ASX CODE

AXI

ISSUED CAPITAL

Ordinary Shares
432.7 M

CONTACT

South Australia

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Phone: (08) 8120 2400
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AXIOM PROPERTIES LIMITED

17 August 2023

ASX ANNOUNCEMENT

APPENDIX 4E AND ANNUAL REPORT – 30 JUNE 2023

Adelaide, Australia, Thursday 17 August 2023: Axiom Properties Limited (ASX:AXI) lodges the attached Appendix 4E Preliminary Final Report along with Audited Annual Report for the financial year ended 30 June 2023.

Authorised for release by the Board.

About Axiom Properties Ltd

Axiom Properties Ltd is a property development and investment business focused on developing and delivering quality property and property technology solutions. Axiom's principal objective is to create long term value for shareholders through creating a well-respected property development and investment company that consistently delivers above industry returns on capital.

For more information, please contact:
Paul Santinon
Company Secretary
+61 8 8120 2400

Appendix 4E
PRELIMINARY FINAL REPORT

Name of entity:

AXIOM PROPERTIES LIMITED

ABN or equivalent company reference:	Reporting period:	Previous corresponding period:
40 0090 63834	Year ended 30 June 2023	Year ended 30 June 2022

Results for announcement to the market

				$A'000
Revenues from ordinary activities	~~up~~/down	97%	to	2,192
Loss from ordinary activities after tax attributable to members	up/~~down~~	162%	to	(3,433)
Net Loss for the period attributable to members	up/~~down~~	162%	to	(3,433)

Dividends
It is not proposed to pay dividends.

This report includes and is to be read in conjunction with the Annual Report and any public announcements made by the Company during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

AXIOM PROPERTIES LIMITED

Annual Report 2022–2023

Corporate Information

ABN 40 009 063 834

Directors

Ian James Laurance AM
Non-Executive Chairman

Ben Peter Laurance
Managing Director

John Sylvester Howe
Non-Executive Director

Liu Ying Chun
Non-executive Director

Doris Chung Gim Lian
Non-executive Director (alternate director)

Company Secretary and Chief Financial Officer

Paul Santinon

Registered Office

Level 1, Leigh Chambers
20 Leigh Street
ADELAIDE SA 5000
(08) 8120 2400

Principal Place of Business

Level 1, Leigh Chambers
20 Leigh Street
ADELAIDE SA 5000

Suite 2007, Level 20, Australia Square
264 – 278 George Street
SYDNEY NSW 2000

Share Registry

Computershare Investor Services Pty Limited
Level 5
115 Grenfell Street
ADELAIDE SA 5000

Phone: 1300 55 70 10

www.computershare.com.au

Solicitors

Cowell Clarke
Level 9
63 Pirie Street
ADELAIDE SA 5000

Auditors

BDO Audit Pty Ltd
Level 7, 420 King William Street
ADELAIDE SA 5000

Securities Exchange Listing

Axiom Properties Limited's shares are listed on the Australian Securities Exchange (ASX: AXI).

Website

www.axiompl.com.au

Contents

Chairman's Statement

Dear Shareholder

This year's loss of $3.4 million, whilst disappointing, has to be viewed against several years of profits in the recent past. Profits on our World Park and Butler developments have been booked in previous years despite cash receipts relating to these developments being received in the current year thus increasing our reported cash balance at year end by $5.3 million compared to June 30, 2022.

Following a major review of operations, led by the Managing Director, Ben Laurance, the Company has decided to allocate a portion of its capital to invest in the Proptech space. This has led to our investments in both Point Data and Openn Negotiation companies. Your Board and management believe this is the way forward for the Company and have a strong belief that this strategy will deliver strong returns for shareholders. You can read more detail on these investments in the Managing Directors report to shareholders.

It is hoped that value derived from these Proptech investments will provide funds in the future to enable the company to continue with its more traditional property development projects - where it has enjoyed considerable success in the past.

It is also pleasing to report that the company's Mount Barker residential development has started to contribute profit to the bottom line and should do so again in FY2024. In what has developed as a very attractive suburb in the Adelaide foothills now boasts over 160 new properties.

Finally, the Company is in a sound financial position and has no debt.

Once again, I wish to congratulate our management team of Managing Director, Ben Laurance, Development Manager, Paul Rouvray and CFO and Company Secretary, Paul Santinon. They have done a sterling job in transitioning the company in a new direction which promises much for the future.

My thanks also to my fellow Directors for their wise advice and for their innovative thoughts and suggestions on the new direction the company is taking.

Ian Laurance AM
Chairman

Managing Director's Review

Dear Shareholder

This financial year's loss of $3.4m was the expected result of a period of consolidation for the Company following the last few years' profits and consequential capital returns to Shareholders.

Such is the life-cycle of property developments, the Company is currently reviewing several new exciting project opportunities, and expects to secure several of these developments in the short term. That said, the focus for this past financial year has been on delivering the Butler Central Homemaker Centre in Butler, WA and managing the first 12 months of operations for the SA Emergency Command Centre on Richmond Rd, Keswick, SA.

The Butler Central Homemaker Centre is a $48m Large Format Retail Centre which the Company completed during the year and comprises 13,500 sq.m of national, international and local retailers, anchored by The Good Guys, Goodlife Gym, Beacon Lighting, Autobarn, Adairs and PetBarn. The Company pre-sold this asset in FY 2022 and the final payment owing to the Company of $9m net of settlement costs and adjustments was paid in June 2023. This payment essentially represented the Company's development profit which had been accounted for, but not cash settled, in the previous financial year. The Company still owns some 6,500 sq.m of additional vacant land surrounding this Centre, which is earmarked for some additional development of ancillary and complementary uses.

Additionally during the year the Group managed the first year of operation of the State Emergency Command Centre it developed in Adelaide, South Australia. The building was bought by Charter Hall for $80m in FY 2022, and the Company received its final payment of ~$1.9m in January 2023 relating to the first anniversary of the building occupation. As with the Butler Central Homemaker Centre, the vast majority of development profit derived from this development had been booked in previous financial years.

Another pleasing aspect of this year's result was the contribution to earnings ($625,000 in FY 2023) from the Company's 50% interest in the Glenlea Estate residential subdivision in Mt Barker, SA. Given the evolution of this project, the Company can expect positive earnings flowing from the Joint Venture from now until completion, expected to be 4-5 years. This is an outstanding result for the Company and its partners, with the Joint Venture balance sheet in a healthy position to accelerate the construction of future stages to capitalise on market demand.

Notably, the Company managed to navigate its way through the previous few years of Covid lockdowns and the related supply chain issues affecting the construction industry, as well as the inflation headwinds and interest rate increases with minimal disruption to its business. Given the significant rigour the Company applies to its de-risking process of its development activities through tenant pre-commitments, pre-sale agreements including fund-through structures and the like, the Group had little or no exposure to construction risk, rising interest rates, decreasing valuations and other risk elements of a typical development project. Additionally, the Group currently has no balance sheet debt and a strong cash position of $11m as at 30 June 2023.

The Company and its Executives are constantly reviewing the appropriateness of the business model and its relevance in a rapidly changing environment. Given this stance, the Group took the decision some time ago to widen its lens on reviewing property opportunities outside of the core competency of development. That led to some interesting investment opportunities in the Property Technology space, and the Company has now deployed capital into two such opportunities. The strategy behind its investment rationale is to look for high conviction investments in founder-led businesses where the Company's Executives can utilise not only their capital to accelerate the business growth but to leverage their skillsets and property networks to add value to the underlying business.

Managing Director's Review (Continued)

The two investments made so far are in Point Data Holdings Ltd and Open Negotiation Ltd. Point Data is a data and analytics Company which uses Machine Learning and Artificial Intelligence algorithms to derive new and unique data for the real estate sector. The Company currently owns 22% of Point Data, with the right to own up to 35% by the payment of a second tranche of $2m subject to certain hurdles being met by Point Data. The Company considers the technology stack sitting at the heart of the Point Data business is world-class and unique, and has the ability to efficiently solve many issues and challenges facing the real estate sector.

The Company's recent 19.99% ownership in Openn Negotiation Ltd is also consistent with its investment philosophy. Openn is an ASX-listed company (ASX Code: OPN) which owns proprietary technology which engages in buying and selling of real estate properties. It addresses operational inefficiencies in the traditional residential property sales process by providing a technology solution focused around procedural and price transparency. The firm developed Openn Platform for real estate agents in property sales which combines proprietary technology for a transparent online sales process with an online software platform to facilitate real time negotiation of property sale transactions.

Outlook

With the worst of the Covid 19 pandemic evidently behind us, the current outlook is still hard to discern with any great clarity. With most global Central Banks battling high inflation in a rising interest rate environment, it still appears that markets haven't yet "normalised". The challenges faced by the wider real estate sector are well documented: some groups having to freeze or restrict fund redemptions; asset values affected, particularly in the office sector with Working From Home arrangements affecting office vacancy rates; construction costings still at abnormally high rates; interest charges on project debt profiles increasing in line with interest rate hikes and many other issues.

That said, the Company remains confident it can attract quality development opportunities in its core competencies, and successfully manage the business operations through this tricky time. The Company is excited by the opportunities that exist in the property technology space; a new direction for the Company where it can apply its expertise to leverage investments and participate in this exciting new sector.

The Company has welcomed the appointment of Rob Towey as head of Axiom's PropTech investments, and is delighted to have attracted someone of Rob's calibre and experience to help drive the success of this division. Additionally, I would also like to acknowledge the hard work and dedication of the Axiom Executive team of General Manager, Paul Rouvray and CFO, Paul Santinon and thank them for another outstanding year of delivering our projects and our goals. I'd also like to thank our Board of Directors led by Chairman Ian Laurance A.M., John Howe and Liu YinChun for their strong support. I'm also grateful for the wise counsel and advice from our wider network, including Peter Laurance A.O., Hua Seng Chew and Doris Chung.

Lastly, I'd like to acknowledge the tremendous support we receive from our shareholders. Thank you for your faith in our Company and for your trust in us to continue to deliver on our stated goals.

Ben Laurance
Managing Director

Director's Report

Your directors submit the annual financial report of the Consolidated Entity (or Group) consisting of Axiom Properties Limited and the entities it controlled during the financial year ended 30 June 2023. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Other Public Company Directorships

None

Former Public Company Directorships in last three years

None

Ian James Laurance AM
Non-executive Chairman

Mr. Laurance spent 14 years as a Member of the Western Australian Parliament and is a former State Minister for Housing, Tourism, Lands and Regional Development. He was appointed by the Western Australian Government as the Inaugural Chairman of the Midland Redevelopment Authority and was previously Chairman of the Western Australian Sports Centre Trust for ten years. He also chaired the publicly listed mining company, Arafura Resources Ltd. for several years.

Mr. Laurance also spent seven years as Chairman of the industry body, Business Events Perth.

In a voluntary capacity, Mr. Laurance has served as Chairman and Director of a number of not-for-profit and charitable bodies.

In 2006 Mr. Laurance was made a Member of the Order of Australia (AM).

Mr. Laurance is a graduate of the University of Western Australia.

He is a member of the Group's Audit Committee, Remuneration Committee and Nomination Committee.

Other Public Company Directorships

None

Former Public Company Directorships in last three years

None

Ben Peter Laurance
Managing Director

Ben Laurance is the Managing Director of Axiom Properties Ltd, and an Executive Director of Axiom's major shareholder, Pivot Group Pty Ltd. Mr Laurance's role as Managing Director of Axiom is to source, manage and deliver investment grade development projects across various asset classes around Australia. He is also responsible for the day-to-day management and operation of the Company. With his expertise in the corporate and financial markets, Mr Laurance has been instrumental in the guidance and management of Axiom's business strategy.

Mr Laurance has a Bachelor of Economics from the University of Western Australia, and he is also a member of the Group's Audit Committee, Remuneration Committee and Nomination Committee.

Other Public Company Directorships

None

Former Public Company Directorships in last three years

None

John Sylvester Howe
Non-executive Director

Mr Howe has over 30 years of business experience in the development and construction industry. He established a national and international reputation across a range of sectors including property, integrated tourism resorts, theme parks, special events and tall buildings.

As the former Executive Chairman of Weathered Howe Pty Ltd, Mr Howe is a recognised industry leader with memberships in many Queensland associations and industry-based councils. Currently Mr Howe is the Chairman of iEDM, one of Australia's leaders in the delivery of Tourism, Leisure and Events Projects. Mr Howe holds the Degree of Bachelor of Engineering (Civil), is a member of the Institution of Engineers Australia and is currently the honorary Professor of Integrated Engineering at Griffith University and previously an Adjunct Professor at the Mirvac School of Sustainable Development at Bond University.

Mr Howe is a member of the Group's Audit Committee, Remuneration Committee and Nomination Committee.

Other Public Company Directorships

None

Former Public Company Directorships in last three years

None

Liu Ying Chun
Non-executive Director

Mr. Liu Ying Chun is the Chief Executive Officer and an Executive Director of Oriental University City Holdings (H.K.) Limited ("OUCHK"), a company listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited. He is primarily responsible for managing the overall operations of OUCHK. Mr. Liu is currently also a director of Langfang Education Consultancy.

Mr. Liu's previous appointments include Chairman of Langfang Huaxi Construction Consultancy Company Limited, Vice-Head in the Langfang Audit Office and Head of Construction Center Department.

Mr. Liu obtained an executive master of business administration degree from University of Science and Technology Beijing in January 2019 and a Diploma in Business Economics awarded by the Renmin University of China. Mr. Liu is also registered as an engineer in the People's Republic of China ("PRC"), a valuer with the China Appraisal Society and a qualified auditor accredited by the National Audit Office in the PRC.

Doris Chung Gim Lian
Non-executive Director/Alternate Director

Ms Doris Chung Gim Lian is currently the Director of Operations and Human Resource for Raffles Education Corporation Limited ("REC", and together with its subsidiaries, "REC Group"), having been appointed since February 2000 to oversee the operational efficiency and human resource needs of the REC Group.

Ms Doris Chung is concurrently a Director for several of REC's subsidiaries including Raffles K12 Sdn. Bhd. that operates the Raffles American School in Educity, a fully integrated education hub at Iskandar, Malaysia. She is directly responsible for the management of the Raffles American School.

Over the past 20 years, Doris has directed all aspects of college operations. She has researched and developed new operational functions and procedures for the colleges to increase efficiency. Further, she has collaborated with financial teams to study operational expenses, revenues and cash flows. As HR Director, she has developed plans for managing / retaining talent inside the organization and for improving leadership strength.

Additionally, she has also integrated functional strategies, utilizing business expertise to reach financial and operational objectives. In her roles, she has to meet with board members to conduct presentations on strategies and enhancement projects.

On account of her vast experience in the operations of REC colleges since its inception in 1990, Doris has been actively involved in and is spearheading the Group's recent strategic expansion into Europe.

She is also the Executive Director of Chew Hua Seng Foundation which was incorporated in 2007 by her spouse, Mr. Chew Hua Seng, the founder of REC to help disadvantaged youth by granting them the resources they need to develop their talents and unlock their potential in life. The Foundation believes education is the cornerstone to building bright futures and stronger communities.

Company Secretary

Paul Santinon
Chief Financial Officer

Mr Paul Santinon is Company Secretary and Chief Financial Officer of Axiom Properties Ltd. Mr Santinon is responsible for the overall finance function, including taxation, treasury, management accounting, corporate accounting and planning and analysis for reporting to Board members and senior executives. He is also responsible for company secretarial services and compliance, risk and governance systems and practices across the Group.

Mr Santinon has more than 20 years' experience in finance management in Australia and overseas. Prior to joining the Group he worked for French multinational company Capgemini and lead diverse finance teams in Australia and China. Mr Santinon started his career working in insolvency, advisory and audit disciplines within a large chartered accounting firm.

In a volunteer capacity, Mr Santinon currently serves as a Director for a number of not-for-profit organisations.

Mr Santinon is a Certified Practicing Accountant and a fellow member of CPA Australia (FCPA), a member of the Australian Institute of Company Directors (MAICD), holds a Master of Business Administration (MBA) from the University of South Australia and a Bachelor of Commerce from the University of Adelaide.

Interests in the shares and rights of the Company and related bodies corporate

The following relevant interest in shares and performance rights of the Company were held by the Directors as at the date of this report.

Directors	Fully Paid Ordinary Shares (at the date of this report)		Performance Rights (at the date of this report)	
	Directly	Indirectly	Directly	Indirectly
I J Laurance AM	–	5,250,000	–	–
B P Laurance	–	74,891,175	–	–
J S Howe	–	9,290,450	–	–
Y C Liu	–	–	–	–
D G L Chung	–	82,250,000	–	–

Details of ordinary shares issued by the Company during or since the end of the financial year as a result of the exercise of a performance right are:

Number of shares	Amount paid per share
Nil	Nil

Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Return of Capital

No cash was returned to Shareholders through a return of capital during the period.

Principal Activities

The principal activities during the year of the Consolidated Entity consisted of property investment and development. No significant change in the nature of the Group's property investment, development and funds management activities took place during the year.

Operating and Financial Review

Financial Results

The Company recorded a loss after tax of $3.433 million for the full year ended 30 June 2023, which is a decrease to the previous equivalent full year profit (30 June 2022: $5.502 million). This year's loss was expected, and reflects the Company's current phase of securing, de-risking and incubating new development projects as part of the natural evolution in the development life-cycle of property opportunities in the sectors in which the Company operates. This phase follows a substantial period of realisation and crystallisation of the Company's previous projects as they matured, resulting in generous profit realisation over prior periods, a large portion of which were returned to Shareholders.

Despite reporting a loss for this financial year, pleasingly the Company received its forecast cash receipts for completion of its Worldpark and Butler projects to end the year with a strong reported cash balance of $11.111 million.

Importantly, and consistent with the Company's risk management approach to developments and investments, the Company was not exposed to debt market movements throughout the year, as well as resultant movements in underlying property valuations, having ensured appropriate fund through and finance arrangements on its projects.

As recently reported, the Company has strategically expanded its investment activities into the property technology sector. It is too early for the Company to see a significant effect on its financial performance for this reporting year, but the Company expects these investments to have more of an influence moving forward. The Company has formed the view that property related technological innovations are rapidly changing the overall property sector and the Company believes it can position itself to take advantage of these innovations through allocating capital to appropriate and aligned businesses. The strategy is a high-conviction, actively managed investment strategy to provide not only early stage or expansion capital but also to provide guidance and advice where appropriate to add value to its investments. This is seen by the Board and its Executives as an exciting, emerging area with multiple opportunities.

Director's Report (Continued)

Operating and Financial Review

Business Overview

World Park 01, Keswick SA

Project status: Completed
Ownership: Sold to Charter Hall Social Infrastructure REIT for $80m

Axiom retains a development right with Charter Hall on the surplus developable land, which is capable of being developed into a 10,000 sqm (approx.) office facility, subject to a sufficient tenant pre-commitment. Under the terms of this Development Right, Axiom will be entitled to any development profit accruing from the development and Charter Hall will be responsible for providing all funding requirements of the project.

World Park 01, Keswick SA

Operating and Financial Review

Business Overview

Glenlea Estate, Mt Barker, SA

Project status: Under Construction
Expected project cost (excluding Land): $45m
Ownership: 50/50 Joint Venture

During the year the Joint Venture (Axiom 50% entitlement) settled the sale of its Stage 3 10-hectare super-lot with the Purchaser, Living Choice for $5.5m. Living Choice has received approval to develop "Mount Barker's finest lifestyle resort"; plans for which were unveiled at two Information Sessions in February 2022 showing the village comprising 215 homes, a Country Club and Recreation Centre with a wide range of facilities, a BBQ area, putting green, pickleball courts, bocce court and caravan storage. The Joint Venture is excited by the complementary product offering and facilities that the village is bringing to the wider estate including seeing Living Choice's display home and sales office having commenced construction on Greenheart Circuit. It is believed this Village will provide an enhanced offering for the Glenlea Estate and provide another unique point of difference as the JV looks to complete the rollout of the balance of the lots in the Estate over the next 5 years.

In addition to the strategic sale to Living Choice, the Joint Venture completed construction of stages 1D, 4 and 5 comprising a total of 39 lots with a gross realisation of over $9 million. As at reporting date, only 4 lots remain uncontracted with circa half of the contracted sales having now already settled and the balance to settle imminently as clearances are approved.

Whilst there is much negative commentary on interest rates and residential property markets, the Joint Venture continues to see strong demand for its product such that it has presold 12 of 27 lots in the Estate's next stage (Stage 6) which has commenced construction and is expected to be completed early 2024. This sentiment is supported by Point Data (Axiom current share ownership 22%) growth analysis trends which show that Mount Barker in particular has demonstrated resilience to recent declines experienced across 35% of South Australia in the June quarter.

Director's Report (Continued)

Glenlea Estate, Mt Barker

Stage 6 represents an effective milestone for the Estate's development as it represents the half-way mark of the development's life cycle. Following completion of construction of Stage 6 and subsequent settlement of each lot (expected quarter 1 2024), the Joint Venture will have constructed, sold and settled approximately sixty percent of the revised masterplan total number of lots of 334.

The momentum gained from the project's evolution to this point, as well as the strong sales results experienced, and forecast to continue, place the project in a strong financial position with minimal debt and sufficient equity to capitalise on current demand and accelerate the final stages of the Estate. The Joint Venture will therefore consider timing and appropriateness of cash distributions in the next financial year as surplus cash is made available, whilst ensuring sufficient equity in the development remains to commence the remaining 8 stages. To that extent, focus has progressed to planning on stages 7 and 8 comprising another 28 lots, which are currently being designed and expected to commence mid next year, subject to approvals.

Director's Report (Continued)

Operating and Financial Review

Business Overview

Butler Large Format Retail Centre, WA

Project status: Completed
Ownership: Sold to The Lester Group for $48m

As announced in May 2023, the Company achieved Project Practical Completion at the Butler Central Homemaker Centre and subsequently received its Final Development Fee of $9m (after settlement adjustments) in June 2023, representing the vast majority of its development profit.

Butler, WA

Business Overview

Butler Pad Sites, WA

Project status: Ongoing
Ownership: 100%

As announced in December 2022, the Company settled the first of the three pad sites (facing Butler Boulevard). Despite delays to the outstanding subdivision conditions with respect to the two remaining pad sites, Woolworths' development subsidiary, Fabcot continues to work with the authorities to resolve. Settlement will occur once the subdivision condition has been satisfied. Axiom is actively marketing the three pad sites and is working with its agent Vend Property and several key potential lessees and purchasers.

Operating and Financial Review

Business Overview

Point Data Holdings Limited

Ownership: 22%
Potential Ownership: ~35%

During the year, Point Data's primary focus was managing customers and the national roll out of its technology stack which is based on an Artificial Intelligence-informed Machine Learning algorithm which sits at the heart of the Point Data capability. The multi-disciplined outputs derived from the three independent engines driving this capability (comprising land economics, planning algorithm overlays and AI Dynamic Valuation Model) are targeting major key verticals in the banking and finance, insurance and government sectors, solving a wide array of issues and challenges in the real estate sector.

The Point Data capability and outputs help solve a range of challenges facing these key customers, touching sub-sectors and elements such as social and affordable housing, climate change risk, insurance, planning, valuations and site developability.

Point Data continues to be a trusted partner of registries and governments and is well positioned to continue to build quality and innovative solutions to solve these high-profile issues.

Business Overview

Openn Negotiation Limited (ASX:OPN)

Ownership: 19.99%

As announced in June 2023, the Company underwrote a successful and oversubscribed capital raise by Openn of $3.19 million at $0.004 per share. The Company achieved its target of acquiring 19.9% of Openn. As at reporting date, Openn is trading at 300% premium to the raise at $0.012 per share.

The Company is providing support and advice to Openn as they continue to provide world class transparent offer management and client management technology to the real estate market.

Since the close of the capital raise, Axiom is greatly encouraged by the level of support shown to the Openn technology and the business by not only its current and new investors, but also by the various counterparties Openn had dealings with, and the strategic relationships enjoyed by Openn, prior to the Company's involvement.

Director's Report (Continued)

Operating and Financial Review

Outlook

Retail

According to Deloitte Access Economics, post COVID inflationary retail recession foreshadowed for some time arrived in 2023. Real retail turnover in Australia fell again – by 0.6% over the March 2023 quarter – locking in a retail recession after the 0.3% decline in the December quarter of 2022. There is an expectation that consumer caution may extend further than just goods, with consumers expected to also pull back on services.

Consumer bases are reacting differently to the economic environment with younger people having been disproportionately impacted by the higher cost of living, particularly via rents, and so are curbing spending more than older Australians.

Despite the recent downwards trajectory, the Company believes it is a good time to begin incubating retail projects to be shovel ready for construction in the near term on the back of expectations of future migration being upgraded. The return of migrants, and especially students, are likely to boost retail sales back to overall growth in the medium term. Couple this view with the well-documented necessity of Governments and industry having to provide more housing nationally given the current massive shortage, the Company's deep relationships in (particularly) the large format retail sector are well positioned to take advantage of this forecast upswing.

Residential

Twelve months ago, after experiencing an unprecedented two-year period of growth, initial signs of a slowdown in housing markets across the Country began to appear. Commentators were quick to predict negative shifts in property prices with interest rate hikes and creeping inflation. However, what has unfolded is a relatively stable market with steady median sales prices and reduced volatility at both ends of the market.

This stability has persisted despite the Reserve Bank's decision to raise interest rates 12 times within a 14-month period. The target cash rate increased from historically low levels of 0.1% in April 2022 to 4.1% as at reporting date. While this market stability may be positive news for current property owners, it also exacerbates long-standing issues of housing affordability and supply shortages.

The Company believes governments across the Country will continue to implement policy as well as provide financial support to uncover residential development opportunities. An example being the recent budget stamp duty relief announcement for first home buyers in South Australia on new homes and land, which the Company believes will continue to support strong demand for its Glenlea Estate residential subdivision in Mt Barker.

Property Technology

According to commentators, Artificial Intelligence (AI) firms are predicted to achieve annual growth rates over 40% as AI firms disrupt current practices. Further, that investments in Artificial Intelligence are set to reflect returns experienced with the emergences of the likes of Microsoft, Apple and Zoom. Whilst the 'boom' hasn't yet reflected on smaller-cap technology companies to the same extent, expectation is that that will soon change.

The Company is positioning itself to take advantage of the boom through its investments in property technology including AI (Point Data). Through targeted investment in synergistic opportunities and complementary tech stacks, the Company will look to leverage and improve opportunities across all its investments and developments given the current market is under-serviced by the incumbents.

Operating and Financial Review

Outlook

General Economy

According to the OECD, the global economy is showing signs of improvement, but the upturn remains weak, amid significant downside risks. And whilst headline inflation has fallen, food and services prices have continued to rise rapidly resulting in core inflation remaining stubbornly high. The Australian economic experience is consistent with global indicators with inflation still too high at 6 per cent. The RBA is steadfast in its priority of returning inflation to target of 2 – 3 per cent within a reasonable timeframe, which it expects to occur in late 2025. In the meantime, rent and services inflation has risen as the labour market remains very tight, with potential of some further tightening of monetary policy in the short term to achieve targets in a reasonable time frame.

The Board is very conscious of the need to continue to drive value for Shareholders, hence the strategy to diversify investment from traditional opportunistic property development into complementary property technology. The Board applies the same risk management approach to these investments; hence the Company has no debt and remains somewhat immune from the current interest rate volatility. And further, it expects the goods and services volatility to have come under control by the time its current pipeline of developments become ready for construction following its rigorous de-risking process.

Significant Changes In The State Of Affairs

During the financial year there was no significant change in the state of affairs of the Group other than that referred to in the financial statements or notes thereto.

Future Developments, Prospects And Business Strategies

The prospects and business strategies of the Group are discussed on pages 13–18 of this Report.

Environmental Legislation

The Group's operations are subject to various environmental regulations under both Commonwealth and State legislation, particularly in relation to its property development activities. The Group's practice is to ensure that where operations are subject to environmental regulations, those obligations are identified and appropriately addressed. This includes the obtaining of approvals, consents and requisite licences from the relevant authorities and complying with their conditions. There have been no significant known breaches of environmental regulations to which the Group is subject.

Remuneration Report (Audited)

Indemnification and Insurance of Directors and Officers

The Company has agreed to indemnify all of the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. In accordance with common practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Axiom Properties Limited (the "Company") for the financial year ended 30 June 2023. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company, and includes the top executives of the Parent and the Group receiving the highest remuneration.

Key Management Personnel

(i) Directors

Ian Laurance (Non-Executive Chairman)
Ben Laurance (Managing Director)
John Howe (Non-Executive Director)
Liu Ying Chun (Non-executive Director)
Doris Chung Gim Lian
(Non-executive Director - alternate director)

(ii) Other key management personnel

Paul Rouvray (General Manager)

Remuneration Philosophy

The performance of the Company depends upon the quality of the Directors and other key management personnel. The philosophy of the Company in determining remuneration levels is to:

- Set competitive remuneration packages to attract and retain high calibre employees; and
- Link executive rewards to shareholder value creation.

Remuneration Committee

The Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors, the Managing Director and the Company Secretary. The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and other key management personnel on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum shareholder benefit from the retention of a high-quality Board.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and other key management personnel remuneration is separate and distinct.

Company's Remuneration Policies

The Board, subject to the approval of shareholders in the Annual General Meeting, sets the remuneration level of the non-executive members of the Board. Remuneration is set according to the skills, experience and length of service of each Director. Remuneration of the Non-Executive Chairman is determined by the Board of Directors and is also determined by the skills, experience and length of service of the Non-Executive Chairman. Non-Executive Directors receive a fixed fee and statutory superannuation for services as Directors.

The Company's Constitution provides that Directors may collectively be paid a fixed sum, not exceeding the aggregate maximum per annum from time to time, as determined by the Company and approved by shareholders. A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. Where deemed appropriate there is a link between remuneration paid to Non-Executive Directors and corporate performance such as bonus payments for achievement of certain key performance indicators.

Remuneration for Executive Directors and Senior Managers is based upon a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company.

The contracts for service between Executive Directors and the Company are on a continuing basis the terms of which are not expected to change, other than for remuneration packages, which are reviewed annually by the Board in its capacity as Remuneration Committee. Remuneration packages may include base salary, superannuation, fringe benefits, bonuses and performance rights.

Remuneration Report (Audited)

Service Agreements

The following Directors are engaged by the Company through Service Agreements:

I J Laurance AM – Non-Executive Chairman

The terms and conditions of the service agreement dated 7 July 2006 (amended 1 January 2013) are:

- Mr Laurance is to provide executive chair services for 20 hours per week as required for Axiom Properties Limited;
- In exchange for Mr Laurance's services, an annual remuneration package of $93,000 plus benefits is payable;
- The Company may terminate this contract at any time with one month's notice if Mr Laurance defaults in the performance and observance of his obligations under the agreement or is declared bankrupt.

B P Laurance – Managing Director

The terms and conditions of the service agreement dated 24 November 2006 (amended effective 1 January 2008) are:

- Mr Laurance is to provide managing directorial services as required for Axiom Properties Limited;
- In exchange for Mr Laurance's services, an annual remuneration package of $577,000 plus benefits is payable;
- The Company may terminate this contract at any time with one month's notice if Mr Laurance defaults in the performance and observance of his obligations under the agreement or is declared bankrupt.

J S Howe – Non-Executive Director

The terms and conditions of the letter of appointment dated 22 April 2008 are:

- Mr Howe is to provide non-executive director services as required for Axiom Properties Limited;
- In exchange for Mr Howe's services, an annual director fee of $67,000 plus benefits is payable;
- The Company may terminate this contract at any time with one month's notice if Mr Howe defaults in the performance and observance of his obligations under the agreement or is declared bankrupt.

Y C Liu – Non-Executive Director

The terms and conditions of the letter of appointment dated 25 November 2015 are:

- Mr Liu is to provide non-executive director services as required for Axiom Properties Limited;
- In exchange for Mr Liu's services, Oriental University City Holdings (H.K.) Limited will receive an annual fee of $55,000;
- The Company may terminate this contract at any time with one month's notice if Mr Liu defaults in the performance and observance of his obligations under the agreement or is declared bankrupt.

D G L Chung – Non-Executive Director (alternate)

The terms and conditions of the letter of appointment dated 25 November 2015 are:

- Ms Chung is to provide non-executive director services as Mr Liu's alternate as required for Axiom Properties Limited;
- The Company may terminate this contract at any time with one month's notice if Ms Chung defaults in the performance and observance of her obligations under the agreement or is declared bankrupt.

P J Rouvray – General Manager

The terms and conditions of the service agreement dated 4 January 2007 are:

- Mr Rouvray is to provide general manager services as required for Axiom Properties Limited;
- In exchange for Mr Rouvray's services, an annual remuneration package of $412,000 plus benefits is payable;
- The Company may terminate this contract at any time with one months' notice if Mr Rouvray defaults in the performance and observance of his obligations under the agreement.

Remuneration Report

Remuneration of Directors and other KMP

Table 1: Directors' and other KMP's remuneration for the year ended 30 June 2023

	Short–term employee benefits			Post–employment benefits	Long–term benefits	Share–based payments		Proportion of remuneration that is performance based
2023	Cash salary and fees	Cash bonus	Non–monetary benefits	Superannuation	Long service leave	Performance Rights	Total	
Directors	$	$	$	$	$	$	$	%
I J Laurance AM	93,000	30,000	–	9,765	–	–	132,765	23%
J S Howe	67,000	20,000	–	7,035	–	–	94,035	21%
Y C Liu	55,000	–	–	–	–	–	55,000	–
D G L Chung	–	–	–	–	–	–	–	–
B P Laurance	577,000	250,000	–	60,585	17,184	–	904,769	28%
Other KMP								
P J Rouvray	412,000	200,000	18,174	43,260	13,272	–	686,706	29%
Total KMP compensation	1,204,000	500,000	18,174	120,645	30,456	–	1,873,275	

Table 2: Directors' and other KMP's remuneration for the year ended 30 June 2022

	Short–term employee benefits			Post–employment benefits	Long–term benefits	Share–based payments		Proportion of remuneration that is performance based
2022	Cash salary and fees	Cash bonus	Non–monetary benefits	Superannuation	Long service leave	Performance Rights	Total	
Directors	$	$	$	$	$	$	$	%
I J Laurance AM	90,000	30,000	–	9,000	–	–	129,000	23%
J S Howe	65,000	20,000	–	6,500	–	–	91,500	22%
Y C Liu	55,000	–	–	–	–	–	55,000	–
D G L Chung	–	–	–	–	–	–	–	–
B P Laurance	560,000	200,000	–	56,000	15,854	–	831,854	24%
Other KMP								
P J Rouvray	400,000	200,000	23,901	40,000	12,683	–	676,584	30%
Total KMP compensation	1,170,000	450,000	23,901	111,500	28,537	–	1,783,938	

Remuneration Report

Remuneration of Directors and other KMP

Table 3: Cash bonuses for the year ended 30 June 2023

Cash bonuses granted to MR J S Howe, Mr B P Laurance and Mr P J Rouvray were paid in two instalments on 22 December 2022 and 4 January 2023 at the discretion of the Board acting in its capacity as Remuneration Committee. The bonuses therefore vested 100% during the financial year ended 30 June 2023.

The short-term cash incentive was based on the following performance criteria:

1. Achievement of profitability and NTA targets of the company
2. Delivery of current pipeline of projects
3. Securing of new projects and investments

Details of these short-term incentives recognised as remuneration, forfeited or available for vesting in future financial years is outlined below:

Name	Included in Remuneration	% Vested in current year	% Forfeited in current year	% Available for vesting in future years	Maximum $ available for vesting in future years	Minimum $ available for vesting in future years
Directors	$	%	%	%	$	$
I J Laurance AM	30,000	100%	0%	N/A	N/A	N/A
J S Howe	20,000	100%	0%	N/A	N/A	N/A
B P Laurance	250,000	100%	0%	N/A	N/A	N/A
Other KMP						
P J Rouvray	200,000	100%	0%	N/A	N/A	N/A

Table 4: Performance rights in existence during the financial year

Performance Right Grant Date	Expiry Date	Grant date fair value	Number of Rights	Vesting Date
Nil	–	–	–	–

Table 5: Shareholding of key management personnel

Number of shares held by parent entity Directors and specified executives directly or beneficially.

Name	Balance 1 July 2022	Received as Remuneration	Rights Exercised	Net Change Other	Balance 30 June 2023
Directors					
I J Laurance AM	5,250,000	–	–	–	5,250,000
B P Laurance	74,041,175	–	–	850,000	74,891,175
J S Howe	9,290,450	–	–	–	9,290,450
D G L Chung	82,250,000	–	–	–	82,250,000
	170,831,625	**–**	**–**	**850,000**	**171,681,625**
Other KMP					
P Rouvray	8,000,000	–	–	–	8,000,000
	8,000,000	**–**	**–**	**–**	**8,000,000**

Remuneration Report

Remuneration of Directors and other KMP

Table 6: Rights holdings of key management personnel

No rights were held by key management personnel during the year.

Table 7: Group performance

The table below shows the Group's earnings performance as well as the movement in the Group's Earnings Per Share (EPS) and share price over the last 5 years.

Financial Report Date	Profit / (Loss) After Tax $'000	Basic EPS Cents	Share Price cents	Return on Market Capitalisation %
30 June 2019	(2,377)	(0.55)	3.60	(15.27%)
30 June 2020	367	0.08	3.90	2.17%
30 June 2021	12,161	2.81	6.60	42.58%
30 June 2022	5,502	1.27	5.70	22.31%
30 June 2023	(3,433)	(0.79)	4.40	(16.81%)

Other transactions with key management personnel

Integrated Event Delivery Management Pty Ltd, a Director related entity of Mr J S Howe, has in prior years been reimbursed for Director required travel and accommodation costs. The expenses were reimbursed at cost. The total charged to the Company this financial year was $9,325 (2022: Nil). Axiom was reimbursed for Adelaide office rental and outgoings costs. The expenses were reimbursed at cost. The total received by Axiom was $65,208 (2022: $65,034).

Peter Laurance, Director of Pivot Group Pty Ltd (major shareholder) and consultant to the Board, was reimbursed for costs associated with attending Company Board meetings and other company meetings at the request of Directors. The expenses were reimbursed at cost. The total charged to the Company was $28,020 (2022: $Nil).

END OF AUDITED REMUNERATION REPORT

Directors Meetings

The number of meetings of the board of directors (including board committees) held during the year ended 30 June 2023, and the number of meetings attended by each director are set out below:

	Board		Audit Committee		Remuneration Committee		Nomination Committee	
Name	Held	Attended	Held	Attended	Held	Attended	Held	Attended
I J Laurance AM	10	10	2	2	1	1	–	–
J S Howe	10	10	2	2	1	1	–	–
Y C Liu	10	3	2	2	1	–	–	–
D G L Chung	10	–	2	–	1	–	–	–
B P Laurance	10	10	2	2	1	1	–	–

Director's Report (Continued)

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part or those proceedings. The Company was not a party to any such proceedings.

Rounding Off of Amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditor Independence and Non-Audit Services

Section 307(C) of the Corporations Act 2001 requires the Company's auditors, BDO Audit Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 27 and forms part of the Directors' Report for the year ended 30 June 2023.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 25 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Events After the Reporting Date

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years; or
- the results of those operations in future financial years; or
- the Group's state of affairs in future financial years.

Signed in accordance with a resolution of the Directors:

Ben Laurance
Managing Director

Adelaide, South Australia
Dated: 17 August 2023

Corporate Governance Statement

Axiom Properties Limited (Company) has established a corporate governance framework, the key features of which are set out in this statement. In establishing its corporate governance framework, the Company has referred to ASX Corporate Governance Council Principles and Recommendations 3rd edition (Principles & Recommendations). The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The governance-related documents can be found on the Company's website at **https://www.axiompl.com.au/about** under the section marked "Corporate Governance".

Auditor's Independence Declaration

BDO

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DECLARATION OF INDEPENDENCE
BY ANDREW TICKLE
TO THE DIRECTORS OF AXIOM PROPERTIES LIMITED

As lead auditor of Axiom Properties Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Axiom Properties Limited and the entities it controlled during the period.

Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 17 August 2023

2022/2023
Financial Statements

Consolidated Statement of Comprehensive Income For the Year Ended 30 June 2023

	Notes	Consolidated 2023 $'000	2022 $'000
Revenue from contracts with customers	2(a)	2,192	65,610
Cost of Sales		(1,837)	(55,062)
		355	10,548
Other income	2(b)	279	6
Share of net profit/(loss) of equity accounted investments	2(c)	216	(724)
Employee benefits expense	2(e)	(2,334)	(2,259)
Depreciation and amortisation expense	2(f)	(227)	(227)
Finance costs	2(g)	(21)	(43)
Other expenses	2(d)	(1,701)	(959)
Profit/(loss) before income tax benefit		(3,433)	6,342
Income tax expense/(benefit)	3	-	(840)
Profit/(loss) for the year		(3,433)	5,502
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(3,433)	5,502
Basic earnings per share (cents per share)	5	(0.79) cents	1.27 cents
Diluted earnings per share (cents per share)		(0.79) cents	1.27 cents

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position as at 30 June 2023

	Notes	Consolidated 2023 $'000	2022 $'000
Current Assets			
Cash and cash equivalents	6	11,111	5,828
Trade and other receivables	7	848	778
Contract Assets	8	-	13,190
Other financial assets	9	374	2,371
Other assets	10	-	68
Total Current Assets		12,333	22,235
Non-Current Assets			
Trade and other receivables	7	1,536	609
Right of use assets	11	174	391
Inventory	12	1,145	96
Other assets	10	90	80
Investments accounted for using the equity method	13	2,492	616
Deferred tax assets	3	-	-
Total Non-Current Assets		5,437	1,792
Total Assets		17,770	24,027
Current Liabilities			
Trade and other payables	14	1,446	4,025
Lease Liabilities	15	204	240
Provisions	16	414	421
Borrowings	17	-	-
Total Current Liabilities		2,064	4,686
Non-Current Liabilities			
Lease Liabilities	15	-	202
Total Non-Current Liabilities		-	202
Total Liabilities		2,064	4,888
Net Assets		15,706	19,139
Equity			
Issued capital	18	30,641	30,641
Accumulated losses		(14,935)	(11,502)
Total Equity		15,706	19,139

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2023

Consolidated	**Issued capital**	**Accumulated losses**	**Reserves**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance as at 1 July 2022	**30,641**	**(11,502)**	**-**	**19,139**
Profit/(loss) for the year	-	(3,433)	-	(3,433)
Total comprehensive income for the year	-	(3,433)	-	(3,433)
Return of capital	-	-	-	-
Balance at 30 June 2023	**30,641**	**(14,935)**	**-**	**15,706**
Balance as at 1 July 2021	**47,949**	**(17,004)**	**-**	**30,945**
Profit for the year	-	5,502	-	5,502
Total comprehensive income for the year	-	5,502	-	5,502
Return of capital	(17,308)	-	-	(17,308)
Balance at 30 June 2022	**30,641**	**(11,502)**	**-**	**19,139**

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2023

	Notes	Consolidated 2023 $'000	Consolidated 2022 $'000
		Inflows / (Outflows)	
Cash flows from operating activities			
Receipts from customers		16,624	75,194
Payments to suppliers and employees		(3,324)	(2,997)
Payment of project development costs		(4,381)	(58,288)
Purchase of inventory		(1,154)	(90)
Payments to trust accounts		(2,454)	-
Interest received		36	6
Finance costs		(2)	(2)
Net cash provided by operating activities	6(ii)	5,345	13,823
Cash flows from investing activities			
Investment in joint venture		-	(213)
Purchase of fixed interest securities		-	(2,371)
Sale of fixed interest securities		2,372	3,038
Payments for equity investment activities		(2,000)	-
Payments for other investment activities		(166)	-
Net cash outflow from investing activities		206	454
Cash flows from financing activities			
Repayment of Lease Liabilities		(268)	(267)
Return of capital		-	(17,309)
Net cash used in financing activities		(268)	(17,576)
Net increase / (decrease) in cash and cash equivalents		5,283	(3,299)
Cash and cash equivalents at beginning of year		5,828	9,127
Cash and cash equivalents at end of year	6(i)	11,111	5,828

The accompanying notes form part of these financial statements

NOTE 1: GENERAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) New or amended Accounting Standards and Interpretations adopted

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The consolidated entity is yet to assess the impact of these new or amended Accounting Standards and Interpretations.

(b) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law. The financial statements comprise the consolidated financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The directors have the power to amend and reissue the financial statements.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the Group consisting of Axiom Properties Limited and its subsidiaries.

The financial report has also been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) instrument 2016/191.

The Company is a listed public company, incorporated in Australia and operating in Australia. The entity's principal activities are property investment and development.

(c) Statement of compliance

The financial report was authorised for issue on 17 August 2023.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

NOTE 1: GENERAL ACCOUNTING POLICIES (continued)

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights in an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members are eliminated in full on consolidation.

(e) Significant accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

NOTE 1: GENERAL ACCOUNTING POLICIES (continued)

(f) Right-of-use assets

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

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

(g) 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.

(h) Borrowing costs

Borrowing costs are recognised as an expense when incurred except those that relate to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use of sale.

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTE 1: GENERAL ACCOUNTING POLICIES (continued)

(j) Impairment

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, 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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

NOTE 2: REVENUE AND EXPENSES

	Consolidated 2023 $'000	Consolidated 2022 $'000
(a) Revenue from contracts with customers		
Sales income	655	65,386
Rental income	1,342	163
Development fee income	195	61
	2,192	65,610
Disaggregation of revenue		
Timing of revenue recognition		
Goods transferred at a point in time	655	19,356
Good and services transferred over time	1,537	46,254
	2,192	65,610

All revenue transferred at a point in time is within the Development segment. Revenue transferred over time relates to the Development segment (2023: $1,472,000; 2022: $46,182,000) and the corporate segment (2023: $65,000; 2022: $72,000).

Geographical regions

All revenue is derived from within Australia

	2023 $'000	2022 $'000
(b) Other income		
Interest received	36	6
Net fair value gain on financial assets	208	-
Other income	35	-
	279	6
(c) Share of profit/(loss) from equity accounted investments		
Share of profit/(loss) from MB Estate Pty Ltd	625	(724)
Share of profit/(loss) from Point Data Holdings Ltd	(409)	-
	216	(724)
(d) Other expenses		
Audit and accountancy fees	233	179
Legal and consultancy fees	234	106
Insurances	238	161
Rent and outgoings	23	5
Travel and accommodation	157	48
Investment in joint ventures written off	616	-
Other expenses	200	460
	1,701	959

NOTE 2: REVENUE AND EXPENSES (continued)	**Consolidated**	
	2023	**2022**
	$'000	**$'000**
(e) Employee benefits expense		
Employee benefits expense includes the following specific amounts:		
Superannuation expense	94	132
(f) Depreciation		
Depreciation – Land and buildings - right-of-use	216	216
Depreciation – Motor Vehicles – right-of-use	11	11
	227	227
(g) Finance Costs		
Interest and finance charges on lease liabilities	19	40
Interest and finance charges on cash and borrowings	2	3
	21	43

Revenue from contract with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. The following specific recognition criteria must also be met before revenue is recognised:

Rental income

Rental income is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. Lease incentives granted are recognised as a reduction as rental income received on a straight-line basis from the lease commencement date to the end of the lease term. Payments are typically received within 30 days.

Sales Income

There are two types of sales income received from the sale of Worldpark to Charter Hall and Butler to The Lester Group. Initial settlement tranches were recognised at a point in time upon financial settlement of the land and capital improvements value. Subsequent sales income received monthly on a fund through basis for construction from initial settlement is recognised as good and services transferred over time. Sales income for homes constructed by the company in the Mount Barker development is recognised at a point in time upon financial settlement by arm's length third party purchasers.

Revenue - estimates

Judgement is exercised in determining the costs associated with potential defects during the defect's liability period for Butler as well as contractual income guarantees. A degree of variability therefore exists at the end of the reporting period which has a direct bearing on the amount of revenue recognised in the period.

NOTE 3: INCOME TAX EXPENSE

	Consolidated 2023 $'000	Consolidated 2022 $'000
a) The prima facie income tax expense on the operating profit is reconciled to the income tax benefit as follows:		
Operating profit/(loss) before income tax	(3,433)	6,342
Income tax expense/(benefit) calculated at 25% (2022: 30.0%)	(858)	1,902
Adjusted for tax effect of:		
Non-deductible expenses	162	2
Non – assessable income	-	-
Current year tax losses not recognised as deferred tax assets	-	-
Recognition of deferred tax asset on unused tax losses	-	-
Other deferred tax assets and tax liabilities not recognised	696	(1,064)
Income tax expense/(benefit) applicable to ordinary activities	-	840

b) Deferred tax balances

	2023 $'000	2022 $'000
Deferred tax assets comprise:		
Losses available for offset against future taxable income – revenue	6,083	7,713
Properties	-	50
Shares	50	-
Leases	51	111
Provisions and accruals	123	109
Accrued development costs	250	1,098
	6,557	9,081
Set off of tax	(294)	(3,414)
	6,263	5,667
Deferred tax assets not recognised	6,263	5,667
Deferred tax assets recognised at year end	-	-

No deferred tax assets have been recognised. The balance of deferred tax assets is not recognised as it is not yet considered probable that future taxable profits will be available to offset these amounts.

	2023 $'000	2022 $'000
Deferred tax liabilities comprise:		
Contract asset	(250)	(3,298)
Leases	(44)	(98)
Other	-	(18)
	(294)	(3,414)
Set off of tax	294	3,414
Net deferred tax liability	-	-

For the 2023 income tax year the Company has an aggregate turnover of less than $50m so the Corporate Tax rate of 25% applies.

NOTE 3: INCOME TAX EXPENSE (continued)

The net deferred tax asset not recognised has been measured at the base rate entity tax rate for the year ended 30 June 2024 of 25% on the basis the asset is measured at the tax rate expected to apply when the asset is realised or the liability is settled.

Legislation has been enacted to allow groups, comprising of a parent entity and its Australian resident wholly owned entities, to elect to be consolidated and be treated as a single entity for income tax purposes. The legislation, which includes both mandatory and elective elements, is applicable to Axiom Properties Limited.

As at the reporting date, the Directors have not made an election to be taxed as a single entity. The financial effect of the legislation has therefore not been brought to account in the financial statements for the year ended 30 June 2023.

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

NOTE 3: INCOME TAX EXPENSE (continued)

Unrecognised deferred income tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

NOTE 4: SEGMENT INFORMATION

The following table represents revenue and results on an aggregated basis provided to the chief operating decision maker for the years ended 30 June 2023 and 30 June 2022.

The basis for the segment reporting of the Group is that used by the Managing Director for monthly reporting to the Board. The two segments of the group are Investment (2023 and 2022: Nil) and Development. Corporate is not considered a segment but rather a reconciling category

	Continuing operations		
	Development $'000	**Corporate $'000**	**Consolidated $'000**
30 June 2023			
Segment revenue	2,127	65	2,192
Other Income	4	275	279
Share of net profit/(loss) of equity accounted investments	625	(409)	216
Segment expenditure	(2,453)	(i) (3,667)	(6,120)
Profit/(loss) before income tax benefit	**303**	**(3,736)**	**(3,433)**
Included within segment result:			
Rental revenue	1,277	65	1,342
Depreciation	-	227	227
Interest income	4	32	36
Finance costs	1	21	22
Segment total assets	4,658	(ii) 13,112	17,770
Total assets include:			
- Equity Accounted Investments	901	1,591	2,492
Segment liabilities	1,175	889	2,064

NOTE 4: SEGMENT INFORMATION (continued)

	Development	Corporate	Consolidated
	$'000	$'000	$'000
30 June 2022			
Segment revenue	65,539	71	65,610
Other income	-	6	6
Share of net profit/(loss) of equity accounted investments	(724)	-	(724)
Segment expenditure	(55,097)	(i) (3,453)	(58,550)
Profit/(loss) before income tax benefit	**9,718**	**(3,376)**	**6,342**
Included within segment result:			
Rental revenue	91	71	162
Depreciation	-	227	227
Interest income	-	5	5
Finance costs	-	43	43
Segment total assets	17,007	(ii) 7,020	24,027
Total assets include:			
Equity Accounted Investments	616	-	616
Segment total liabilities	3,888	1,000	4,888

(i) Corporate Expenditure Summary

	2023 $'000	2022 $'000
Employee benefits expense	2,334	2,259
Audit and accounting expense	233	179
Consultants	179	70
Insurance	17	161
Legal	54	6
Office rent and outgoings	23	5
Other	827	773
	3,667	3,453

(ii) Corporate Asset Summary

	2023 $'000	2022 $'000
Cash and cash equivalents	10,962	4,190
Other financial assets	374	2,371
Right of use assets	174	391
Equity Accounting investments	1,591	-
Other	11	68
	13,112	7,020

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Axiom Properties Limited.

All Group assets are located in Australia, hence all revenue received was in Australia.

NOTE 5: EARNINGS PER SHARE

	Consolidated	
	2023	2022
	Cents per share	Cents per share
Basic earnings per share	(0.79)	1.27
Diluted earnings per share	(0.79)	1.27

	2023 Number	2022 Number
The weighted average number of shares on issue used in the calculation of basic earnings per share.	432,713,658	432,713,658
The weighted average number of shares on issue used in the calculation of diluted earnings per share	432,713,658	432,713,658

There are no reconciling items between the net result attributable to members of the parent entity as shown in the Statement of Comprehensive Income and the amount used to calculate basic and diluted earnings per share.

Basic earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share are calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses;
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; and
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated	
	2023 $'000	2022 $'000
Cash at bank and on hand	11,111	5,828
	11,111	5,828

Cash comprises cash at bank and in hand. 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. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(1) All other cash is held on term deposit and has been classified as fixed interest securities and disclosed at Note 9 Other financial assets.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

NOTE 6: CASH AND CASH EQUIVALENTS (continued)

Cash at bank earns interest at floating rates based on daily and/or monthly bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

(i) Reconciliation to the Consolidated Statement of Cash Flows:
For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.
Cash and cash equivalents as shown in the Consolidated Statement of Cash Flows, is reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	Consolidated	
	2023 $'000	**2022 $'000**
Cash and cash equivalents	11,111	5,828

(ii) Reconciliation of profit for the year to net cash provided by operating activities

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Operating profit/(loss) for the year after tax	(3,433)	5,501
Share of net (profit)/loss of joint ventures	(216)	724
Market movement in value of shares	(208)	-
Development asset write-off	616	299
Payment of Project Developments Costs	-	(9)
Depreciation, amortisation and finance costs	246	264
(Increase)/decrease in trade and other receivables	(1,274)	766
(Increase)/decrease in inventory	(1,049)	10,433
(Increase)/decrease in contract assets	13,190	692
(Increase)/decrease in other assets	58	(25)
(Increase)/decrease in deferred tax assets	-	840
(Decrease)/increase in trade and other payables	(2,585)	(5,662)
Net cash provided by operating activities	5,345	13,823

(iii) Non-cash investing and financing activities

	2023 $'000	**2022 $'000**
Additions to right-of-use assets	10	8

NOTE 6: CASH AND CASH EQUIVALENTS (continued)

(iv) Changes in liabilities arising from financing activities	2022 $'000	Right of Use asset additions and finance costs $'000	Interest	Net cash used in financing activities $'000	2023 $'000
Lease Liabilities	442	10	19	(267)	204

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated	
	2023 $'000	2022 $'000
Current		
Advances to Related Parties	-	774
GST recoverable	-	4
Other Recievable[1]	848	-
	848	778
Non-Current		
Development Fee Receivable	1,000	609
Other Receivable[1]	536	-
	1,536	609

[1] *Significant Accounting Estimate*
Under the terms of the Development Management Agreement with Lester, Axiom has paid the Rental Guarantee Amount into trust. During the Rental Guarantee Period, as each remaining vacancy is leased, Axiom will receive an amount equal to that associated contracted rental amount during the Rental Guarantee Period. Any shortfall is paid to Lester. Determining the recoverable amount involves estimating the timing of vacancies being filled as well as the agreed rental amounts. Axiom has recognised the receivable to the extent it expects to recover the Rental Guarantee based on the remaining tenancies being occupied within a period of 6 to 18 months. Axiom is confident it can let up the remaining vacant space and is working with Lester and their agent Vend Property to do so.

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

The Group recognises a loss allowance for expected credit losses on trade debtors. The Group has applied the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

The amount of the loss allowance is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income. There were no past due trade receivables at reporting date.

NOTE 8: CONTRACT ASSETS

	Consolidated	
	2023	2022
Current	$'000	$'000
Contract Assets	-	13,190

	2023	2022
Movement in Contract Assets	$'000	$'000
Opening Balance	13,190	13,882
Additions	-	12,480
Transfer to receivables	(13,190)	(13,172)
Closing Balance	-	13,190

Contract Assets recognised a proportion of revenue earned but not yet invoiced on the Worldpark and Butler developments, based on the percentage of construction completed to date. As at the 30 June 2023 this has been reduced to Nil.

Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

NOTE 9: OTHER FINANCIAL ASSETS

	Consolidated	
Current	2023 $'000	2022 $'000
Fixed interest securities	-	2,371
Shares in listed companies	374	-
	374	2,371

Other financial assets include non-derivative financial assets and shares in listed companies.

The non-derivative financial assets have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Shares in listed companies are recorded at market value at the end of the financial year with any gains or losses recognised in the profit and loss.

NOTE 10: OTHER ASSETS

	Consolidated	
	2023	2022
Current	$'000	$'000
Prepayments	-	68
Non-Current		
Refundable deposits	90	80

The refundable deposits have been paid in accordance with the conditions in the land purchase contracts on the Butler development land.

NOTE 11: RIGHT OF USE ASSETS

	Consolidated	
	2023	2022
	$'000	$'000
Office Space – right-of-use	1,037	1,037
Less: Accumulated depreciation	(865)	(649)
	172	388
Motor Vehicle – right-of-use	46	37
Less: Accumulated depreciation	(44)	(34)
	2	3
Total right-of-use assets	174	391

Additions to the right-of-use assets during the year were $9,836.

The company leases offices located in Adelaide and Sydney under agreements of between five to six years. The leases have annual fixed escalation clauses. On renewal, the terms of the leases are renegotiated. The company also has a motor vehicle lease under a three-year agreement. The company also leases office equipment under agreements. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

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

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

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

NOTE 12: INVENTORY

	Consolidated	
	2023	**2022**
Non-Current	**$'000**	**$'000**
Land (development)	1,145	96

Costs in relation to the acquisition of Butler pad sites are capitalised and carried forward at cost, as inventories. As the pad sites are developed and sold, the associated value of inventories is expensed to the statement of comprehensive income. Profits are brought to account at the time of settlement on contract of sale.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs on completion and the estimated costs necessary to make the sale.

NOTE 13: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment Summary

Name of Entity	Type of Investment	2023 $'000	2022 $'000
MB Estate Pty Ltd	Joint Venture	901	-
Currie St Pty Ltd	Joint Venture	-	616
Point Data Holdings Ltd	Associate	1,591	-
Total		2,492	616

Investments in joint ventures

Details of the Group's joint venture at the end of the reporting period is as follows:

			Equity Participation Share	
Name of entity	**Principal activity**	**Country of incorporation**	**2023 %**	**2022 %**
MB Estate Pty Ltd	Land subdivision	Australia	50	50
Currie St Pty Ltd	Land & building development	Australia	50	50

Reconciliation of carrying amount of the interest in joint venture recognised in the Group financial statements.

Summarised financial information of material joint venture – MB Estate Pty Ltd

	Consolidated 2023 $'000	Consolidated 2022 $'000
Opening carrying amount	-	785
Contributions to joint venture	471	-
Elimination of upstream development fee	(195)	(61)
Share of net profit/(loss) of joint venture	625	(724)
Carrying value of the Group's interest in the joint venture	901	-

Axiom was responsible for initial equity contributions for the venture. The other party contributed land and holds the land for the benefit of the joint venture until allotments are sold. After an initial distribution of capped profits paid to the other party, and a project management fee paid to Axiom, the remaining profits are to be distributed in accordance with the above equity participation share. Summarised financial information of MB Estate Pty Ltd is set out below:

	Consolidated 2023 $'000	Consolidated 2022 $'000
Financial position		
Current assets	3,276	4,591
Non-current assets	7,131	4,276
Current liabilities	(4,978)	(5,943)
Non-current liabilities	(3,500)	(3,281)
Net assets	1,929	(357)

Financial performance	Consolidated 2023 $'000	Consolidated 2022 $'000
The group's share of total comprehensive income	(625)	(785)

NOTE 13: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Summarised financial information of material joint venture – Currie St Pty Ltd

	Consolidated	
	2023	2022
	$'000	$'000
Opening carrying amount	616	616
Investment written off during the year	(616)	-
Carrying value of the Group's interest in the joint venture	**-**	**616**

The Joint Venture partners terminated the agreement by mutual consent.

	2023	2022
	$'000	$'000
Financial position		
Current assets	-	-
Non-current assets	-	616
Current liabilities	-	-
Non-current liabilities	-	-
Net assets	**-**	**616**

	2023	2022
Financial performance	$'000	$'000
The group's share of total comprehensive income	-	-

A joint venture is an arrangement where the parties who have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position and adjusted thereafter to recognise the Group's share of the profit or loss in other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in joint venture), the Group discontinues to recognise its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of AASB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in joint ventures. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

NOTE 13: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Investments in Associates

Details of the Group's investments in associates at the end of the reporting period is as follows:

Name of entity	Principal activity	Country of incorporation	Equity Participation Share 2023 %	2022 %
Point Data Holdings Ltd	Property data and analytics	Australia	22	-

Reconciliation of carrying amount of the interest in joint venture recognised in the Group financial statements.

Summarised financial information of material joint venture – Point Data Holdings Ltd

	Consolidated 2023 $'000	2022 $'000
Opening carrying amount	-	-
Contributions to associates	2,000	-
Share of net profit/(loss) of associates	(409)	-
Carrying value of the Group's interest in the joint venture	1,591	-

As previously announced, Axiom has agreed to invest up to $4m in 2 equal tranches into deep tech Property AI company Point Data Holdings Ltd. The first $2m tranche was approved and paid on 14th October 2022, with the second tranche payment of $2m being approved by Point Data Holdings Ltd Shareholders in December 2022 with payment expected in December 2023 subject to Point Data Holdings Ltd achieving certain performance hurdles. Summarised financial information of Point Data Holdings Ltd is set out below:

	Consolidated 2023 $'000	2022 $'000
Financial position		
Current assets	994	-
Non-current assets	1,020	-
Current liabilities	(225)	-
Non-current liabilities	938	-
Net assets	**851**	**-**

Financial performance	Consolidated 2023 $'000	2022 $'000
The group's share of total comprehensive income	(409)	-

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate.

Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

NOTE 13: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

NOTE 14: TRADE AND OTHER PAYABLES

	Consolidated	
	2023	**2022**
Current	**$'000**	**$'000**
Trade payables (i)	221	243
GST payable	1,063	-
Accrued expenses	162	3,782
	1,446	4,025

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

NOTE 15: LEASE LIABILITIES

	Consolidated	
	2023	**2022**
Current	**$'000**	**$'000**
Lease liabilities	204	240
Non-current		
Lease liabilities	-	202

NOTE 16: PROVISIONS

	Consolidated	
	2023	**2022**
Current	**$'000**	**$'000**
Employee benefits	414	421

Employee benefits represents amounts accrued for annual leave and long service leave.

The current liability includes the total amount accrued for annual leave entitlements and amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their entitlement.

In calculating the present value of future cash flows in respect of annual leave and long service leave, the probability of leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been discussed below.

NOTE 16: PROVISIONS (continued)

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statements of comprehensive income, net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the end of the reporting period are recognised in other payables or provisions in respect of employees' services up to the end of the reporting period. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the end of the reporting period on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

NOTE 17: BORROWINGS

Assets pledged as security

	Consolidated	
The carrying amounts of assets pledged as security for current and non-current interest-bearing liabilities are:	**2023 $'000**	**2022 $'000**
Fixed and floating charge		
Other financial assets	-	2,371
Total assets pledged as security	-	2,371

(i) Under the MB Estate joint venture agreement, Axiom must provide any financial guarantee if required to obtain finance. In accordance with the Bank SA finance approval for Glenlea Estate, Axiom provided a limited guarantee and indemnity for the facility limit of $12,340,00 (2022: $12,340,000). The current drawn amount of approximately $3.75m by the Joint Venture entity and secured against the land, is being repaid as land

NOTE 18: ISSUED CAPITAL

	Consolidated	
	2023 $'000	**2022 $'000**
432,713,658 (2022: 432,713,658) Ordinary shares issued & fully paid	30,641	30,641

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

	2023		2022	
	Nos.	**$'000**	**Nos.**	**$'000**
Movement in ordinary shares on issue				
Balance at beginning of financial year	432,713,658	30,641	432,713,658	47,949
Return of capital	-	-	-	(17,308)
Balance at end of financial year	432,713,658	30,641	432,713,658	30,641

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.

NOTE 19: FINANCIAL INSTRUMENTS

(a) Financial risk management objectives

The Group is exposed to a variety of financial risks: interest rate risk, credit risk, liquidity risk and capital risk management. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. From time to time the Group uses derivative financial instruments to hedge certain risk exposures.

The use of financial derivatives is covered by the Group's policies approved by the Board of Directors, which provide written principles on interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(b) Categories of financial assets and liabilities	Consolidated	
	2023 $'000	**2022 $'000**
Financial Assets at amortised cost		
Cash and cash equivalents	11,111	5,828
Trade and other receivables	2,384	1,387
Other financial assets	374	2,371
	13,869	9,586
Financial Liabilities at amortised cost		
Trade and other payables	1,446	4,025
Lease Liabilities	204	442
	1,650	4,467

NOTE 19: FINANCIAL INSTRUMENTS (continued)

(c) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax and general administrative outgoings. Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital. The Group's strategy remains unchanged from 2020.

(d) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates.

However, the Group may be exposed to interest rate risk on any future borrowings that are used to fund its development activities as entities in the Group borrow funds at both fixed and floating interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group seeks to minimise the effect of this risk by using derivative financial instruments to hedge the risk exposure wherever it is prudent to do so. The use of financial instruments is dependent on management's assessment of the interest rate risk going forward and this is assessed on a case-by-case basis. Financial institutions may also require the Group to enter into derivatives though loan facility documentation.

The Company's and Group's exposures to interest rate on financial liabilities are detailed in the liquidity risk management section of the note.

(e) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from cash and cash equivalents, deposits with banks and financial institutions, trade and other receivables and contract assets. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit risk on cash and cash equivalents is limited due to the high proportion of funds being held with high rated banking institutions.

NOTE 19: FINANCIAL INSTRUMENTS (continued)

The table below shows the balance of cash and cash equivalents and other financial assets held with various financial institutions at the end of the reporting period.

Bank	Ratings at 30 June 2023	Balance at 30 June 2023 $'000	Ratings at 30 June 2022	Balance at 30 June 2022 $'000
Bank of South Australia Limited	AA-	11,111	AA-	8,199

Source: Standard & Poors

Whilst the Group does have exposure to a small spread of counterparties the Directors are of the view that there is no significantly elevated credit risk arising from these concentrated exposures. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

f) Liquidity Risk Management

Liquidity risk is the risk that the Group will be unable to meet its financial commitments. Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves and borrowing facilities and by monitoring forecast versus actual cash flows and matching where ever possible the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining maturities for its non-derivative financial assets and financial liabilities. These are based upon the undiscounted cash flows of financial instruments based upon the earliest date on which the Group can be required to pay.

2023	Weighted Average Interest rate %	Less than 1 month $'000	1-3 months $'000	3 months - 1 year $'000	1-5 years $'000	5 + years $'000	Total $'000
Financial Assets							
Interest Bearing	1.55%	11,111	-	-	-	-	11,111
Non-interest Bearing	-	374	-	-	2,384	-	2,758
		11,485	-	-	2,384	-	13,869
Financial Liabilities							
Non-interest Bearing		1,446	-	-	-	-	1,446
Interest Rate Bearing Instruments	5.4%	22	43	139	-	-	204
		1,468	43	139	-	-	1,650
Net Financial Assets		10,017	(43)	(139)	2,384	-	12,219

NOTE 19: FINANCIAL INSTRUMENTS (continued)

2022	Weighted Average Interest rate %	Less than 1 month $'000	1-3 months $'000	3 months - 1 year $'000	1-5 years $'000	5 + years $'000	Total $'000
Financial Assets							
Interest Bearing	0.07%	5,828	2,371	-	-	-	8,199
Non-interest Bearing	-	4	-	-	1,383	-	1,387
		5,832	2,371	-	1,383	-	9,586
Financial Liabilities							
Non-interest Bearing		4,025	-	-	-	-	4,025
Interest Rate Bearing Instruments	5.4%	20	40	181	202	-	443
		4,045	40	181	202	-	4,468
Net Financial Assets		1,787	2,331	(181)	1,181	-	5,118

(g) Net fair value

The carrying amount of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required), presented in the financial statements approximates their net fair values.

NOTE 20: COMMITMENTS AND CONTINGENCIES

Capital commitments

The company had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

NOTE 21: RELATED PARTY DISCLOSURE

a) Integrated Event Delivery Management Pty Ltd

Integrated Event Delivery Management Pty Ltd, a Director related entity of Mr J S Howe, has in prior years been reimbursed for Director required travel and accommodation costs. The expenses were reimbursed at cost. The total charged to the Company this financial year was $9,325 (2022: Nil). As at the 30 June 2023 $3,733 remained outstanding. Axiom was reimbursed for Adelaide office rental and outgoings costs. The expenses were reimbursed at cost. The total received by Axiom was $65,208 (2022: $65,034).

b) *Pivot Group Pty Ltd*

Peter Laurance, Director of Pivot Group Pty Ltd (major shareholder) and consultant to the Board, was reimbursed for costs associated with attending Company Board meetings and other company meetings at the request of Directors. The expenses were reimbursed at cost. The total charged to the Company was $28,020 (2022: Nil).

c) *MB Estate Pty Ltd*

Axiom Mt Barker Pty Ltd as trustee for the Axiom Mt Barker Trust has a 50% interest in MB Estate Pty Ltd (MB Estate). MB Estate forms part of the investments accounted for using the equity method as disclosed in Note 13. Advances to related parties as disclosed in Note 7 reflect timing differences in payments made by the Company on behalf of the Joint Venture for development costs. Advances are being provided on an interest free basis and will be refunded from Joint Venture proceeds received from settlements and construction finance.

NOTE 21: RELATED PARTY DISCLOSURE (Continued)

d) Point Data Holdings Ltd

Axiom Properties Ltd has invoiced Point Data Holdings Ltd $35,000 for consultancy services (2022: Nil).

e) Balances between the company and subsidiaries (Note 26), which are related parties of the Company, have been eliminated on consolidation and not disclosed in this note.

Ultimate Parent Entity
The parent entity in the Group is Axiom Properties Limited. The ultimate parent entity is Axiom Properties Limited.

NOTE 22: KEY MANAGEMENT PERSONNEL DISCLOSURES

The aggregate compensation made to key management personnel of the Group is set out below:

	Consolidated	
	2023	**2022**
	$	**$**
Short-term employee benefits	1,722,174	1,643,901
Post-employment benefits	120,645	111,500
Long-term employee benefits	30,456	28,537
	1,873,275	1,783,938

NOTE 23: PARENT ENTITY DISCLOSURES

Financial position

	2023 $'000	**2022 $'000**
Assets		
Current assets	11,396	8,834
Non-current assets	6,213	4,931
Total assets	17,609	13,765
Liabilities		
Current liabilities	893	798
Non-current liabilities	6,664	6,866
Total liabilities	7,557	7,664
Net Assets	10,052	6,101
Equity		
Issued capital	30,641	30,641
Accumulated losses	(20,589)	(24,540)
Total Equity	10,052	6,101

NOTE 23: PARENT ENTITY DISCLOSURES (Continued)

Financial performance

	2023 $'000	2022 $'000
Profit/(Loss) for the year	3,951	9,036
Other comprehensive income	-	-
Total comprehensive income	3,951	9,036

Contingent liabilities of the parent entity
There are no contingent liabilities of the parent entity at the end of the reporting period.

Commitments for the acquisition of property, plant and equipment by the parent entity
There are no commitments by the parent entity at reporting date other than those disclosed at Note 20.

The financial information for the parent entity, Axiom Properties Limited, disclosed above has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries, associates and joint venture entities are accounted for at cost less any impairment in the financial statements of Axiom Properties Limited. Any dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

NOTE 24: EVENTS AFTER THE REPORTING DATE

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

the Group's operations in future financial years; or
the results of those operations in future financial years; or
the Group's state of affairs in future financial years.

NOTE 25: AUDITOR'S REMUNERATION

The auditor of Axiom Properties Limited is BDO Audit Pty Ltd. The following fees were paid or payable during the financial year:

	Consolidated & Parent	
	2023 $	2022 $
Audit and review of the financial reports – BDO Audit Pty Ltd	91,000	83,600
Other services	-	-
	91,000	83,600

NOTE 26: PARTICULARS IN RELATION TO SUBSIDIARIES

	Country Incorporation/ Formation	Interest Held	
Parent		**2023 %**	**2022 %**
Axiom Properties Ltd (ultimate parent of the Group)	Australia		
Subsidiaries			
Axiom Property Funds Pty Ltd	Australia	100	100
Axiom Development Management Pty Ltd	Australia	100	100
Axiom Worldpark Trust	Australia	100	100
Axiom Worldpark Adelaide Pty Ltd	Australia	100	100
Axiom Worldpark Adelaide Trust	Australia	100	100
Axiom Investments Holdings Pty Ltd [1]	Australia	100	100
Axiom Mt Barker Pty Ltd	Australia	100	100
Axiom Mt Barker Trust	Australia	100	100
Axiom Currie St Pty Ltd	Australia	100	100
Axiom Currie St Trust	Australia	100	100
Axiom CBD Investments Pty Ltd	Australia	100	100
Axiom CBD Investments Trust	Australia	100	100
Axiom Mt Gambier Pty Ltd [2]	Australia	100	100
Axiom Francis St Trust	Australia	100	100
Axiom Butler Central Pty Ltd	Australia	100	100
Axiom Butler Central Trust	Australia	100	100
Axiom Mt Gambier Trust 1	Australia	100	-
Axiom Mt Gambier Trust 2	Australia	100	-

1 Formerly Axiom Resources Pty Ltd and 2 Formerly Axiom Francis St Pty Ltd

Director's Declaration

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Axiom Properties Limited (the 'Company'):

    a. the accompanying financial statements and notes are in accordance with the *Corporations Act 2001* including:

        i) giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the year then ended; and

        ii) complying with Australian Accounting Standards, *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements;

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

    c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2023.

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

Ben Laurance
MANAGING DIRECTOR

Adelaide, South Australia
Dated: 17 August 2023

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AXIOM PROPERTIES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Axiom Properties Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

(ii) 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 *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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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.

Investment in Point Data Holdings Pty Ltd

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
The Group made a substantial investment in Point Data Holdings Pty Ltd during the year ended 30 June 2023. Recognition and measurement of this investment was determined to be a key audit matter because the initial recognition and measurement involves a degree of complexity and management judgement and the resulting investment in Associate recognised in the consolidated statement of financial position is material and important to the understanding of the financial statements as a whole.	Our audit procedures included, amongst others: • Critically evaluating management's assessment of the classification of Point Data Holdings Pty Ltd as an Associate and whether they have significant influence over the investee; • Performing specific audit procedures on the underlying financial information of the investee.

Measurement of receivable associated with rental guarantee

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
Project practical completion at the Butler Central Homemaker Centre was achieved during the year ended 30 June 2023. Under the Development Management Agreement, a Rental Guarantee is in place. As vacant tenancies are filled, Axiom is entitled to recover an amount equal to the associated contracted rental amounts, with any shortfall paid to the customer. Axiom has recognised the receivable to the extent it expects to recover the Rental Guarantee based on their forecast of filling the remaining tenancies. Measurement of the amount recoverable was determined to be a key audit matter because it involves a degree of complexity and management judgement. Furthermore, the resulting receivable recognised in the consolidated statement of financial position is material to the financial statements as a whole.	Our audit procedures included, amongst others: • Assessing the terms and conditions of the contract to evaluate the appropriateness of accounting for the Rental Guarantee; • Evaluating management's assessment of the final anticipated shortfall with reference to the relevant terms and conditions of the executed contract; • Critically evaluating underlying assumptions used to determine the expected other receivable associated with the Rental Guarantee, such as rental forecasts and anticipated timing of tenancy.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group 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 this 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 (http://www.auasb.gov.au/Home.aspx) at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 in pages 20 to 24 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Axiom Properties Limited, for the year ended 30 June 2023, 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.

BDO

BDO Audit Pty Ltd

Andrew Tickle
Director

Adelaide, 17 August 2023

Australian Securities Exchange Information

TOP TWENTY SHAREHOLDERS

The percentage of the total holding of the 20 largest shareholders, as shown in the Company's Register of Members as at 17 August 2023 is 87.55% (2022: 87.23%) and the names and number of shares are as follows:

NAME	NUMBER	PERCENTAGE OF TOTAL SHAREHOLDINGS
PIVOT GROUP PTY LTD	163,794,093	37.85%
ORIENTAL UNIVERSITY CITY HOLDINGS (HK) LTD	82,250,000	19.01%
STARTREND INVESTMENTS PTY LTD	33,300,000	7.70%
STARTREND INVESTMENTS PTY LTD	11,500,000	2.66%
EWOH PTY LTD <WEATHERED HOWE PENSION A/C>	9,290,450	2.15%
BEEJAYEL PTY LTD <BEEJAYEL SUPERFUND A/C>	8,800,000	2.03%
BEEJAYEL PTY LTD <BEEJAYEL SUPER FUND A/C>	8,749,341	2.02%
STARTREND INVESTMENTS PTY LTD <STARTREND INVESTMENTS A/C>	6,641,834	1.53%
CALAMA HOLDINGS PTY LTD <MAMBAT SUPER FUND A/C>	6,591,591	1.52%
BEAUVAIS PTY LTD <JOHN BISHOP FAMILY A/C>	6,000,000	1.39%
MR MILTON YANNIS	5,549,924	1.28%
SEAMIST PTY LTD	5,250,000	1.21%
OAKMOUNT NOMINEES PTY LTD <NARROMINE SUPER FUND A/C>	5,176,500	1.20%
MS LEANNE ROUVRAY <ROUVRAY FAMILY A/C>	5,000,000	1.16%
BEEJAYEL PTY LTD <BEEJAYEL SUPER FUND A/C>	4,500,000	1.04%
PLS & BAJ PTY LTD <JAMISON &SANTINON FAMILY A/C>	4,075,000	0.94%
TEEPEE INVESTMENTS PTY LTD	3,500,000	0.81%
BHMB NOMINEES PTY LTD <BHMB FUND A/C>	3,123,452	0.72%
WHIMPLECREEK PTY LTD <STAWELL FAMILY A/C>	3,012,401	0.70%
MR EDWARD JAMES STEPHEN DALLY + MRS SELINA DALLY <LEKDAL FAMILY A/C>	2,741,174	0.63%
	377,845,760	**87.55%**

The substantial shareholders' notices received by the Company as at 17 August 2023 are:

SHAREHOLDER	No. of Shares advised
Peter Laurance	163,774,093
Oriental University City Holdings (HK) Ltd	82,250,000
Ben Laurance	74,891,175

DISTRIBUTION OF SHAREHOLDERS AS AT 17 AUGUST 2023

There were 465 shareholders holding issued ordinary shares in the Company which were distributed among shareholders as follows:

CATEGORY	No. of Shareholders
1-1,000	24
1,001-5,000	9
5,001 – 10,000	30
10,001-100,000	269
100,001- and over	115
	447

There were 70 shareholders with less than the marketable parcel (12,821 shares).

VOTING RIGHTS

On a show of hands, every member present in person or by proxy or attorney or duly appointed representative shall have one vote. On a poll, every member present as aforesaid shall have one vote for each share of which the member is the holder.

ABN 40 009 063 834

Contact

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