total Revenue	19,499	30,108	115	49,722	22,625	25,898	-	48,523
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)
Total Operating Expenses	(3,758)	(22,966)	(131)	(26,855)	(5,727)	(20,527)	-	(26,254)
Net Rental Income	15,741	7,142	(16)	22,867	16,898	5,371	-	22,269
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)
Funds From Operations	7,749	12,042	(5,264)	14,527	9,635	5,371	(3,695)	11,311
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)
Profit / (Loss) Before Tax	2,571	7,756	(10,392)	(65)	498	1,632	(7,839)	(5,709)

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
Assets								
Current Assets								
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
Total Current Assets	1,120	680	3,638	5,438	7,719	352	730	8,801
Non-Current Assets								
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
Total Non-Current Assets	261,425	42,852	41,915	346,192	395,135	40,828	2,483	438,446
Total Assets	262,545	43,532	45,553	351,630	402,854	41,180	3,213	447,247
Liabilities								
Current Liabilities								
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)
Total Current Liabilities	(15,000)	(2,800)	(2,129)	(19,929)	(128,934)	(1,992)	(661)	(131,587)
Non-Current Liabilities								
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)
Total Non-Current Liabilities	(80,120)	(29)	(183)	(80,332)	(27,718)	(201)	(66)	(27,985)
Total Liabilities	(95,120)	(2,829)	(2,312)	(100,261)	(156,652)	(2,193)	(727)	(159,572)
Net Assets Before Statutory Adjustments	167,425	40,703	43,241	251,369	246,202	38,987	2,486	287,675
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)
Net Assets After Statutory Adjustments	167,425	34,582	38,240	240,247	246,202	33,118	(2,709)	276,611

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.

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

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:

	Pymont Bridge Property \$'000	Pymont Bridge Road Mortgage Fund \$'000	Total \$'000
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	-
Total Net Assets	66,785	9,501	76,286
Non-controlling interests	(38,062)	(5,371)	(43,433)
Remaining Investment at Fair Value	28,723	4,130	32,853

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
Revenue from Contracts with Customers		
Operating business income	30,036	25,890
Real estate income	19,683	22,625
Other income	3	-
Government stimulus	-	8
Total Revenue	49,722	48,523

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
Total Direct Costs	25,560	25,442

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
Total Administration Expenses	10,625	8,114

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
Building and Fixtures Depreciation		
WOTSO fitout depreciation	4,139	3,421
Property depreciation	3,934	3,727
Total Building and Fixtures Depreciation	8,073	7,148
Amortisation of Intangible Assets		
WOTSO software development asset	267	214
Management rights	171	-
Total Amortisation of Intangible Assets	438	214
Total Depreciation and Amortisation	8,511	7,362

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
Total Finance Costs	9,525	8,393

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	-
Total Finance Income	474	489

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)	-
Total Other Net Remeasurement Gains	304	-

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)
Total Trade and Other Receivables	1,061	776

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
Total Current Loan Portfolio	197	196			
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
Total Non-Current Loan Portfolio	2,252	1,425			

* Same asset as security.

13. Other Assets

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

14. Investment Property Portfolio

Investment Property Portfolio		Independent Valuation Date	Independent Valuer Cap Rate	2024 \$'000	2023 \$'000
Start-Up Phase					
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	-
Developing Phase					
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
Mature Phase					
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
Total Investment Property Portfolio				261,319	392,324

● 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%	-	-
Total Investments in Associates		34,092	162

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)
Total Property, Plant and Equipment	15,622	13,929

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)	-
Total Right of Use Lease Assets	40,433	34,615

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

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
Total Lease Liabilities (Current and Non-Current)	44,495	38,656

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
Total Other Receivables	106	207

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
Total Current Trade and Other Payables	5,935	5,210
COVID deferred rent	29	201
Total Non-Current Trade and Other Payables	29	201
Total Trade and Other Payables	5,964	5,411

23. Employee Provisions

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

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			
Total		92,742	153,151				

* 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
Total Make Good Provisions	2,087	1,828

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).

Ostow Limited's Unrecognised Net Deferred Tax Assets	2024 \$'000	2023 \$'000
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
Total Unrecognised Net Deferred Tax Assets	1,975	3,733

27. Distributions

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

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

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:

	2024 \$'000
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)
Total Identifiable Assets Acquired and Liabilities Assumed	814
Excess of net assets acquired	(814)
Total Consideration	-
Satisfied by:	
Cash and cash equivalents	-
Total Consideration Transferred	-
Net cash inflow arising on acquisition:	
Cash consideration	-
Cash and cash equivalents balances acquired	994
	994

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
Total	77,492	70,483

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
Financial Assets		
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
Financial Liabilities		
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
At 30 June 2024				
Financial Liabilities				
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
Total	25,887	94,535	24,334	144,756
At 30 June 2023				
Financial Liabilities				
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
Total	137,048	43,750	17,430	198,228

(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
At 30 June 2024				
Investment property portfolio	-	-	261,319	261,319
Loan portfolio	-	-	2,449	2,449
At 30 June 2023				
Investment property portfolio	-	-	392,324	392,324
Loan portfolio	-	-	1,621	1,621
Hedge asset	-	-	2,604	2,604

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

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

For all other financial assets, carrying value is an approximation of fair value. There were no transfers between Level 1, 2 and 3 financial instruments during the 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
At 30 June 2024	
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)
Balance at 30 June 2024	263,768
At 30 June 2023	
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)
Balance at 30 June 2023	396,549

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

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
Parent Entity:		
WOTSO Property Trust	n/a	n/a
Controlled Entities:		
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	-
Total	1,024,000	-

(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 \$
Income		
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	-
Total Income	5,096,854	161,294

	2024 \$	2023 \$
Expenses		
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
Total Expenses	7,755,828	8,906,284
Outstanding Balances		
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
(Loss) / Profit After Income Tax Attributable to Owners of WOT Securities	(23)	855
	Number	Number
Weighted average number of ordinary securities used in calculating basic and diluted earnings per security	162,478,413	163,210,058
	Cents	Cents
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
Total Auditor's Remuneration	212,400	201,945

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
WOTOSO 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.

Material Business Risk	Inflation
Potential Impact	The majority of our property portfolio is contracted on a gross lease basis. This exposes the Group to the risk that property outgoings may increase faster than income
Management Plan	This is a risk we have accepted as mismatches in income and expenses are a normal property risk and are expected to balance out over time.
Material Business Risk	Interest Costs
Potential Impact	The Group has borrowings that are exposed to interest rate movements and rising interest costs will negatively impact net earnings.
Management Plan	The Directors believe that Group gearing is such that foreseeable increases in interest costs can be managed without undue stress.
Material Business Risk	Lease Obligations
Potential Impact	The profitability of leased sites is affected by movements in rents. As WOTSO's lease terms are longer than the month-to-month terms it provides to members, there is a potential mismatch if rents rise and/or members fees fall.
Management Plan	We mitigate this risk by siloing each lease in a separate company.

Material Business Risk Access and Cost of Capital

Potential Impact

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

Management Plan

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

Material Business Risk Competition

Potential Impact

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

Management Plan

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

Material Business Risk Valuations

Potential Impact

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

Management Plan

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

Material Business Risk Employee Recruitment and Retention

Potential Impact

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

Management Plan

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

Business Risks (continued)

Material Business Risk	Cyber Risk
Potential Impact	As with most businesses we do have cyber risks that we cannot eliminate entirely but our risks are relatively small and we perform regular systems reviews to ensure sensitive information is properly stored or destroyed.
Management Plan	We hold specific cyber insurance policies that provide cover in the event of a cyber attack/breach.
Material Business Risk	Unplanned Capital Expenditures
Potential Impact	The need for significant unforeseen capital expenditure would affect the Group and may negatively impact debt obligations and/or distributions to investors.
Management Plan	We practice continual maintenance and repurposing of all our properties and third-party sites to avoid material wear and tear that could necessitate significant expense for the Group. Additionally we hold sufficient insurance coverage across our portfolio to absorb any material unplanned capital expenditure.
Material Business Risk	Macroeconomic Factors
Potential Impact	Threat of domestic and global recession, ongoing impacts of COVID and investor sentiment are some of the primary macroeconomic considerations that may impact our business.
Management Plan	As a management team we continually monitor these factors however, ultimately, they are often beyond our control.

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
Queensland:	
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
New South Wales:	
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
Australian Capital Territory:	
Dickson	490 Northbourne Ave, Dickson ACT 2602
Symonston	10-14 Wormald St, Symonston ACT 2609
South Australia:	
Adelaide	217-223 Flinders St, Adelaide SA 5000
Tasmania:	
Hobart	162 Macquarie St, Hobart TAS 7000
Western Australia:	
Mandurah	22 Ormsby Terrace, Mandurah WA 6210
New Zealand:	
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
Total Number of Securityholders	2,667

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

* 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	-
Total	135,000	-	86,875	-	7,769	-	229,644	-

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	-
Total	963,536	-

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.

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.



Sesh 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



Liverpool, NSW

Auditor's Independence Declaration and Auditor's Report

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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 29th 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"> Obtain a schedule of property investment portfolio and agree it to the consolidation workbook and trial balance. 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. For all properties we compared: <ul style="list-style-type: none"> Rental Income for July 2022 to June 2023, to July 2023 to June 2024 to assess for any impairment indicators. Review of tenancy schedules and considered if there were any significant movements in occupancy rate that could result in a change in value. Assessed the disclosures in the financial report including using our understanding obtained from the testing against the requirements of the accounting standards. On sample basis we: <ul style="list-style-type: none"> 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. Compared the yield rates used in the calculation to other market participants. We agreed key inputs to underlying tenancy schedules. Review of the expert's professional competence and objectivity as independent valuer. Obtain the tenancy schedules and considered if there are any significant movements that could result in a change in value. Performed a sensitivity analysis on the significant assumptions. Assessing the disclosures in the financial report including using our understanding obtained from the testing against the requirements of the accounting standard. <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"> 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

<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"> 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. 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. <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"> Obtaining and verifying the discounted cash flow model prepared at 31 December 2023 for arithmetical accuracy. Discussions with management in relation to underlying assumptions and reviewed the actual performance to 30 June 2024 and the forecasts to 30 June 2025. Review the WACC calculation to external market data. Reviewing the impairment assessment paper prepared by management covering the appropriateness of the December assessment for the June year end. <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"> Reviewing management's latest assessment paper detailing loss of control of PBR.

During the year, the Group reduced its holding and went through a restructure to solidify this position.	<ul style="list-style-type: none"> > Further discussions with management on their view and standpoint. > Obtained independent expert advice on the application of AASB10 ensuring PBRs assets and liabilities have been deconsolidated at carrying value. > 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.
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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 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 29th 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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