

Annual Report

Blackwell Global Holdings Limited
For the year ended 31 March 2018

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Chairman's Review

Blackwell Global Holdings Limited For the year ended 31 March 2018

Dear Shareholders

During the financial year ended 31 March 2018 the Company has undertaken a transformation from essentially being a listed shell company with no commercial operations, into an early stage financial services business.

The financial year can be divided into two principal stages:

- The first half of the financial year which comprised the restructure of the Company's capital and operational structure;
- The second half of the financial year which comprised the launch of its finance company operation, and the development of the ground work required for the implementation of a derivative trading operation.

RESTRUCTURE

During the first six months of this financial year, the Company undertook a significant capital and operational restructure. The restructure comprised the following principal components:

Change of Name and Ticker Code

The Company changed its name from "NZF Group Limited" to "Blackwell Global Holdings Limited".

The Company changed its ticker code from "NZF" to "BGI".

Issue of New Shares

The Company issued 313,872,866 new ordinary shares (in aggregate) to Blackwell Global Group Limited ("Blackwell"), Mr Chai and Mr James Law. The share issue raised \$2,510,982 of new capital for BGI before transaction costs.

Issue of First Tranche of Convertible Notes and Bonds

The Company issued \$500,000 of Convertible Notes and \$2,000,000 Bonds to Blackwell. The balance of the Convertible Notes and Bonds that were approved by the BGI shareholders will be issued as and when BGI requires the introduction of new funds into its commercial operations.

Change of Board

Messrs Michael Chai, James Law and Ewe Leong Lim were appointed to the Board of the Company. They joined Craig Alexander and myself on the Board of BGI. Mr Alexander and myself are both considered to be "independent Directors" as that term is defined in the NZX Main Board Listing Rules.

During this period Mr Mark Thornton retired as a director of BGI. Mr Thornton continues with the Company in his capacity as a senior executive responsible primarily for the finance company operations that have been recently launched by BGI.

LAUNCH OF FINANCE COMPANY OPERATIONS

During the second half of this financial year, and following the restructure of the Company's balance sheet, the Company drew down \$2,000,000 of Restructure Bonds, issued to Blackwell, in December 2017 to provide the Company with funds to launch its finance company operations.

The finance company operation is up and running now, and the Company is focused on lending to good quality counterparties, and securing those loans against first mortgages registered over real estate assets at moderately geared levels.

The Company advanced its first loan in January 2018. It has since made a number of loans subsequently, and will look to draw down further bonds in the future to meet demand for its lending activities.

The only factor that restricts the ability of the Company to grow its loan book aggressively is the ability of the Company to fund the growth of that book. The Company will continue to seek debt facilities, and/or direct investment from Blackwell and other parties to deploy against funding new loans.

The Company will look to offer flexible and innovative investment opportunities to third party investors seeking to receive an attractive rate of return from the deployment of their funds with BGI. BGI will then seek to deploy those funds raised against loan receivables and take a margin on those funds deployed.

Chairman's Review

Blackwell Global Holdings Limited
For the year ended 31 March 2018

On this note, BGI has recently developed an innovative funding mechanism for a particular investor whereby:

- BGI has established a new wholly owned subsidiary, or "Special Purpose Vehicle" ("SPV");
- The SPV has been funded by a New Zealand domiciled investor to make loan advances to third party borrowers sourced by BGI, and approved by the Investor;
- BGI will be responsible for executing the loans executed through the SPV, and for administering those loans on behalf of the investor;
- BGI will collect interest on the loans and pay the investor a predetermined interest rate, with BGI retaining the balance of the revenue;
- The funds advanced to the SPV by the investor are secured by a first ranking General Security Agreement over the present and after acquired property of the SPV;
- Credit risk for the loans executed through this mechanism lays with the investor and not BGI.

BGI will look to execute more loans through this SPV, and through similar mechanisms with other potential investors.

IMPLEMENTATION OF DERIVATIVE TRADING OPERATIONS

As previously advised to the market, BGI intends to launch a derivative trading platform and collateral services for wholesale and retail investors during the course of 2019. As part of this process BGI is required to obtain a licence to undertake this activity from the Financial Markets Authority ("FMA").

During the course of the financial year, BGI employed additional human resource with particular expertise in this sector to strengthen its intellectual capital base, and to prepare itself for the launch of the derivative trading operations.

BGI has commenced the preparation of the application for the license required to be obtained from the FMA before the operations can be formally commenced.

BGI anticipates formally making the submission for its licence application to the FMA during the course of the first half of the 2019 calendar year.

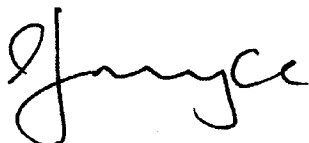
CONCLUSION

It is still very early days since the transformation of the Company from a listed shell during the course of the recently completed financial year, and there is still lots of hard work ahead to ensure that the Company is able to fully exploit the commercial opportunities that lie ahead of it. However, we have a highly committed Board, and a very motivated senior executive team to ensure that the Company is able to execute on its business strategy.

The Board is excited about the opportunities ahead for the Company.

We thank you for your ongoing support.

Yours sincerely



Sean Joyce
Chairman

Corporate Governance Statement

Blackwell Global Holdings Limited
For the year ended 31 March 2018

The Board of the Group is committed to acting with integrity and expects high standards of behaviour and accountability from all its officers and staff. The Board recognises the need to continue to enhance its Governance Standards in line with developing best practice. In doing so, the Board has considered standards, guidelines and principles published by a range of interested parties in New Zealand and Internationally. The Governance Principles adopted by the Board are designed to meet best practice. Generally, the Group follows the NZX Corporate Governance Best Practice Code, except that there is no Nominations Committee. The Board has reviewed those Rules, Principles and Guidelines and is taking progressive steps to improve the Governance Systems and Processes by reference to them.

Role of the Board

The Board's primary objective is the enhancement of shareholder value by following appropriate strategies and ensuring effective and innovative use of available Group resources. The Board is responsible for the management, supervision and direction of the Group. Day-to-day management of the Company is delegated to the Group Chief Executive Officer.

Board Meetings

The Board normally meets monthly each year for scheduled meetings. Additional meetings are held where specific matters require attention between scheduled meetings. Board meetings are used to monitor, challenge, develop and fully understand business and operational issues.

Composition of the Board

The Constitution provides that there will be no less than three and not more than nine Directors. NZX requirements are that at least two Directors, or one-third, are Independent Directors. The Board currently consists of two Independent Directors.

Criteria for Board Membership

When a vacancy arises, the Board will identify candidates with a mix of capabilities and perspectives considered necessary for the Board to carry out its responsibilities effectively. A Director appointed by the Board must stand for election at the next Annual Meeting. At each Annual Meeting one-third of Directors (excluding the Managing Director) must retire by rotation. Retiring Directors are eligible for re-election.

Board Committees

The Board has established an Audit & Risk Committee and a Remuneration Committee.

The Audit & Risk Committee operates under a Charter approved by the Board and is accountable to the Board for: the business relationship with, and the independence of, external auditors; the reliability and appropriateness of the disclosure of the financial statements and external financial communication; and the maintenance of an effective business risk management framework including compliance and internal controls. The Audit & Risk Committee is comprised of Independent Directors and Non-Independent Directors. The Chairman of the Committee is Craig Irving Alexander. Sean Joyce is also a member of the Audit and Risk Committee.

The Remuneration Committee operates under a Charter approved by the Board and is accountable to the Board for: obtaining assurance that the Group's human resources policies and practices support achievement of the Group's goals; overseeing appointments of the Group Chief Executive Officer, roles reporting to the Group Chief Executive Officer, and key professional advisors in the area of Legal, Tax and Public Relations; and overseeing the development of key employees.

The Remuneration Committee recommends to the Board the level of the Group Chief Executive Officer's remuneration package.

The Remuneration Committee is comprised of Independent Directors. The Chairman of the Committee is Craig Irving Alexander. Sean Joyce is also a member of the Remuneration Committee.

Trading in Shares

The Group has a detailed Insider Trading Policy applying to all Directors and employees. A procedure must be followed to obtain consent to trade in the Group's shares at all times. Generally trading is permitted from the release of interim results until 28 February and from the release of the final results until 31 August. Directors and employees are not able to trade in Group shares, if they are in possession of unpublished price sensitive information.

The Group reinforces these measures by requiring that anyone designated as having the opportunity to access price sensitive information can transact in the Group's securities only with the prior approval of the Group Secretary and Chairman.

Corporate Governance Statement

Blackwell Global Holdings Limited

For the year ended 31 March 2018

Make Timely and Balanced Disclosure

The Group has in place procedures designed to ensure compliance with the NZX Listing Rules such that:

All investors have equal and timely access to material information concerning the Group, including its financial situation, performance, ownership and governance.

Group announcements are factual and presented in a clear and balanced way.

Accountability for compliance with disclosure obligations is with the Group Chief Executive Officer, Mark Thornton. Significant market announcements, including the preliminary announcement of the half year and full year results, and the financial statements for those periods, require review by the Audit & Risk Committee and the Board.

Corporate Governance Best Practice Code

The Group does not consider that the corporate governance principles adopted or followed by the Group materially differ from the Corporate Governance Best Practice Code.

Diversity Policy

The Group does not have a formal diversity policy. However, it recognises the wide-ranging benefits that diversity brings to an organisation and its workplaces. The Group endeavours to ensure diversity at all levels of the organisation to ensure a balance of skills and perspectives are available in the service of our shareholders and customers.

As at 31 March 2018, the gender balance of the Group's directors, officers and all employees was as follows:

	Directors		Officers		Employees	
Female	0	0%	0	0%	0	0%
Male	5	100%	1	100%	0	0%
Total	5	100%	1	100%	0	0%

Directors' Responsibility Statement

Blackwell Global Holdings Limited
For the year ended 31 March 2018

The Directors of the Group present to shareholders the audited consolidated financial statements for the Group for the year ended 31 March 2018.

The Directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which give a true and fair view of the consolidated financial position of the Group as at 31 March 2018 and the results of its operations and cash flows for the year ended on that date.

The Directors consider that the financial statements of the Group have been prepared using accounting policies which have been supported by reasonable judgments and estimates and that all relevant financial reporting and accounting standards have been followed

The Directors believe that proper accounting records have been kept which enable with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the consolidated financial statements with the Financial Markets Conduct Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the consolidated financial statements.

The Financial Statements are signed on behalf of the Board on 26 June 2018 by:



Sean Robert Joyce
Director



Craig Alexander
Director



Independent auditor's report

To the shareholders of Blackwell Global Holdings Limited (formerly NZF Group Limited)

We have audited the financial statements which comprise:

- the consolidated statement of financial position as at 31 March 2018;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements of Blackwell Global Holdings Limited (the “Company”), including its subsidiaries (the “Group”), present fairly, in all material respects, the financial position of the Group as at 31 March 2018, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs NZ) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

Our audit approach

Overview



An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement.

Overall group materiality: \$ 29,000.

We agreed with the Board that we would report to them misstatements identified during our audit above \$1,400 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

We have determined that there are 3 key audit matters:

- Provision for impairment losses on the Group's loan receivables
- Capital restructuring activities
- Internal control environment

Materiality

The scope of our audit was influenced by our application of materiality.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	\$29,000.
How we determined it	Approximately 4% of loss before income tax.
Rationale for the materiality benchmark applied	We applied this benchmark because, in our view, it best reflects the performance of the Group.

Audit scope

We designed our audit by assessing the risks of material misstatement in the financial statements and our application of materiality. As in all of our audits, we also addressed the risk of management override of internal controls including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Provision for impairment losses on loan receivables</p> <p>As disclosed in Note 12 of the financial statements, the Group’s loan receivables totalled \$3.3 million with a provision for impairment losses of nil.</p> <p>There is subjective judgement in determining whether to recognise impairment provisions against loan receivables and in estimating the size of such provisions when there has been no or limited history of actual impairment losses.</p> <p>The need for provision for the impairment losses has been assessed by management on an individual loan by loan basis. This assessment is based on the expected future cash repayments and estimated proceeds from the realisation of the collateral held by the Group in respect of those loans, if required.</p> <p>As at 31 March 2018, based on this assessment, no provision for impairment losses was deemed necessary.</p>	<p>Our audit procedures included the following:</p> <p>For all loan receivables, we reviewed the individual impairment assessment, including:</p> <ul style="list-style-type: none"> Examining management’s assessment of future cash repayments including considering borrowers’ circumstances based on the detailed loan and counterparty information known by the Group; and Assessing the value of collateral held by agreeing to independent valuation reports (where available), rateable valuations, or other market evidence. <p>We also challenged management’s decision not to recognise a collectively assessed provision by considering the potential for impairment caused by loss events not captured by management’s assessment by looking at loan-to-value ratios and performing sensitivity analysis over possible changes in the value of the underlying securities.</p> <p>We have no material matters to report from the results of our procedures.</p>
<p>Capital restructuring activities</p> <p>As disclosed in Note 16 of the financial statements, in the financial year 2018, the Company issued 314 million shares at \$0.008 per share, for a total value of \$2.5 million. Additionally, as disclosed in Note 13, convertible notes have been issued with a face value of \$0.5 million.</p> <p>This was an area of audit focus due to this transaction being considered a significant transaction.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> obtaining an understanding of the background of the capital raising activities through discussions with senior management and the Directors and reviewing the relevant legal agreements including agreement for the subscription for shares, implementation deed in respect of the restructure and convertible note subscription agreement; validating receipt of the capital raise and convertible notes proceeds to supporting documentation and further agreeing the share issue price to the independent appraiser report issued in respect of the capital restructuring; and



	<ul style="list-style-type: none"> considering the disclosures in the financial statements against the relevant accounting standards. <p>In performing these audit procedures, we identified accounting errors, which have been corrected in the financial statements.</p>
<p>Internal control environment</p> <p>This was the first reporting period for the Group after re-establishment of its operations following a restructuring process.</p> <p>The overall control environment in the Group, and more specifically the financial controls, processes and procedures are yet to be fully designed, formalised and implemented.</p> <p>During the period, the accounting function for the Group was outsourced to two different third parties.</p> <p>Because the control environment around financial information is not yet mature, there was a heightened risk of material misstatements in the financial statements across all areas.</p>	<p>We gained an understanding of the Group’s business processes and procedures along with the control environment through meeting with senior management and performing walk-through procedures.</p> <p>As a result of our assessment of the control environment we extended our audit procedures by placing a greater emphasis on substantive testing of transactions, balances and key reconciliations and lowering our testing threshold when required.</p> <p>In performing these audit procedures, we identified accounting errors, which have been corrected in the financial statements.</p>

Other Matter

The financial statements of Blackwell Global Holdings Limited for the year ended 31 March 2017 were audited by another auditor who expressed an unmodified opinion on those financial statements on 30 June 2017.

Information other than the financial statements and auditor’s report

The Directors are responsible for the annual report. Our opinion on the financial statements does not cover the other information included in the annual report and we do not and will not express any form of assurance conclusion on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, 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.



Responsibilities of the Directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are 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 ISAs NZ and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/>

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Samuel Shuttleworth.

For and on behalf of:

Chartered Accountants
26 June 2018

Auckland

Consolidated Statement of Comprehensive Income

Blackwell Global Holdings Limited
For the year ended 31 March 2018

	NOTES	2018 \$	2017 \$
Revenue			
Interest and Fee Income	3	76,462	416
Total Revenue		76,462	416
Other Income	3	82,352	-
Total Income		158,814	416
Expenses			
Employee Expenses	20	135,000	-
Directors' Fees	20	284,481	23,958
Interest Expense		99,200	-
Other Operating Expenses	4	392,293	373,292
Total Expenses		910,974	397,250
Loss Before Income Tax		(752,160)	(396,834)
Income Tax Expense	5	-	-
Total Comprehensive Loss for the Year		(752,160)	(396,834)
Attributed to:			
- Owners of the parent		(752,160)	(396,834)
Earnings/(loss) per Share			
Basic earnings/(loss) per share (cents per share)	8	(0.21)	(0.32)
Diluted earnings/(loss) per share (cents per share)	8	(0.21)	(0.32)

Consolidated Statement of Changes in Equity

Blackwell Global Holdings Limited
For the year ended 31 March 2018

	Notes	Share Capital	Other Equity	Convertible Note Reserves	Accumulated Losses	Total Equity
		\$	\$	\$	\$	\$
Balance as at 1 April 2016		9,650,250			(9,644,388)	5,862
Loss for the period		-	-	-	(396,834)	(396,834)
Other comprehensive income/(loss)		-	-	-	-	-
Total Comprehensive Loss for the Period		-	-	-	(396,834)	(396,834)
Balance as at 31 March 2017		9,650,250	-	-	(10,041,222)	(390,972)
Loss for the period		-	-	-	(752,160)	(752,160)
Other comprehensive income/(loss)		-	-	-	-	-
Total Comprehensive Loss for the Period		-	-	-	(752,160)	(752,160)
Transactions with Owners in their Capacity as Owners:						
Issue of ordinary shares, net of transaction costs	16	2,460,496	-	-	-	2,460,496
Equity Component recognised in Convertible Note Reserve	13	-	-	114,716	-	114,716
Contributed Capital on the Bond	13	-	102,013	-	-	102,013
		2,460,496	102,013	114,716	-	2,677,225
Balance as at 31 March 2018		12,110,746	102,013	114,716	(10,793,382)	1,534,093

Consolidated Statement of Financial Position

Blackwell Global Holdings Limited
As at 31 March 2018

	NOTES	31 MARCH 2018 \$	31 MARCH 2017 \$
Assets			
Current Assets			
Cash and Cash Equivalents	14	801,387	158,739
Prepayments and Other Receivables	9	9,648	82,398
Loan Receivables	12	3,258,960	-
Total Current Assets		4,069,995	241,137
Non-Current Assets			
Prepayments and Other Receivables	9	75,000	-
Plant and Equipment		1,668	-
Total Non-Current Assets		76,668	-
Total Assets		4,146,663	241,137
Liabilities			
Current Liabilities			
Trade and Other Payables	10	136,723	306,391
Accruals, Provisions and Other Liabilities	11	134,169	-
Borrowings	13	-	240,000
Total Current Liabilities		270,892	546,391
Non-Current Liabilities			
Borrowings	13	2,341,678	-
Trade and Other Payables	10	-	85,718
Total Non-Current Liabilities		2,341,678	85,718
Total Liabilities		2,612,570	632,109
Net Assets/(Liabilities)		1,534,093	(390,972)
Equity			
Share Capital	16	12,110,746	9,650,250
Convertible Note Reserve	13	114,716	-
Contributed Capital	13	102,013	-
Accumulated Losses		(10,793,382)	(10,041,222)
Total Equity		1,534,093	(390,972)

Signed for and on behalf of the Board.

Date

26 JUNE 2018

Consolidated Statement of Cash Flows

Blackwell Global Holdings Limited
For the year ended 31 March 2018

	NOTES	2018 \$	2017 \$
Cash flows from Operating Activities			
Interest Received		23,613	416
Lending, Credit fees and Other Income Received		74,310	-
Operating Inflows		97,923	416
Payments to Suppliers and Employees		(774,150)	(206,046)
Interest Paid		(25,015)	-
Repayment of GST Liability		(93,516)	-
Net Advances in Loan Receivables		(3,280,421)	-
Taxation Paid		-	-
Operating Outflows		(4,173,102)	(206,046)
Net Cash Flows (applied to)/from Operating Activities		(4,075,179)	(205,630)
Purchase of Plant and Equipment		(2,669)	-
Net Cash Flows (applied to)/from Investing Activities		(2,669)	-
Cash flows from Financing Activities			
Increase in Funding from Bonds		2,000,000	-
Increase in Funding from Borrowings		-	240,000
Increase in Funding from Convertible Notes		500,000	-
Issue of Share Capital Net of Transaction Costs		2,220,496	-
Total Cash provided from Financing Activities		4,720,496	240,000
Net Cash Flows (applied to)/from Financing Activities		4,720,496	240,000
Net Increase in Cash and Cash Equivalents		642,648	34,420
Cash and Cash Equivalents at the Beginning of the Year		158,739	124,319
Cash and Cash Equivalents at the End of the Year	14	801,387	158,739

Consolidated Statement of Cash Flows

Blackwell Global Holdings Limited
For the year ended 31 March 2018

NOTES	2018 \$	2017 \$
Reconciliation of Loss After Tax to Net Cash Flows (applied to)/from Operating Activities		
Loss for the Year	(752,160)	(396,834)
Add/(Less) Non-Cash Items:		
Depreciation	1,001	-
Capitalised Interest Expense	74,185	-
Capitalised Interest Income	(34,956)	-
Total Non-Cash Items	40,230	-
Add/(Loss) Movements in Operating Assets and Liabilities:		
Movement in Loan Receivables	(3,280,421)	-
Deferred Income	56,417	-
Other Assets	(2,250)	(7,188)
Other Liabilities	(136,995)	198,392
	(3,363,249)	191,204
Net Cash Flows (applied to)/from Operating Activities	(4,075,179)	(205,630)

Notes to the Financial Statements

Blackwell Global Holdings Limited
For the year ended 31 March 2018

1. Summary of Significant Accounting Policies

General Information

Blackwell Global Holdings Limited (formerly NZF Group Limited) is a limited liability Company (the "Company") domiciled and incorporated in New Zealand and is listed by NZX Limited and has its shares quoted on the NZX Market ("NZX").

The financial statements presented are consolidated financial statements comprising Blackwell Global Holdings Limited and its subsidiaries. Refer to Note 20 – Significant subsidiaries for further details.

The Company is a for-profit entity, registered under the Companies Act 1993 and is a Financial Markets Conduct reporting entity under Part 7 of the Financial Markets Conduct Act 2013.

Basis of Preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and with the requirements of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules. The Company is a for-profit entity for the purposes of complying with NZGAAP. The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate for for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. These policies have been consistently applied to all periods presented, unless otherwise noted.

All significant accounting policies have been applied on a basis consistent with those used in the audited financial statements of Blackwell Global Holdings Limited (formerly NZF Group Limited) for the year ended 31 March 2017.

The financial statements for the Group have been prepared on a going concern basis.

The financial statements are presented in New Zealand dollars (\$), which is the functional currency of the Company.

Changes in Accounting Policies and Disclosures

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Adoption of New Accounting Standards

Certain new standards and interpretations are required for reporting periods beginning or after 1 January 2018. No new accounting standards have been adopted.

The following accounting standards are not yet effective:

NZ IFRS 15: Revenue from Contracts with Customers (Effective date: annual periods beginning on or after 1 January 2018)

NZ IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces NZ IAS 18 'Revenue' and NZ IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the full impact of this new standard.

NZ IFRS 16: Leases (Effective date: periods beginning on or after 1 January 2019)

NZ IFRS 16 replaces the current guidance in NZ IAS 17. Under NZ IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Under NZ IAS 17, a lessee was required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). NZ IFRS 16 now requires a lessee to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. Included is an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. The standard is effective for accounting periods beginning on or after 1 January 2019. Early adoption is permitted but only in conjunction with NZ IFRS 15, 'Revenue from Contracts with Customers'. The Group intends to adopt NZ IFRS 16 on its effective date and has yet to assess its full impact.

NZ IFRS 9: Financial Instruments (Effective date: annual periods beginning on or after 1 January 2018)

NZ IFRS 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. The standard is effective for accounting periods beginning on or after 1 January 2018. Blackwell Global Holdings Limited will be adopting this new standard for the 2019 reporting. The Group is currently assessing the full impact of this new standard.

Segment Reporting

Operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is identified as the Board of Directors. The Group is internally reported as single operating segment to the chief decision-maker.

Revenue**Interest Income and Similar Expense**

For all financial instruments measured at amortised cost, interest income and expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

Share Capital**Ordinary Shares**

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Principles of Consolidation

The consolidated financial statements of the Group incorporate the assets, liabilities and results of all controlled entities. Controlled entities are all entities in which the entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Intercompany transactions, balances and any recognised income and expense (except for foreign currency transaction gains or losses) between controlled entities are eliminated.

Financial Assets

The Group classifies its financial assets as "loans and receivables" as they are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The Group initially recognises loan receivables at their fair value on the date that they are originated and are subsequently carried at amortised cost using the effective interest method.

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic resources will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the provision resulting from the passage of time is recognised in finance costs. If economic resources required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be reliably measured.

Expense Recognition

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

Loans Receivables

Loans receivables are initially recognised at fair value plus incremental direct transaction costs and are subsequently measured at amortised cost using the effective interest method, less any impairment loss.

Past due but not impaired assets are any assets which have not been operated by the counterparty within their key terms but are not considered to be impaired by the Group.

Individually impaired assets are those loans for which the Group has evidence that it will be unable to collect all principal and interest due according to the contractual terms of the loan.

Restructured assets are impaired assets where the Group expects to recover all amounts owing although the original terms have been changed due to the counterparty's difficulty with the original terms of the contract and the amended terms of the loan.

Credit impairment provisions are made where events have occurred leading to an expectation of reduced future cash flows from certain receivables. These provisions are made in some cases against an individual loan and in other cases on a collective basis. When all appropriate collection and legal action has been performed and the loan is known to be non-recoverable, it is written off against the related provision for impairment.

Bad debts provided for are written off against individual or collective provisions. Amounts required to bring the provisions to their assessed levels are recognised in profit or loss. Any future recoveries of amounts provided for are recognised in profit or loss.

Individual provisioning

Specific impairment provisions are made where events have occurred leading to an expectation of reduced future cash flows from certain receivables. For individually significant loans for which the assessed risk grade is considered a 'Grade 5 - Some loss expected from forced sale of securities if full repayment cannot be done by refinance', an individual assessment is made of an appropriate provision for credit impairment.

Credit impairments are recognised as the difference between the carrying value of the loan and the discounted value of management's best estimate of future cash repayments and proceeds from any security held (discounted at the loan's original effective interest rate). All relevant considerations that have a bearing on the expected future cash flows are taken into account, including the business prospects for the customer, the likely recognised value of collateral, the Group's position relative to other claimants, the reliability of customer information and the likely cost and duration of the work-out process. Subjective judgement is made in this process. Furthermore, judgement can change with time as new information becomes available or as work-out strategies evolve, resulting in revisions to the impairment provision as individual decisions are taken. Changes in judgement could have a material impact on the financial statements.

Adequacy of individual provisions is assessed in respect of each loan depending on the size of the loan at the board meetings.

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Employee Expenses

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current liabilities and included in the Accruals, Provisions and Other Liabilities in the Consolidated Statement of Financial Position. Similarly, any liabilities relating to bonuses are presented as current liabilities and included in Accounts Payable.

Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit at the time of the transaction, and differences relating to investments in subsidiaries and joint operations to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

In principle deferred tax liabilities are recognised from taxable temporary timing differences. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and unused tax losses and tax credits can be recognised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be recognised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group has a legally enforceable right to offset current tax assets against current tax liabilities.

Cash Flows

The following are the definitions used in the Statement of Cash Flows:

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Operating activities are the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.

Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the Group.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Consolidated Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Convertible Notes

Compound financial instruments issued by the Group comprise convertible notes.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Goods and Services Tax (GST)

The Group is not registered for GST. Therefore, all amounts are stated inclusive of GST. The GST arrears recorded within Trade and Other Payables shown in the Statement of Financial Position relates to GST arrears relating to prior years for which the Group is on installment arrangement with Inland Revenue.

Fixed Assets and Depreciation

All fixed assets are recorded at cost less accumulated depreciation. Depreciation of the assets has been calculated at the maximum rates permitted by the Income Tax Act 2007. The entity has assets classes as set out below:

Plant and Equipment Depreciation rate of 50%

2. Critical Estimates and Judgements Used in Applying Accounting Policies

The Group prepares its financial statements in accordance with NZ IFRS, the application of which often requires judgements to be made by management when formulating the Group's financial position and results. Under NZ IFRS, the Directors are required to adopt those accounting policies most appropriate to the Group's circumstances for the purpose of presenting a true and fair view of the Group's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Group should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimates and assumptions disclosed below to be its critical accounting estimates and, accordingly, provide an explanation of each, as disclosed below.

- Provisions for impairment – The effect of credit risk is quantified based on management's best estimate of future cash repayments and proceeds from any security held. Refer to Note 19 for further details.

	2018 \$	2017 \$
3. Interest and Other Income		
Interest Income on Loan Receivables	34,956	-
Interest Income on Term Deposits and Bank Accounts	23,613	416
Loan Fees Income	17,893	-
Total Interest and Fee Income	76,462	416

	2018 \$	2017 \$
Other Income		
Sundry Income	82,352	-
Total Other Income	82,352	-

Sundry Income represents costs related to the Group which were reimbursed by Blackwell Global Investments Limited. It has been agreed that these costs will not be recovered from the Group. Please refer Related Party Note 20.

2018
\$ **2017**
\$

4. Operating Expenses

Accounting, Legal and Consultancy Fees	204,526	110,064
NZX Fees and Listing Charges	66,993	31,438
Audit Fees	61,643	22,765
Other Operating Expenses	42,524	5,068
Insurance Expenses	15,606	16,930
Depreciation Expense	1,001	-
GST Claims Disallowed	-	187,027
Total Operating Expenses	392,293	373,292

2018
\$ **2017**
\$

Audit of Financial Statements

- Performed by PricewaterhouseCoopers for the year ended 31 March 2018	61,525	-
- Performed by William Buck Christmas Gouwland for the year ended 31 March 2017	118	11,500
Total Audit Fees	61,643	11,500

2018
\$ **2017**
\$

5. Income Tax Expense

This note provides an analysis of the Group's income tax expense, shows how the tax expense is affected by non-assessable and non-deductible items.

Income Tax Expense

Current Tax

Current tax on profits for the year	-	-
Total Current Tax Expense	-	-

Deferred Tax Benefit on Profit Tax/(Losses)

Origination and reversal of temporary differences	-	-
Total Deferred Tax Expense/(Benefit)	-	-
Income Tax Expense	-	-

Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable

2018
\$ **2017**
\$

Loss before income tax expense	(752,160)	(396,834)
	(752,160)	(396,834)
Tax at the tax rate of 28%	(210,605)	(111,114)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income/(loss):		
Non-deductible expenses	1,863	7,793
Current tax losses not recognised	208,742	103,321
Income Tax Expense	-	-

The income tax able to be charged directly to equity during the year was \$60,683 with a corresponding deferred tax asset. Given the current financial position of the Group, the directors have decided not to recognise the deferred tax asset and accordingly no income tax has been recognised within equity in respect of the Convertible Note – equity component or the contributed equity.

Tax Losses

Tax losses for which no deferred tax asset has been recognised	(752,160)	(396,834)
Potential tax benefit @28%	(210,605)	(111,114)

In view of the current financial position and loss position of the Group, the directors have decided not to recognise any tax benefit on tax losses carried forward by the Group as from 31 March 2017. The availability of Tax losses carried forward are subject to continuity of shareholders requirements being met in order to be utilised by the Group. Due to change in shareholding, the recognised 2017 tax losses have been forfeited.

2018	2017
\$	\$

6. Imputation Credit Account

Imputation credits available for use in subsequent periods	-	6,783,000
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Due to change in shareholding on 22 June 2017, the recognised 2017 imputation credits have been forfeited.

7. Dividends Declared and Paid

No dividends were declared or paid relating to the Group results for the year ended 31 March 2018 (31 March 2017: \$nil).

8. Earnings/(Loss) Per Share

	2018	2017
	Cents	Cents
	Per Share	Per Share
Basic earnings/(loss) per Share:	(0.21)	(0.32)
Diluted earnings/(loss) per Share:	(0.21)	(0.32)

	2018	2017
	\$	\$
Loss for the year attributable to equity holders of	(752,160)	(396,834)

	2018	2017
	No. of Shares	No. of Shares
Ordinary Shares at the start of the year	125,957,622	125,957,622
Ordinary Shares issued during the year	313,872,866	-
Ordinary shares at the end of the year	439,830,488	125,957,622
Weighted average number of Ordinary Shares	355,557,773	125,957,622

2018 **2017**
\$ \$

9. Prepayments and Other Receivables

Prepayments	84,438	82,188
Other Receivables	210	210
Total Prepayments and Other Receivables	84,648	82,398

Current and Non-Current

Current	9,648	82,398
Non-Current	75,000	-
Total	84,648	82,398

2018 **2017**
\$ \$

10. Trade and Other Payables**Current**

GST Arrears	91,895	93,516
Accounts Payable	44,829	212,875
Total Current	136,723	306,391

Non-Current

GST Arrears	-	85,718
Total Non-Current	-	85,718

Total Trade and Other Payables	136,723	392,109
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2018 **2017**
\$ \$

11. Accruals, Provisions and Other Liabilities

Accruals	127,523	-
Provision for Holiday Pay	6,646	-
Total Accruals, Provisions and Other Liabilities	134,169	-

2018 **2017**
\$ \$

12. Loan Receivables**Current**

Loans Receivable	3,303,983	-
Accrued Interest	11,394	-
Deferred Income	(56,417)	-
Credit provisioning for loan losses	-	-
Total Current Loan Receivables	3,258,960	-

Non-Current

Loans Receivable	-	-
Total Non-Current	-	-

Total Loan Receivables	3,258,960	-
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Credit Risk Grading

The Group's receivables are monitored by regular assessment of their credit risk grade based on an objective review of defined risk characteristics. The portfolio risk is regularly refreshed based on current information.

The loan receivables consist mainly of lending for:

- Land Purchase
- Refinance
- Residential Construction

	2018	2017
Loan receivables	\$	\$
Neither at least 90 days past due nor impaired	3,258,960	-
At least 90 days past due	-	-
Individually impaired	-	-
Gross loan receivables	3,258,960	-
Less provision for impairment	-	-
Total Loan Receivables	3,258,960	-

Loans are individually risk graded based on loan status, financial information, security and debt servicing ability. Exposures in the portfolio are credit risk graded by an internal risk grading mechanism and is part of the loan application and approval process.

In the portfolio, grade 1 is the strongest risk grade for undoubted risk and grade 5 represents the weakest risk grade where a loss is probable and needs to be written off. In the current portfolio the loans have been secured and guaranteed personally therefore are categorised as Grade 1.

Loan Receivables	Residential Construction	Refinance and Land Purchase	Total
Grade 1 - Full repayment expected from sale of primary security.	650,746	2,608,214	3,258,960
Grade 2 - Full repayment expected from sale of primary security and/or additional collateral.			
Grade 3 - Full repayment from a refinance by borrower or by sale of primary security.			
Grade 4 - Full repayment from a refinance by borrower or by sale of primary and additional securities.			
Grade 5 - Some loss expected from forced sale of securities if full repayment cannot be done by refinance.			

2018
\$ 2017
\$

13. Borrowings

Current Borrowings

Borrowings	-	240,000
Total Current Borrowings	-	240,000

Non-Current Borrowings

Bonds	1,942,536	-
Convertible Notes	399,142	-
Total Non-current Borrowings	2,341,678	-

Borrowings

As at 31 March 2017, the Group had unsecured loans from Mr Kaw Sing Chai amounting to \$25,000 and loan due to the Blackwell Global Group Limited of \$215,000 totaling \$240,000. Upon restructure, these loans were settled by issue of new shares at \$0.008 per share.

Convertible Notes

The Group issued \$500,000 Convertible Notes as part of the restructure (refer to note 16) on 22 June 2017 at a fixed interest rate of 8% payable. The Convertible Notes mature three years from the issue date at their nominal value of \$500,000 or can be converted into shares at the holder's option anytime from the time of issue to the maturity date at the rate \$0.008 per share per \$1 of Convertible Notes held.

The value of Convertible Notes recognised in the Consolidated Statement of Financial Position is calculated as follows:

	2018	2017
Convertible Notes	\$	\$
Value of Convertible Notes issued on 22 June 2017	500,000	-
Equity Component recognised in Convertible Note Reserve	(114,716)	-
Liability component on initial recognition as at 22 June 2017	385,284	-
Interest Accrual	4,355	-
Non-Resident Withholding Tax Payable (NRWT)	9,503	-
Total Convertible Notes Liability recognised as Current Borrowings	399,142	-

Bonds

The Group issued \$2,000,000 Bonds on 18 December 2017 at a fixed interest rate of 6%. The bonds mature three years from the issue date at their nominal value of \$2,000,000. The contributed capital component represents the difference in fair value between the current fixed interest rate and the estimated interest rate of a similar bond issued to a third party.

The bonds recognised in the Consolidated Statement of Financial Position is calculated as follows:

	2018	2017
Bonds	\$	\$
Value of Bonds issued on 18 December 2017	2,000,000	-
Contributed Capital on the Bond	(102,013)	-
Liability component on initial recognition as at 18 December 2017	1,897,987	-
Interest Accrual	33,863	-
Non-Resident Withholding Tax Payable (NRWT)	10,686	-
Total Bond Liability recognized as Non-current Borrowings	1,942,536	-

14. Cash and Cash Equivalents

	2018	2017
Cash in Bank	801,387	158,739
Total Cash and Cash Equivalents	801,387	158,739

Current interest rate on cash at bank with accounts with floating interest rate is at 0.10% per annum. The current overdraft interest rate on the unarranged overdraft is 22.50% per annum and is subject to change.

2018 **2017**
\$ \$

15. Net Debt

This section sets out an analysis of net debt for the periods presented for the Group.

Cash and Cash Equivalents	801,387	158,739
Borrowings	(2,341,678)	(240,000)
Net Debt Borrowings	(1,540,291)	(81,261)

The movements in net debt for the periods have been disclosed elsewhere in the financial statements.

16. Share Capital

A total of 313,872,866 shares were issued during the year ended 31 March 2018 (2017 – Nil).

All Ordinary Shares are issued and fully paid, have an equal right to vote, to dividends and to any surplus on winding up. The Group does not have a total number of authorised shares. The Board may issue Shares or other Equity Securities to any person in any number it thinks fit provided that while the Group is Listed, the issue is made in accordance with the NZX Listing Rules.

	No. of Shares	\$
Issued and Paid up Capital		
Ordinary Shares 31 March 2016	125,957,622	9,650,250
Ordinary Shares 31 March 2017	125,957,622	9,650,250
Ordinary Shares 31 March 2018	439,830,488	12,110,746

Restructure

During the year, there was a Restructure to reorganise the capital and organisational structure of the Group. This was done by way of a Special Meeting of Shareholders held on 22 June 2017 and resolutions passed to achieve the following:

1. The issue of 313,872,866 new ordinary fully paid shares by the Company to Blackwell Global Group Limited and other investors introduced by Blackwell (and/or their respective nominees). The issue price per new share was \$0.008 per share. The aggregate subscription price was \$2,510,983 before transaction costs (\$50,487);
2. New directors were appointed to the board of directors of the Company ("Board") post completion of the restructure. Additional human resources were introduced into the Group to fulfil the executive roles required to achieve implementation of the Restructure, in addition to the resource already retained by the Group;
3. New finance company operations were launched;
4. The Group is in the process of applying for FMA and statutory licenses and registrations required in connection with the Restructure and new operations relating to the Finance Company and Derivative Trading.

17. Fair Values

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair value using other valuation techniques.

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- 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 (that is, as prices) or indirectly (derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 March 2018 and 31 March 2017 no assets or liabilities were recognised at fair value.

As at 31 March 2018 and 31 March 2017 Cash and Cash Equivalents, Trade and Other Receivables (excluding Prepayments), Trade and Other Payables and Accruals approximated their fair value due to being short term.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of un-observable inputs.

The fair values of loan receivables are based on discounted cash flows using a current interest rates per the loan agreements. They are classified as level 3 fair values in the fair value hierarchy due to the use of un-observable inputs.

The fair value hierarchy of Group's Financial Assets and Liabilities not measured at fair value is presented below.

31 March 2018	Level 1	Level 2	Level 3	Total Fair Value
Loan Receivables	-	-	3,258,960	3,258,960
Cash and Cash Equivalents	801,387	-	-	801,387
Other Receivables	210	-	-	210
Total Financial Assets	801,597	-	3,258,960	4,060,557

31 March 2018	Level 1	Level 2	Level 3	Total Fair Value
Borrowings	-	-	2,341,678	2,341,678
Trade and Other Payables	136,723	-	-	136,723
Accruals and Other Liabilities	127,523	-	-	127,523
Total Financial Liabilities	264,246	-	2,341,678	2,605,924

31 March 2017	Level 1	Level 2	Level 3	Total Fair Value
Cash and Cash Equivalents	158,739	-	-	158,739
Other Receivables	-	-	-	-
Total Financial Assets	158,739	-	-	158,739

31 March 2017	Level 1	Level 2	Level 3	Total Fair Value
Borrowings	-	-	240,000	240,000
Trade and Other Payables	392,109	-	-	392,109
Accruals and Other Liabilities	-	-	-	-
Total Financial Liabilities	392,109	-	240,000	632,109

18. Financial Instruments by Category

	Loans and Receivables	Total
Financial Assets		
2018		
Loan Receivables	3,258,960	3,258,960
Cash and cash equivalents	801,387	801,387
Other Receivables	210	210
	4,060,557	4,060,557

2017		
Cash and cash equivalents	158,739	158,739
Other Receivables	-	-
	158,739	158,739

	Liabilities at amortised cost	Total
Financial Liabilities		
2018		
Trade and other payables	136,723	136,723
Borrowings	2,341,678	2,341,678
Accruals and Other Liabilities	127,523	127,523
	2,605,924	2,605,924

2017		
Trade and other payables	392,109	392,109
Borrowings	240,000	240,000
Accruals and Other Liabilities	-	-
	632,109	632,109

19. Risk Management

Market Risk

Market risk is the risk that market interest rate risks or foreign exchange rates will change and impact on the Group's earnings due to either mismatches between repricing dates of interest bearing assets and liabilities. Refer to note on Interest rate risk for further details regarding interest rate risk.

The Group has no exposure to pricing or foreign exchange risks.

Liquidity Risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations as they fall due. The timing mismatch of cash flows and the related liquidity risk is inherent in all financial operations and is closely monitored by the Group. Management of liquidity risk is designed to ensure that the Group has the ability to generate or obtain sufficient cash in a timely manner and at a reasonable price to meet its financial commitments on a daily basis.

The objective of the Group is to derive the most appropriate strategy in terms of the mix of assets and liabilities given its expectations of future cash flows, liquidity constraints and capital adequacy.

Although the Group is not bound by any restrictive lending limit restrictions, current strategies include minimum loan no less than \$50,000 and maximum lending limit of \$2,000,000.

The Group holds the following financial assets for the purpose of managing liquidity risk:

- Cash and cash equivalents \$801,352 (2017:\$158,739).

Liquidity Table

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts are disclosed in the table are the contractual undiscounted cash flows.

	0-6 Months	7-12 Months	1-2 Years	2-5 Years	5+ Years	Total
As at 31 March 2018	\$	\$	\$	\$	\$	
Borrowings	80,219	79,781	160,000	2,596,000	-	2,916,000
Trade and other payables	81,586	55,137	-	-	-	136,723
Accruals, Provisions and Other Liabilities	127,523	-	-	-	-	127,523
	0-6 Months	7-12 Months	1-2 Years	2-5 Years	5+ Years	Total

As at 31 March 2017	\$	\$	\$	\$	\$	
Borrowings	240,000	-	-	-	-	240,000
Trade and other payables	165,907	46,758	93,516	85,928	-	392,109
Accruals, Provisions and Other Liabilities	-	-	-	-	-	-

Interest Rate Risk

Currently the Group has only one interest bearing cash and cash equivalents bank account. This relates to the bank account with floating interest rates. The impact on loss after tax and equity would be as follows if the interest rates deviated by 1% from the current interest rates:

	Cash and Cash Equivalents	Rate (+/-1%)
2018	\$801,387	\$8,014/(\$8,014)
2017	\$158,739	\$1,587/(\$1,587)

All other interest bearing financial assets and liabilities are at fixed interest rates.

Credit Risk

Credit risk is the risk that a borrower will default on any type of debt by failing to make payments which it is obligated to make. The risk is primarily that of the lender and includes loss of principal and interest, disruption to cash flows and increased collection costs.

The Group's exposure to credit risk is governed by a credit risk policy approved by the Board by special resolution on 22 June 2017. This policy sets out the nature of risk which may be taken and aggregate risk limits, and the Group must conform to this.

Credit risk is managed to achieve sustainable risk-reward performance whilst maintaining exposures within acceptable risk parameters. This is achieved through the combination of governance, policies, systems and controls, underpinned by commercial judgement as described below.

Formal credit risk management strategies are in place to oversee and manage the Group's credit risk exposures typically on six monthly basis to ensure consistency with the Group's credit policies to manage all aspects of credit risk. The credit risk management strategies ensure that:

- Credit origination meets agreed levels of credit quality at point of approval.
- Maximum total exposure to any one debtor is actively managed.
- Changes to credit risk are actively monitored with regular credit reviews.

The loan recommendation aims to cover the following in order to achieve the overall objective to evaluate the firm's or individual's financial capabilities and determine if they are able to settle their loan obligations with the Group in the long run:

- Background
- Purpose
- Ownership and Management
- Security
- Market Information
- Financial Information
- Value of Security and guarantee(s)
- Cashflow and financial strength of the borrower, owner and guarantor(s).

	2018	2017
Loans Receivable	\$	\$
Secured by mortgage over property	3,258,960	-
Secured by a charge over a motor vehicle or boat	-	-
Unsecured or with a PPSR financing statement	-	-
Total Loans Receivable	3,258,960	-

Current year loans are ranging from \$300,000 - \$1,300,000 with terms no longer than 12 months. Generally, these loans are to finance transactions relating to residential construction, land purchases or refinancing. All the loans are secured by first registered mortgages.

In some instances, interest may be capitalised or partially capitalised during the term of the loan and the debtor repays the full capital plus any capitalised interest at the end of the loan. Loans may be rolled over or extended at the end of their initial term if approved by the board.

Capitalising interest loans

	\$	\$
Balance of loans with full/partial capitalising interest	2,456,671	-
Accrued interest capitalised	23,562	-
Total principal and interest loans	2,480,233	-

Cash Management

Any cash on hand is held by the ASB Bank which is a registered bank and has an AA- rating with Standard and Poor's.

LVR Range

The Group provides lending facilities secured over a mix of residential properties and vacant residential land.

The Loan to Value Ratio (LVR) policy confines lending to within a maximum of 75% for residential property and a maximum of 50% for vacant residential land.

20. Related Party Transactions

Subsidiaries

The group is controlled by Blackwell Global Group Limited (incorporated in Singapore) which owns 56.61% of the company's shares. The group's ultimate controlling party is Mr Kaw Sing Chai, who also owns 12.7% of the company's shares in his own name. The remaining 30.69% are widely held.

The subsidiaries of Blackwell Global Holdings Limited are as follows:

Significant Subsidiaries	Country of Incorporation and place of business	Nature of Business	Proportion of Ownership Interest and Voting Power Held as at 31 March 2018	Proportion of Ownership Interest and Voting Power Held as at 31 March 2017
Blackwell Global Finance Limited	New Zealand	Diversified Financial Services	100%	N/A
Blackwell Global Investments (NZ) Limited	New Zealand	Diversified Financial Services	100%	N/A
NZF Money Limited (In Receivership)	New Zealand	In Receivership	100%	100%

During the year Blackwell Global Investments Limited (a related party through common shareholding) paid for employee and other operating expenses relating to the Group, which the Group incurred the costs thereof (refer to note 3 for the amount of reimbursement).

The following expenses were paid by Blackwell Global Investments Limited and have been agreed that these costs will not be recovered from the Group:

Expense	Amount 2018 \$
Rent	119,428
Recruitment Fees	55,091
Computer and IT Expenses	1,249
Total	\$175,768

Transactions with Related Parties

During the year the following expenses were incurred relating to Sean Joyce and Ewe Leong Lim below:

		Legal Fees		Balance Due	
		2018	2017	2018	2017
Invoices Issued By	Related Party	\$	\$	\$	\$
Corporate Counsel	Sean Joyce	\$21,539	\$14,203	\$ -	\$ -
Anthony Harper	Ewe Leong Lim	\$658	\$ -	\$658	\$ -

	2018	2017
Remuneration of Directors	\$	\$
Sean Robert Joyce	86,140	7,986
Craig Irving Alexander	60,265	7,986
Say Chan Law (James)	38,812	-
Ewe Leong Lim	38,812	-
Mark Thornton (resigned 7 July 2017)	21,452	7,986
Kaw Sing Chai (M Chai)	39,000	-
Total Remuneration of Directors	284,481	23,958

Key Personnel Remuneration

No employees within the Group received remuneration and benefits above \$100,000 except for one key personnel who received remuneration and benefits between \$140,000 to \$150,000 during the year, as is required to be disclosed in accordance with Section 211(g) of the Companies Act 1993 for the year ended 31 March 2018 (2017: \$0.00).

Key management includes directors and Chief Executive Officer. The total remuneration and benefits paid or payable to key management for employee services comprising salaries and other short-term benefits was \$404,481 for the year ended 31 March 2018 (2017: \$23,958).

Directors' Shareholdings for The Year Ended 31 March 2018

Director	Holder	Number of Shares
Kaw Sing Chai	Kaw Sing Chai	55,871,667
Say Chan Law (James)	Say Chan Law (James)	25,000,000
Mark Hume Thornton	Colsam Trust	9,095,514

All directors are common to all the subsidiary companies in the Group.

As at 31 March 2018, Kaw Sing Chai also has 100% shareholding in Blackwell Global Group Limited which holds 249,001,199 shares in the Group. Refer to Note 20, Subsidiaries section for further details.

During the year, Convertible Notes and Bonds were issued to Blackwell Global Group Limited based in Singapore in which Kaw Sing Chai has shareholding interests. Refer to Note 13 for further details.

Interested Transactions

The Directors have disclosed the following transactions with members of the Group:

Interested Transactions

During the year ended 31 March 2018, Corporate Counsel, of which Blackwell Global Holdings Limited director Sean Joyce is a partner, provided legal services to the Group totaling \$21,539 (2017: \$14,203). During the year consultancy services were also obtained from Anthony Harper where Ewe Leong Lim is also a partner totaling \$658 (2017: \$0.00).

Directors' Remuneration

Remuneration details of Directors are provided above.

Indemnification and Insurance of Officers and Directors

The Group indemnifies Directors and Executive Officers of the Group against all liabilities which arise out of the performance of their normal duties as Directors or Executive Officers, unless the liability relates to conduct involving lack of good faith. To manage this risk, the Group has indemnity insurance. The total cost of this insurance expensed in the Group during the financial year was \$17,840 (2017: \$16,930).

Share Transactions

No Directors acquired or disposed of any Ordinary Shares in the Group during the year except for what has been disclosed relating to the restructure in Note 16 (2017: Nil).

Directors' Loans

There were no loans made by the Group to the directors or by the directors to the Group during the year except for the transactions relating to the restructure of the company in July 2017 as per note 16.

Use of Group Information

The Board received no notices during the year from Directors requesting to use Group information received in their capacity as Directors which would not otherwise have been available to them.

21. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust issue of new shares or borrowings to reduce debt.

22. Operating Lease Commitments

As at 31 March 2018, the Group had no material operating lease commitments (31 March 2017: Nil)

23. Capital Commitments

There were no material capital commitments as at 31 March 2018 (31 March 2017: Nil)

24. Contingent Assets & Liabilities

There are no material contingencies as at 31 March 2018 (31 March 2017: Nil).

25. Subsequent Events

The Group incorporated a new subsidiary Blackwell Global Funds Limited wholly owned by Blackwell Global Holdings Limited on 4 April 2018. The purpose of this subsidiary is to facilitate loans funded by new investors.

Additional Information

Blackwell Global Holdings Limited
For the year ended 31 March 2018

1. DIRECTORS

The names of the Directors of the Company in office at the date of this Report are:

Sean Robert Joyce
Chairman and Director

Craig Irving Alexander
Director

Kaw Sing Chai
Director

Say Chan Law (James)
Director

Ewe Leong Lim
Director

2. AUDITORS

Fees due to PricewaterhouseCoopers are \$61,525 (including GST). Fees paid to William Buck Christmas Gouwland are \$48,118 (2017: \$11,500) for audit related services. In accordance with Section 200 of the Companies Act 1993, the auditors, William Buck Christmas Gouwland, ceased to provide services and the company has now engaged PricewaterhouseCoopers to audit the 2018 Financial Statements.

3. DONATIONS

There were no donations paid during the year (2017: \$nil).

4. SHAREHOLDERS

As at 31 March 2018 there were 451 shareholders.

5. SHARE ISSUES

During the year ended 31 March 2018, new shares of 313,872,866 ordinary shares were issued on 6 July 2017 (2017: Nil).

6. SHAREHOLDER DETAILS

The ordinary shares of Blackwell Global Holdings Limited are listed on the NZSX Market operated by NZX Limited.

7.20 LARGEST SHAREHOLDERS

The information in the disclosures below has been taken from the Company's register as at 9 April 2018:

Name	Fully Paid Ordinary Shares Number Held	% Held
Blackwell Global Group Limited	249,001,199	56.61%
Kaw Sing Chai	55,871,667	12.70%
James Law	25,000,000	5.68%
Pat Redpath O'Connor & Kay O'Connor & Robert Norman Burnes	17,010,002	3.87%
Lynton Ross Campbell & Dennis Michael Graham & Mark Hume Thornton	9,095,514	2.07%
Bin Zheng & Robert Bruce Alderton Costain	8,497,426	1.93%
Barbara Charlotte Thornton & Sw Trust Services Limited	7,834,488	1.78%
Best Investments Limited	5,768,622	1.31%
David Burton Gibson	3,959,040	0.90%
Pkb Trustees Limited	3,001,596	0.68%
Betalert Limited	3,000,000	0.68%
Say Chan Law	2,826,000	0.64%
Fiona Patrica Lyons & Kim Nigel Lyons & Wyndham Trustees Limited	2,711,915	0.62%
FNZ Custodians Limited	2,697,228	0.61%
W Custodians Limited	2,642,622	0.60%
Walter Mick George Yovich & Jeanette Julia Yovich	2,193,409	0.50%
New Zealand Central Securities Depository Limited	2,142,710	0.49%
Ted Burak	1,890,000	0.43%
Land Securities Limited	1,689,752	0.38%
Gadbrook Limited	1,455,738	0.33%

8. DISTRIBUTION OF EQUITY SECURITIES

Size of Holding	Number of Security Holders		Number of Securities	
	Number	%	Number	%
1-1,000	25	5.54%	18,275	0.01%
1,001-5,000	127	28.16%	441,109	0.10%
5,001-10,000	69	15.30%	580,651	0.13%
10,001-50,000	108	23.95%	2,647,484	0.60%
50,001-100,000	35	7.76%	2,747,490	0.63%
100,001 or more	87	19.29%	433,395,479	98.53%
	451	100.00%	439,830,488	100.00%

9. SUBSTANTIAL SECURITYHOLDERS

Total number of shares on issue as at 31 March 2018 was 439,830,488 (2017: 125,957,622).

Pursuant to Section 35F of the Securities Markets Act 1988, details of substantial security holders and their total relevant interests as at 9 April 2018:

	Number of Shares	Disclosure Date
Kaw Sing Chai	55,871,667	13 April 2018
Blackwell Global Group Limited	249,001,199	13 April 2018

10. SHAREHOLDER ENQUIRIES

Shareholders should send changes of address to Link Market Services Limited at the address noted in the Company Directory. Notification must be in writing. Questions relating to shareholdings should also be addressed to Link Market Services Limited. For information about the Company please contact the Company at the Registered Office by sending an e-mail to info@bgholdings.co.nz or visit the website www.bgholdings.co.nz.

11. ANNOUNCEMENT AND REPORTING TO SHAREHOLDERS

The Company has established an e-mail list of Shareholders that want to receive announcements and reports made by Blackwell Global Holdings Limited to the NZX. Announcements and reports are e-mailed to Shareholders who wish to receive them shortly after they are released. This will include the Annual Meeting addresses, Annual Reports and Interim Reports. If you want to be added to this listing please e-mail registry@bgholdings.co.nz and advise us of your preferred e-mail address. Your e-mail details will be kept confidential.

12. WAIVERS

During the course of the financial year ended 31 March 2018 the Company obtained no waivers from NZX Limited.