ASX CODE

AXI

ISSUED CAPITAL

Ordinary Shares
432.7 M

CONTACT

South Australia

Level 1, Leigh Chambers
20 Leigh Street
Adelaide SA 5000

GPO Box 1248
Adelaide SA 5001

Phone: (08) 8120 2400
Email: paul@axiompl.com.au

New South Wales

Suite 2007, Level 20
Australia Square 264-278 George Street
Sydney NSW 2000

Phone: (02) 8318 4700
Email: ben@axiompl.com.au

AXIOM PROPERTIES LIMITED

18 August 2021

ASX ANNOUNCEMENT

APPENDIX 4E AND ANNUAL REPORT – 30 JUNE 2021

Adelaide, Australia, Wednesday 18 August 2021: 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 2021.

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 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. Axiom's current portfolio of development opportunities include a major mixed-use residential, retail and carparking complex in Sydney's Double Bay, a mixed-use hotel and office development in Adelaide's CBD and a 600-lot residential subdivision in Mt Barker in the Adelaide Hills. The end value of the current pipeline exceeds $800m.

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 2021	Year ended 30 June 2020

Results for announcement to the market

				$A'000
Revenues from ordinary activities	up/~~down~~	10,595%	to	59,787
Profit from ordinary activities after tax attributable to members	up/~~down~~	3,214%	to	12,161
Net Profit for the period attributable to members	up/~~down~~	3,214%	to	12,161

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
2020–2021

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 (SA) 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


62

Chairman's Statement

Dear Shareholder

It is very pleasing to record that the profit for the 2020/2021 financial year was $12.161 million. This represents a record profit for your Company and was brought about by the Company achieving a number of important milestones.

As a result of the Company's success the Directors felt it important to reward our loyal shareholders during the year with a 1.5 cents return of capital payment which cost the company approx. $6.5million.

Construction continued during the year of our company-making project to deliver the State Emergency Centre and Safecom development for the South Australian Government. It is pleasing to record that as at 30th June, 2021 the development is on budget and time for completion before the 2021/2022 bushfire season. Shortly after the end of the financial year the multi-story carpark (part of the overall development) was opened with all 511 bays operational.

This major project was sold to Charter Hall for $80 million during the year on a fund through basis.

The Glenlea residential development at Mt. Barker in South Australia continued to impress. 74 lots were sold during the year, the purpose built sales centre opened and in a major development a 10 hectare parcel of land was sold to the Living Choice company to develop a Lifestyle Village. This $5.5 million sale is expected to settle in Q1 of 2022.

The company's newest project is the Large Format Retail Centre at Butler in Perth's Northern Suburbs. This $50 million development has commenced following settlement of the land with Woolworths for $9.6 million in June. The successful builder, ADCO has commenced work on site.

Our Management team continues to build on our development pipeline of projects which will underpin Axiom's future going forward.

The Directors join me in extending our thanks and appreciation to Managing Director, Ben Laurance, General Manager, Paul Rouvray and Chief Financial Officer, Paul Santinon.

2020/2021 has been a very rewarding year for the company.

Ian Laurance AM
Chairman

Managing Director's Review

Dear Shareholder

It is especially pleasing to report a full year profit result of $12.161m for this financial year – a result that reflects in large part, the crystallisation of the latest cycle of the Company's development projects coming to fruition.

The Board and executive management team are committed to delivering on its core capability of sourcing, de-risking and delivering quality property development opportunities. In the current economic climate, characterised by low interest rates for the foreseeable future, an increasing investor appetite for recurring income backed by strong covenants and solid property fundamentals, and substantial capital inflows from domestic and international sources, the Company believes that is current portfolio of projects is poised to continue to deliver enhanced returns for its shareholders. Additionally, the executive team are confident of attracting and sourcing new opportunities to the pipeline but remain disciplined in their approach to securing new projects.

As well as reviewing new opportunities this past year, the Company has been focused on delivering on its current portfolio as detailed below. The demand from the investment community for the Group's completed projects, and its ability to produce investment grade product, has placed the Company in a strong position to continue delivering on its core competency and allows the Company to recycle and deploy its equity into new opportunities.

World Park
Fringe Adelaide CBD, SA

The Emergency Services State Control Centre remains a key "Building What Matters" project for the Government of South Australia. The new Emergency Services State Control Centre building will provide a much-needed facility for emergency services staff and volunteers, offering unprecedented command and control capabilities for the CFS, SES and MFS within a purpose-built earthquake resilient centre featuring backup power, water and wastewater storage and technology redundancies.

The Company continues to work with all stakeholders on delivery of the project. Despite the impacts of Covid-19 and Suez Canal related supply chain delays and construction industry shutdowns, the construction team lead by Pike Constructions remains on target to deliver a world class facility to the South Australian Government in time for the 2021 / 2022 bushfire season.

As announced on 17 December 2020, the Company settled the first tranche of the $80 million sale of Worldpark to Charter Hall for $23 million which allowed the Company to reward shareholders with a 1.5c capital return paid in April this year. Under the terms of the sale agreement, Charter Hall funded all construction works on the site on a progressive basis. The Company expects the development profit and final tranche of $10.5m (approx.) to be paid in November upon practical completion, with a further $2.5m expected to be paid on completion of the first year anniversary of the completed building in Nov 2022.

Managing Director's Review (Continued)

Glenlea Estate
Mt Barker, SA

The Glenlea Estate at Mt Barker, SA continues to experience significant demand, fuelled largely by Government stimulation and purchasers' appetite for the lifestyle and product the Company is delivering.

During the year, the Company and its partner completed construction of stage 1b and 1c which consisted of 43 and 14 allotments respectively. As a result of selling 96% of the stage 1b and 1c allotments, the Company and its partner immediately commenced design and will soon commence construction of minor stages 1d and 2a to bring to market a further 19 allotments adjacent to stage 1b and 1c, which will be completed and ready for settlement early to mid-2022. Despite many of last year's Government stimulatory incentive measures now finishing, demand for land continues to be strong and the Company is confident that its next stage sales campaign will secure the required pre-sales to meet BankSA finance conditions.

As announced on 4 March 2021, the Company along with its Joint Venture Partner announced that it had reached conditional agreement with Living Choice to sell circa 10 hectares of land for $5.5m to develop an Over 55's Lifestyle Community. The contract settlement remains conditional on the parties agreeing an infrastructure agreement and receiving development approval for the lifestyle village to the parties' satisfaction. Development Approval is currently in with Mt Barker Council and is still expected to occur towards the end of CY2021.

The Company and its Joint Venture Partner are excited by the next phase for Glenlea Estate which remains Mount Barker's most beautiful land estate with over 7 hectares of preserved open space, natural woodlands, reserves, walking trails and play areas.

Butler
WA

As foreshadowed in its announcement on 9 June 2021, the Company satisfied itself of all outstanding purchase conditions and subsequently settled the property with Woolworths' development arm, Fabcot on 24 June 2021. The Company funded the land purchase from cash reserves.

Despite the challenges of the pandemic and border closures, the Company is pleased with its pre-leasing campaign with terms now agreed on approximately 60% of the available space. The centre will be anchored by a 2,400sqm "The Good Guys" discount electrical warehouse store, a 2,000sqm Goodlife Gym, Beacon Lighting, Autobarn, Supplement Mart and Autobahn. With the support of its local WA agent Vend Property, the Company continues to invest in its marketing campaign and is confident more agreements will be entered into during construction, such that the Centre is expected to be fully leased at completion.

Subsequent to year end, the construction price has been negotiated and agreed with national contractor ADCO Constructions and the parties have subsequently agreed to enter into a design and construct contract. Construction commenced on-site in August 2021, and completion is expected in May 2022 to align with handover to the major pre-committed tenants.

Also subsequent to year end, the Company mandated BankSA as the developments preferred financier and is working with the valuer and certifier to satisfy all finance condition precedents for the project construction financing.

Managing Director's Review (Continued)

Churchill Centre North

During the year the Company sold its remaining 1,9300,000 units of its units in the trust at $1 per unit. The divestment of the Company's interest in Churchill Centre North marked the end of a 10-year project for the Company. Churchill Centre remains a dominant sub-regional retail centre in South Australia which still includes South Australia's only Costco store as well as one of the State's first Aldi stores. The Company is very proud of being able to conceive, design and deliver this flagship retail project in the South Australian market.

Currie St, Adelaide CBD

This project has experienced prudent delays due to the uncertainty surrounding state and international border closures and the consequential effects on the tourism and hotel markets. However, the partners and stakeholders remain committed to the project and negotiations with prospective commercial users for the office component of the mixed-use project have re-commenced given the current state of the South Australian economy in handling the pandemic and its prospects for emerging from it. The Board expects pre-leasing activities in the office markets to normalise as the path out of the Covid19 pandemic continues to become clearer.

Outlook

We remain confident and comfortable with the strategy of continuing to deliver on the existing portfolio of property projects, combined with sourcing and evaluating new opportunities, underpinned by the ability to effectively manage the risks associated with our development activities. The securing of the long term State Government commitment to the Company's Worldpark project (May 2020) and the signing of major national and international retailers to pre-commit it's Butler Large Format Retail project in WA is testament to the Group's ability to attract high quality covenants and pre-commitments to its projects which underpin the viability of each project and de-risk the development process.

As we head into the current financial year, delivery on the current portfolio (Safecom, Butler, Glenlea Estate Mt Barker) is a key focus, and is expected to deliver substantial unrealised gains for the Company. On completion these current projects are expected to provide the Company with a significant enhancement to its financial position through growth in the NTA and capturing inherent upside in its development pipeline projects. Equally, the executive team is evaluating a number of strategic new opportunities through its disciplined and rigorous evaluation process to deploy its capital into prudent developments to deliver superior returns on capital for Shareholders.

Lastly, may I add my ongoing thanks and appreciation to our shareholders for their continued support, as well as adding my sincere thanks to my fellow Directors on the Axiom Board and executive team led by Paul Rouvray and CFO Paul Santinon, as well as our network of consultants and advisors for their assistance and dedication throughout the year.

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 2021. 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.

Director's Report (Continued)

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.

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 possesses 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 17 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 organisation and for improving leadership strength.

Additionally, she has also integrated functional strategies, utilising 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.

Director's Report (Continued)

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 15 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	–	72,588,053	–	–
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.

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.

Director's Report (Continued)

Operating and Financial Review

Financial Results

The Company's financial performance was a key focus of the Board as the challenges presented by the COVID-19 pandemic continued during the 2021 financial year. The Company's 2021 recorded profit after tax of $12.161 million highlights the Company's resilience to capital market swings and is up on the previous year's profit (30 June 2020: $367,000 after tax). This profit is largely representative of the income derived from developing the State Emergency Services Command Centre for the South Australian Government at the Company's World Park development.

Throughout financial year 2021 the Company remained disciplined in its capital management while selecting to invest in projects with solid development fundamentals. As a result of these activities, the Company continued to maintain a strong and conservative financial position as well as being able to deliver a return of capital to shareholders on crystallising equity returns through prudent sales.

Key financial position movements include an increase in cash reserves and contract assets driven by sale of World Park Emergency Services State Control Centre precinct, and an increase in investments as a result of accelerated realisation of land lots developed in Mt Barker. Primarily as a result of these movements the Company's net tangible asset backing increased by 1.1 cents per share and earnings by 2.73 cents per share from 30 June 2020 to 30 June 2021.

Business Overview

World Park 01, Keswick SA

Project status: Under Construction
Expected project cost (excluding Land): $53m
Ownership: Sold to Charter Hall Social Infrastructure REIT for $80m

During the year the Company achieved financial close and commenced construction of its South Australian Emergency Services Headquarters on Adelaide's CBD fringe. The asset was then sold on a fund through basis to Charter Hall Social Infrastructure REIT for $80m, reflecting a passing yield of 4.8%. The development is on track and on budget to be completed and handed over to the South Australian Government in time for the 2021 / 2022 bushfire season. The Company will also receive final development payment from Charter Hall on practical completion and handover.

Axiom retains a 5 year development right over the surplus land, equating to approximately 1,200 sq.m and capable of accommodating another State Government facility of approximately 4,500 sq.m of net lettable area for a future ancillary use.

Director's Report (Continued)

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


Glenlea Estate, Mt Barker

During the year, the Company and its partner completed construction of stage 1b which consists of 43 allotments. As a result of selling and settling 42 of the stage 1b allotments, the Company and its partner commenced construction of stage 1c and brought to market a further 14 allotments adjacent to stage 1b, which were completed in May 2021. 13 of these allotments were contracted during construction with settlements commencing thereafter. The Company and its partner continue to sell the remaining allotments available which are ready for immediate settlement.

Proceeds from sales are being used to progressively pay back the BankSA development finance facility.

Director's Report (Continued)

Operating and Financial Review

Business Overview

Mt Barker, SA

Glenlea, Mt Barker

During the year the Company announced along with its Joint Venture Partner that is had reached conditional agreement with Living Choice to sell circa 10 hectares of land for $5.5m to develop an Over 55's Lifestyle Community. The parties continue to work together to meet the conditions precedent to allow settlement, which is expected to occur early FY2022.

The new onsite sales suite funded by the Company was completed and opened during the year. The suite was designed and constructed by Custom Built New Homes and is essentially a luxury home that now serves as the onsite sales hub for the Glenlea project. Subsequent to year end the home was contracted on a sale and leaseback arrangement for 4 years at a 6% yield, with the Company set to receive its construction cost funding back on settlement.

The Company and its Partner are working on plans to develop the next stage of flat and benched allotments which is likely to commence September 2021, subject to appropriate Council and finance approvals being in place.

Director's Report (Continued)

Operating and Financial Review

Business Overview

Butler, WA

Project status: Under Construction
Expected project cost (excluding Land): $29m
Ownership: 100%

Artist impression proposed Butler large format retail centre and existing Woolworths retail centre, Butler

The Company settled the property with Woolworths' development arm, Fabcot on Thursday 24th June, funded from cash reserves. Subsequent to year end the Company agreed to enter into a design and construct contract with ADCO and construction commenced in July, which is due for completion in May 2022. The Company has mandated BankSA to provide construction funding and is well placed to achieve financial close in the coming months as construction gets underway.

The project is approximately 60% pre-committed with some of Australia's strongest large format retailers and the Company is confident of committing the balance prior to completion of construction.

Director's Report (Continued)

Operating and Financial Review

Business Overview

Currie St, Adelaide SA

Project status: Uncommitted
Expected project cost (excluding Land): $120m
Ownership: 50/50 Joint Venture

Currie St, Adelaide

The Company and its partner continue to work with QT Hotels on the hotel as well as continue to search for prospective commercial users for the office component of the mixed-use project.

PARKD Limited

Subsequent to year end the Company announced it had entered into a Heads of Agreement with PARKD Limited (ASX:PKD) to jointly source and investigate opportunities for developing and constructing development projects underpinned by strong car parking demand in Australia. The Board expects the partnership will unlock not only carparking but also other multi-use development opportunities.

Operating and Financial Review

Outlook

Office

Lockdowns and border closures forced an adoption of remote working during the last year. This has seen office vacancy in most capital cities increase. Despite the move to working from home, it is also exposing new social risks which is creating opportunities. Workers are said to be experiencing an increased amount of virtual fatigue, or burn-out, and are increasingly wanting to get back to the office most of the time. This suggests that offices will be more important now than ever before as the centre of the work ecosystem and that outstanding office environments will remain a critical way to engage employees.

Retail

The last couple of years have been a monumental disruption for retailers. COVID-19 has accelerated the adoption of business trends and changes to consumer sentiments. The omnichannel model of many of the large format retailers has provided an opportunity to repurpose and reorganise the fulfilment supply chain to dramatically shorten reaction times and catch up to customer driven changes in service needs. It has enabled large format retailers to continue to provide consumers with instant and tangible bricks and mortar retail experiences, supplemented by growing online sales.

Anecdotally, large format retailers have benefited enormously from the COVID-19 pandemic as consumers are spending more time at home, and on their home. This impetus, as well as the large format retailing stores having larger footprints enabling more store customers, has driven a lot of retailers to record strong revenues and trading conditions.

Residential

During the year, Government policy responses such as the home builder grant appeared to alleviate uncertainty regarding the direct and indirect impacts of COVID-19 on the property market. Combined with the decline in mortgage interest rates, the result has been a dramatic price rise in residential property demand and pricing.

Despite market commentary that price growth is expected to temper over the next 2 to 3 years as lower population growth, reversion back to equilibrium and higher mortgage lending rates weigh on property prices, demand and house prices are still expected to be higher than would have been the case in the absence of COVID-19.

General Economy

Broadly, the labour market in financial year 2021 continued to show strength across a range of key indicators with Australia recording its lowest unemployment rates for a decade. Conversely, Australia's GDP is likely to drop on the back of extended recent COVID-19 lockdowns and restrictions. However, given the resilience shown in the domestic economy from previous lockdowns, sustained low lending rates and increased savings should enable a continuation in spending in the short term.

The government announced as part of the 2021 budget, commitments of $15.2bn over 10 years for road, rail and community infrastructure projects, as part of its stimulus measures to support employment in the post-pandemic economy. It is designed to create local jobs and boost productivity, with significant amounts of spending to be complementary and supportive of the Company's development pipeline. The Directors and Executives are therefore of the view that Company's projects will continue to generate profits to allow continued returns to shareholders.

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 14–18 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 2021. 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.

Director's Report (Continued)

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 $85,000 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 $540,000 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 $62,000 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 $384,000 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 2021

	Short-term employee benefits			Post-employment benefits	Long-term benefits	Share-based payments		Proportion of remuneration that is performance based
2020	Cash salary and fees	Cash bonus	Non-monetary benefits	Superannuation	Long service leave	Performance Rights	Total	
Directors	$	$	$	$	$	$	$	%
I J Laurance AM	85,000	–	5,196	8,075	–	–	98,271	–
J S Howe	62,000	10,000	–	5,890	–	–	77,890	13%
Y C Liu	55,000	–	–	–	–	–	55,000	–
D G L Chung	–	–	–	–	–	–	–	–
B P Laurance	540,000	150,000	–	51,353	23,781	–	765,134	20%
Other KMP								
P J Rouvray	384,000	150,000	27,261	36,533	16,911	–	614,705	24%
Total KMP compensation	1,126,000	310,000	32,457	101,851	40,692	–	1,611,000	

Table 2: Directors' and other KMP's remuneration for the year ended 30 June 2020

	Short-term employee benefits			Post-employment benefits	Long-term benefits	Share-based payments		Proportion of remuneration that is performance based
2019	Cash salary and fees	Cash bonus	Non-monetary benefits	Superannuation	Long service leave	Performance Rights	Total	
Directors	$	$	$	$	$	$	$	%
I J Laurance AM	83,602	25,000	9,468	7,942	–	–	126,012	20%
J S Howe	60,882	10,000	–	5,784	–	–	76,666	13%
Y C Liu	55,000	–	–	–	–	–	55,000	–
D G L Chung	–	–	–	–	–	–	–	–
B P Laurance	531,754	200,000	–	50,540	(9,424)	–	772,870	26%
Other KMP								
P J Rouvray	377,816	200,000	27,260	35,910	2,378	–	643,364	31%
Total KMP compensation	1,109,054	435,000	36,728	100,176	(7,046)	-	1,673,912	

Remuneration Report

Remuneration of Directors and other KMP

Table 3: Cash bonuses for the year ended 30 June 2021

Cash bonuses granted to MR J S Howe, Mr B P Laurance and Mr P J Rouvray were paid in two instalments on 23 December 2020 and 6 January 2021 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 2021.

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	$	%	%	%	$	$
J S Howe	10,000	100%	0%	N/A	N/A	N/A
B P Laurance	150,000	100%	0%	N/A	N/A	N/A
Other KMP						
P J Rouvray	150,000	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 2019	Received as Remuneration	Rights Exercised	Net Change Other	Balance 30 June 2020
Directors					
I J Laurance	5,250,000	–	–	–	5,250,000
B P Laurance	72,038,053	–	–	550,000	72,588,053
J S Howe	9,290,450	–	–	–	9,290,450
D G L Chung	82,250,000	–	–	–	82,250,000
	168,825,503	–	–	**550,000**	**169,378,503**
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

Financial Report Date	Profit / (Loss) After Tax	Basic EPS Cents	Share Price cents	Return on Market Capitalisation %
30 June 2017	5,432	1.29	4.80	26.92%
30 June 2018	8,455	1.98	3.90	50.75%
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%

Other transactions with key management personnel

Integrated Event Delivery Management Pty Ltd, a Director related entity of Mr J S Howe, was reimbursed for Director required travel and accommodation costs. The expenses were reimbursed at cost. The total charged to the Company was $1,749 (2020: $1,821). Axiom was reimbursed for Adelaide office rental and outgoings costs. The expenses were reimbursed at cost. The total received by Axiom was $59,610 (2020: $60,687).

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 2021, 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	–	–	–
Y C Liu	10	8	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 (SA) 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 28 and forms part of the Directors' Report for the year ended 30 June 2021.

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 27 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

Subsequent to year end the Company agreed to enter into a building contract with ADCO Pty Ltd for $24m to construct the large format retail centre at its Butler site in Western Australia.

No other matter or circumstance has arisen since 30 June 2021 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: 18 August 2021

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

Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
www.bdo.com.au

BDO Centre
Level 7, 420 King William Street
Adelaide SA 5000
GPO Box 2018 Adelaide SA 5001
Australia

DECLARATION OF INDEPENDENCE

BY PAUL GOSNOLD

TO THE DIRECTORS OF AXIOM PROPERTIES LIMITED

As lead auditor of Axiom Properties Limited for the year ended 30 June 2021, 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.

Paul Gosnold
Director

BDO Audit (SA) Pty Ltd

Adelaide, 18 August 2021

2020/2021
Financial Statements

Statement of Comprehensive Income
For the Year Ended 30 June 2021

	Notes	Consolidated 2021 $'000	Consolidated 2020 $'000
Revenue from contracts with customers	2(a)	59,787	559
Cost of Sales		(45,786)	(264)
		14,001	295
Other income	2(b)	234	3,514
Share of net profit/(loss) of equity accounted investments	2(c)	267	(87)
Employee benefits expense	2(e)	(2,016)	(2,424)
Depreciation and amortisation expense	2(f)	(229)	(233)
Finance costs	2(g)	(46)	(60)
Other expenses	2(d)	(890)	(638)
Profit before income tax benefit		11,321	367
Income tax expense/(benefit)	3	840	-
Profit for the year		12,161	367
Other comprehensive income for the year		-	-
Total comprehensive income for the year		12,161	367
Basic earnings per share (cents per share)	5	2.81 cents	0.08 cents
Diluted earnings per share (cents per share)		2.81 cents	0.08 cents

The accompanying notes form part of these financial statements

Statement of Financial Position as at 30 June 2021

	Notes	Consolidated 2021 $'000	Consolidated 2020 $'000
Current Assets			
Cash and cash equivalents	6	9,127	3,646
Trade and other receivables	7	1,392	88
Contract Assets	8	13,882	-
Other financial assets	9	3,038	3,572
Other assets	10	53	33
		27,492	7,339
Assets Classified as held for sale	11	-	1,930
Total Current Assets		27,492	9,269
Non-Current Assets			
Trade and other receivables	7	488	418
Right of use assets	12	607	823
Inventory	13	10,528	14,303
Other assets	10	359	1,081
Investment properties	14	-	269
Investments accounted for using the equity method	15	1,401	1,134
Deferred tax assets	3	840	-
Total Non-Current Assets		14,223	18,028
Total Assets		41,715	27,297
Current Liabilities			
Trade and other payables	16	9,786	867
Lease Liabilities	17	220	201
Provisions	18	323	297
Borrowings	19	-	-
Total Current Liabilities		10,329	1,363
Non-Current Liabilities			
Lease Liabilities	17	441	657
Borrowings	19	-	-
Total Non-Current Liabilities		441	659
Total Liabilities		10,770	2,022
Net Assets		30,945	25,275
Equity			
Issued capital	20	47,949	54,440
Accumulated losses		(17,004)	(29,165)
Total Equity		30,945	25,275

The accompanying notes form part of these financial statements

Statement of Changes in Equity For the Year Ended 30 June 2021

Consolidated	Issued capital	Accumulated losses	Reserves	Total
	$'000	$'000	$'000	$'000
Balance as at 1 July 2020	**54,440**	**(29,165)**	**-**	**25,275**
Profit for the year	-	12,161	-	12,161
Total comprehensive income for the year	-	12,161	-	12,161
Return of capital	(6,491)	-	-	(6,491)
Balance at 30 June 2021	**47,949**	**(17,004)**	**-**	**30,945**
Balance as at 1 July 2019	**54,440**	**(29,532)**	**-**	**24,908**
Profit for the year	-	367	-	367
Total comprehensive income for the year	-	367	-	367
Balance at 30 June 2020	**54,440**	**(29,165)**	**-**	**25,275**

The accompanying notes form part of these financial statements

Statement of Cash Flows
For the Year Ended 30 June 2021

	Notes	Consolidated 2021 $'000	Consolidated 2020 $'000
		Inflows / (Outflows)	
Cash flows from operating activities			
Receipts from customers		50,621	605
Payments to suppliers and employees		(4,559)	(3,026)
Payment of project development costs		(20,039)	(4,368)
Purchase of inventory		(15,995)	-
Interest received		42	114
Finance costs		(5)	(60)
Net cash used in operating activities	6(ii)	10,065	(6,735)
Cash flows from investing activities			
Investment in joint venture		(559)	(138)
Distributions Received		84	361
Purchase of fixed interest securities		(3,038)	(3,572)
Sale of fixed interest securities		3,572	-
Proceeds from sale of non-current assets		173	-
Proceeds from sale of units in investment trust		1,930	4,720
Net cash provided by investing activities		2,162	1,371
Cash flows from financing activities			
Repayment of Lease Liabilities		(255)	(197)
Repayment of borrowings		(5,168)	-
Proceeds from borrowings		5,168	-
Return of capital		(6,491)	-
Net cash used in financing activities		(6,746)	(197)
Net increase / (decrease) in cash and cash equivalents		5,481	(5,561)
Cash and cash equivalents at beginning of year		3,646	9,207
Cash and cash equivalents at end of year	6(i)	9,127	3,646

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 following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)
The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

(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 18 August 2021.

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.

(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	
	2021	2020
	$'000	$'000
(a) Revenue from contracts with customers		
Sales income	59,458	264
Rental income	75	239
Development fee income	254	56
	59,787	559

Disaggregation of revenue

Timing of revenue recognition		
Goods transferred at a point in time	25,789	264
Good and services transferred over time	33,928	295
	59,787	559

All revenue transferred at a point in time is within the Development segment. Revenue transferred over time relates to the Development segment (2021: $33,868,000, 2020: $229,000) and the Corporate segment (2021: $60,000, 2020: $66,000).

Geographical regions

All revenue is derived from within Australia

(b) Other income		
Interest received	27	109
Distributions	55	309
Reversal of impairment - inventory	-	3,022
Other income	152	74
	234	3,514

(c) Share of profit/(loss) from equity accounted investments		
Share of profit/(loss) from MB Estate Pty Ltd	267	(87)

(d) Other expenses		
Audit and accountancy fees	209	165
Legal and consultancy fees	236	90
Insurances	138	102
Rent and outgoings	6	7
Travel and accommodation	24	109
Other expenses	277	165
	890	638

NOTE 2: REVENUE AND EXPENSES (continued)

	Consolidated	
	2021	**2020**
	$'000	**$'000**
(e) Employee benefits expense		
Employee benefits expense includes the following specific amounts:		
Superannuation expense	86	97
(f) Depreciation		
Depreciation – Land and buildings - right-of-use	219	216
Depreciation – Motor Vehicles – right-of-use	10	16
	229	232
(g) Finance Costs		
Interest and finance charges on lease liabilities	42	52
Interest and finance charges on cash and borrowings	4	8
	46	232

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. Tranche 1 was recognised at a point in time upon financial settlement of the land and capital improvements value as at 17 December 2020. Sales income received monthly from Charter Hall on a fund through basis for construction since 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.

Interest income

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Revenue - estimates

Judgement is exercised in determining the proportion of the Worldpark development completed at the end of the reporting period. A degree of variability exists in the total expected cost of the development which has a direct bearing on the amount of revenue recognised in the period.

NOTE 3: INCOME TAX EXPENSE

	Consolidated 2021 $'000	Consolidated 2020 $'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	11,321	367
Income tax expense/(benefit) calculated at 30% (2020: 27.5%)	3,396	101
Adjusted for tax effect of:		
Non-deductible expenses	51	7
Non – assessable income	(15)	(14)
Current year tax losses not recognised as deferred tax assets	1,091	771
Recognition of deferred tax asset on unused tax losses	(840)	-
Other deferred tax assets and tax liabilities not recognised	(4,523)	(865)
Income tax expense/(benefit) applicable to ordinary activities	(840)	-

b) Deferred tax balances

	2021 $'000	2020 $'000
Deferred tax assets comprise:		
Losses available for offset against future taxable income – revenue	10,409	10,732
Properties	50	55
Impairment of inventory	-	-
Leases	165	237
Provisions and accruals	84	85
	10,708	11,109
Set off of tax	(3,640)	(682)
	7,068	10,427
Deferred tax assets not recognised	6,228	10,427
Deferred tax assets recognised at year end	840	-

Deferred tax assets have been recognised to the extent of deferred tax liabilities and historical tax losses that are expected to be recouped in relation to taxable profit from the completion of the SAFCOM development. 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.

	2021 $'000	2020 $'000
Deferred tax liabilities comprise:		
Provisions and accruals	-	(30)
Contract asset	(3,471)	-
Leases	(152	(226)
Construction expenditure capitalised	-	(406)
Other	(18)	(20)
	(3,640)	(682)
Set off of tax	3,640	682
Net deferred tax liability	-	-

During the 2020 income tax year the Company had an aggregate turnover of less than $50m and therefore the base rate entity company tax rate applied. For the 2021 income tax year the Company has an aggregate turnover of greater than $50m so the Corporate Tax rate of 30% 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 2022 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 2021.

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.

Significant Judgement - Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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 2020 and 30 June 2021.

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 Property and Development. Corporate is not considered a segment but rather a reconciling category.

	Continuing operations			
	Investment Property $'000	**Development $'000**	**Corporate $'000**	**Consolidated $'000**
30 June 2021				
Segment revenue	-	59,727	60	59,787
Other Income	55	-	179	234
Share of net profit/(loss) of equity accounted investments	-	267	-	267
Segment expenditure	(96)	(45,951)	(i) (2,920)	(48,967)
Results from continuing operations	**(41)**	**14,043**	**(2,681)**	**11,321**
Included within segment result:				
Rental revenue	-	16	60	76
Depreciation	-	-	229	229
Interest income	-	-	26	26
Finance costs	-	-	46	46
Segment total assets	-	35,142	(ii) 6,573	41,715
Total assets include:				
Equity Accounted Investments	-	1,401	-	1,401
Segment liabilities	-	9,641	1,129	10,770
Capital Expenditure	-	9,523	-	9,523

NOTE 4: SEGMENT INFORMATION (continued)

	Continuing operations			
	Investment Property $'000	Development $'000	Corporate $'000	Consolidated $'000
30 June 2020				
Segment revenue	-	493	66	559
Other income	309	3,022	183	3,514
Share of net profit/(loss) of equity accounted investments	-	(87)	-	(87)
Segment expenditure	-	(277)	(i)(3,342)	(3,619)
Results from continuing operations	**309**	**3,151**	**(3,093)**	**367**
Included within segment result:				
Rental revenue	-	173	66	239
Depreciation	-	-	233	233
Interest income	-	-	109	109
Reversal of impairment	-	3,022	-	3,022
Finance costs	-	2	58	60
Segment total assets	2,227	17,024	(ii) 8,046	27,297
Total assets include:				
Equity Accounted Investments	-	1.134	-	1,134
Assets classified as held for sale	-	1,930	-	1,930
Segment total liabilities	-	701	1,321	2,022
Capital Expenditure	43	4,337	-	4,380

(i) Corporate Expenditure Summary

	2021 $'000	2020 $'000
KMP and employee benefits expense	2,016	2,424
Audit and accounting expense	209	165
Consultants	59	87
Insurance	138	102
Legal	18	3
Office rent and outgoings	7	7
Other	473	554
	2,920	3,342

(ii) Corporate Asset Summary

	2021 $'000	2020 $'000
Cash and cash equivalents	2,020	3,590
Other financial assets	3,038	3,572
Right of use assets	607	823
Deferred tax asset	840	-
Other	68	61
	6,573	8,046

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	
	2021	**2020**
	Cents per share	**Cents per share**
Basic earnings per share	2.81	0.08
Diluted earnings per share	2.81	0.08

	2021 Number	**2020 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	
	2021 $'000	**2020 $'000**
Cash at bank and on hand	9,127	3,646
	9,127	3,646

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	
	2021 $'000	**2020 $'000**
Cash and cash equivalents	9,127	3,646

(ii) Reconciliation of profit/(loss) for the year to net cash used in operating activities

	Consolidated	
	2021	**2020**
	$'000	**$'000**
Operating profit for the year after tax	12,161	367
Share of net (profit)/loss of joint ventures	(267)	87
Project expenditure no longer pursued	60	-
Impairment reversal on inventory	-	(3,021)
Expenditure on development assets	-	(706)
Depreciation, amortisation and finance costs	271	233
Distributions recorded as investing activities	(55)	(361)
(Increase)/decrease in trade and other receivables	(805)	28
(Increase)/decrease in inventory	3,775	(4,082)
(Increase)/decrease in contract assets	(13,882)	-
(Increase)/decrease in other assets	702	-
(Increase)/decrease in deferred tax assets	(840)	-
(Decrease)/increase in provisions	26	69
(Decrease)/increase in trade and other payables	8,919	651
Net cash used in operating activities	10,065	(6,735)

(iii) Non-cash investing and financing activities

	2021 $'000	**2020 $'000**
Additions to right-of-use assets	11	1,055

NOTE 6: CASH AND CASH EQUIVALENTS (continued)

(iv) Changes in liabilities arising from financing activities	2020 $'000	Right of Use asset additions and finance costs $'000	Net cash used in financing activities $'000	2021 $'000
Lease Liabilities	858	58	(255)	661

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated	
	2021 $'000	2020 $'000
Current		
Trade receivables	-	28
Accrued income	-	15
Advances to Related Parties	561	-
GST recoverable	831	45
	1,392	88
Non-Current		
Development Fee Receivable	488	418

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	
	2021	**2020**
Current	**$'000**	**$'000**
Contract Assets	13,882	-

Contract Assets recognises a proportion of revenue earned but not yet invoiced on the Worldpark development, based on the percentage of construction completed to date.

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	**2021 $'000**	**2020 $'000**
Fixed interest securities	3,038	3,572

Other financial assets are non-derivative financial assets that 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.

NOTE 10: OTHER ASSETS

	Consolidated	
	2021	**2020**
Current	**$'000**	**$'000**
Prepayments	53	33
Non-Current		
Land (development) at cost	279	279
Other development costs	-	403
Refundable deposits	80	399
	359	1,081

The land (development) and other development costs relate to expenditure incurred on the Company's existing pipeline projects including design and feasibility costs and development approval fees.

The refundable deposits are in accordance with the conditions in the land purchase contracts on the Butler development land.

NOTE 11: ASSETS CLASSSIFED AS HELD FOR SALE

	Consolidated	
	2021	2020
	$'000	$'000
Asset held for sale	-	1,930

During the year the Company sold the balance of its investment in the Churchill Centre North Investment Trust 1 at $1 per unit (1,930,000 units).

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

NOTE 12: RIGHT OF USE ASSETS

	Consolidated	
	2021	2020
	$'000	$'000
Office Space – right-of-use	1,037	1,037
Less: Accumulated depreciation	(433)	(216)
	604	821
Motor Vehicle – right-of-use	29	18
Less: Accumulated depreciation	(26)	(16)
	3	2
Total right-of-use assets	607	823

Additions to the right-of-use assets during the year were $10,664.

NOTE 12: RIGHT OF USE ASSETS (continued)

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 13: INVENTORY

	Consolidated	
	2021	**2020**
Non-Current	**$'000**	**$'000**
Land (development)	9,420	13,125
Built Form homes at cost	1,108	1,178
	10,528	14,303

On 10 November 2020 the Company announced it had reached agreement with Charter Hall Social Infrastructure REIT (ASX:CQE) to sell its new purpose-built South Australian Emergency Services State Control Centre and adjacent multi-deck carpark at Worldpark. The land was subsequently settled on 17 December 2020 and was transferred from inventory into cost of goods sold.

As disclosed in the June quarter Appendix 4C announced on 29 July 2021, the Company settled on land under contract in Butler WA for its large format retail project and holds a 100% interest.

Axiom is also funding 100% of strategic built form product within the Glenlea Mt Barker development and are for sale as house and land packages. Axiom receives 100% of its home construction cost on settlement of the land.

Costs in relation to the acquisition and development of land that is being developed for sale, are capitalised and carried forward at cost, as inventories. As developed lots are settled the associated value of inventories is expensed to the statement of comprehensive income. Profits are brought to account on the contract of sale settlement.

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 14: INVESTMENT PROPERTIES

	Consolidated	
	2021	2020
	$'000	$'000
Investment property	-	269

The following table shows the reconciliation from the opening balance to the closing balance for investment properties:

	Francis St	Total
	$'000	$'000
Balance at 1 July 2020	269	269
Additions	-	-
Disposals	(269)	(269)
Balance at 30 June 2021	-	-

	Francis St	Total
	$'000	$'000
Balance at 1 July 2019	233	233
Additions	36	36
Disposals	-	-
Balance at 30 June 2020	269	269

Investment properties are those properties that are held to earn rental income or for capital appreciation, or both. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value with any change therein recognised in profit and loss.

A property interest under an operating lease is classified and accounted for on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Prospective lessees may be offered incentives as an inducement to enter into operating leases. These incentives may take various forms including cash payments, rent free periods or as a contribution to certain lease costs such as fitout costs or relocation costs. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

NOTE 15: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment Summary

Name of Entity	Type of Investment	2021 $'000	2020 $'000
MB Estate Pty Ltd	Joint Venture	785	518
Currie St Pty Ltd	Joint Venture	616	616
Total		**1,401**	**1,134**

Investments in joint ventures

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

Name of entity	Principal activity	Country of incorporation	Equity Participation Share 2021 %	Equity Participation Share 2020 %
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 2021 $'000	Consolidated 2020 $'000
Opening carrying amount	518	660
Contributions to joint venture	-	-
Share of net profit/(loss) of joint venture	267	(142)
Carrying value of the Group's interest in the joint venture	**785**	**518**

Axiom is responsible for initial equity contributions for the venture. The other party will contribute land and hold 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.

	Consolidated 2021 $'000	Consolidated 2020 $'000
Financial position		
Current assets	-	-
Non-current assets	4,531	7,765
Current liabilities	(2,253)	(447)
Non-current liabilities	(1,493)	(6,800)
Net assets	**785**	**518**

Financial performance	Consolidated 2021 $'000	Consolidated 2020 $'000
The group's share of total comprehensive income	267	(142)

NOTE 15: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

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

	Consolidated	
	2021 $'000	2020 $'000
Opening carrying amount	616	550
Contributions to joint venture	-	66
Carrying value of the Group's interest in the joint venture	**616**	**616**

[1]Axiom continues to have the right to contribute equity of up to $6 million to earn a 50% interest in the project, and will be responsible for delivering the development. Axiom also has the right to earn a development management fee during the project's life-cycle. Project costs are being shared equally between the joint venture parties.

	2021 $'000	2020 $'000
Financial position		
Current assets	-	-
Non-current assets	616	616
Current liabilities	-	-
Non-current liabilities	-	-
Net assets	**616**	**616**

	2021 $'000	2020 $'000
Financial performance		
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 16: TRADE AND OTHER PAYABLES

	Consolidated	
	2021	**2020**
Current	**$'000**	**$'000**
Trade payables (i)	5,671	676
Accrued expenses	4,115	191
	9,786	867

(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 17: LEASE LIABILITIES

	Consolidated	
	2021	**2020**
Current	**$'000**	**$'000**
Lease liabilities	220	201
Non-current		
Lease liabilities	441	657

NOTE 18: PROVISIONS

	Consolidated	
	2021	**2020**
Current	**$'000**	**$'000**
Employee benefits	323	297

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.

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.

NOTE 18: PROVISIONS (continued)

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 19: BORROWINGS

Assets pledged as security

	Consolidated	
The carrying amounts of assets pledged as security for current and non-current interest bearing liabilities are:	**2021 $'000**	**2020 $'000**
Fixed and floating charge		
Other financial assets	2,975	3,475
Inventory	-	13,125
Total assets pledged as security	2,975	16,600

(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 $6,405,000 (2020: $14,311,000), BankSA has taken a flawed asset arrangement over cash deposit of $2.975 million. Subsequent to year end, new finance terms have been agreed with Bank SA and the limited guarantee and indemnity for the facility limit has reduced from $6,405,000 to $5,285,0000. Finance conditions are continually being reviewed.

NOTE 20: ISSUED CAPITAL

	Consolidated	
	2021 **$'000**	**2020** **$'000**
432,713,658 (2020: 432,713,658) Ordinary shares issued & fully paid	47,949	54,440

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.

	2021		**2020**	
	Nos.	**$'000**	**Nos.**	**$'000**
Movement in ordinary shares on issue				
Balance at beginning of financial year	432,713,658	54,440	432,713,658	54,440
Return of capital	-	(6,491)	-	-
Balance at end of financial year	432,713,658	47,949	432,713,658	54,440

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 21: 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.

	Consolidated	
(b) Categories of financial assets and liabilities	**2021** **$'000**	**2020** **$'000**
Financial Assets at amortised cost		
Cash and cash equivalents	9,127	3,646
Trade and other receivables	1,392	506
Other financial assets	3,038	3,572
	13,557	7,724
Financial Liabilities at amortised cost		
Trade and other payables	9,786	866
Lease Liabilities	661	858
	10,447	1,724

NOTE 21: 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 has a 3-month term deposit of $3.038 million with BankSA which matures in September 2021. The Group is exposed to interest rate risk upon maturity of the term deposit. 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.

Interest Rate Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is a reasonable basis on which to base the sensitivity analyses.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables are held constant the Group's:

- Net profit before tax would increase by $15K (2020: increase $18K) or decrease by $10K (2020: decrease $18K). This is due to the Group's exposure to variable interest rates on its finance facilities.

(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 21: 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 2021	Balance at 30 June 2021 $'000	Ratings at 30 June 2020	Balance at 30 June 2020 $'000
Bank of South Australia Limited	AA-	12,165	AA-	7,218

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.

As at 30 June 2021, the group has a credit risk exposure with Charter Hall relating to the $13.882 million (2020: Nil) contract asset held in accordance with the World Park Development Management agreement in place. There are no guarantees against this contract asset but management continues to manage the project and is in regular contact with Charter Hall to mitigate risk.

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.

2021	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	0.08%	9,127	3,038	-	-	-	12,165
Non-interest Bearing	-	831	-	-	1,048	-	1,879
		9,958	3,038	-	1,048	-	14,044
Financial Liabilities							
Non-interest Bearing		9,786	-	-	-	-	9,786
Interest Rate Bearing Instruments	5.4%	19	36	165	441	-	661
		9,805	36	165	441	-	10,447
Net Financial Assets		153	3,002	(165)	607	-	3,597

NOTE 21: FINANCIAL INSTRUMENTS (continued)

2020	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	0.66%	3,646	3,572	-	-	-	7,218
Non-interest Bearing	-	45	28	-	418	-	491
		3,691	3,600	-	418	-	7,709
Financial Liabilities							
Non-interest Bearing		866	-	-	-	-	866
Interest Rate Bearing Instruments	5.4%	17	33	150	658	-	858
		883	33	150	658	-	1,724
Net Financial Assets		2,808	3,567	(150)	(240)	-	5,985

(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 22: COMMITMENTS AND CONTINGENCIES

Capital commitments

Future Group capital commitments as at 30 June are as follows:	Consolidated 2021 $'000	Consolidated 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Within one year	19,352	2,031	-	-
After one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
	19,352	2,031	-	-

Axiom World Park Pty Ltd as trustee for Axiom World Park Adelaide Trust (2021: $17,113,254, 2020: $1,250,907) has an agreement with Pike Constructions Pty Ltd to build the SAFECOM facility. In accordance with development management agreement the forecast rebate payable to Charter Hall on practical completion is $1,938,880.

Axiom Mt Barker Pty Ltd as trustee for Axiom Mt Barker Trust (2021: $300,000, 2020: $780,455) has entered into a building contract with Custom Built New Homes to construct a display home suite on the Glenlea Estate development in Mt Barker as well as homes for sale as house and land packages.

NOTE 23: 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, was reimbursed for Director required travel and accommodation costs. The expenses were reimbursed at cost. The total charged to the Company was $1,749 (2020: $1,821). Axiom was reimbursed for Adelaide office rental and outgoings costs. The expenses were reimbursed at cost. The total received by Axiom was $59,610 (2020: $60,687).

b) 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 at the request of Directors. The expenses were reimbursed at cost. The total charged to the Company was $1,450 (2020: 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 15. 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.

d) Currie St Pty Ltd
Axiom Currie St Pty Ltd as trustee for the Axiom Currie St Trust has a 50% interest in Currie St Pty Ltd (Currie St). Currie St is jointly controlled with Auspac Networks Pty Ltd. Currie St forms part of the investments accounted for using the equity method as disclosed in Note 15.

e) Balances between the company and subsidiaries (Note 27), 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 24: KEY MANAGEMENT PERSONNEL DISCLOSURES

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

	Consolidated	
	2021	**2020**
	$	**$**
Short-term employee benefits	1,468,457	1,580,782
Post-employment benefits	101,851	100,176
Long-term employee benefits	40,692	(7,046)
	1,611,000	1,673,912

NOTE 25: PARENT ENTITY DISCLOSURES

Financial position

	2021 $'000	2020 $'000
Assets		
Current assets	5,613	7,669
Non-current assets	14,348	19,669
Total assets	19,961	27,338
Liabilities		
Current liabilities	688	662
Non-current liabilities	7,105	7,323
Total liabilities	7,793	7,985
Net Assets	12,168	19,353
Equity		
Issued capital	47,948	54,439
Accumulated losses	(35,780)	(35,086)
Total Equity	12,168	19,353

Financial performance

	2021 $'000	2020 $'000
Profit/(Loss) for the year	(694)	32,962
Other comprehensive income	-	-
Total comprehensive income	(694)	32,962

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 22.

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 26: EVENTS AFTER THE REPORTING DATE

Subsequent to year end the Company agreed to enter into a building contract with ADCO Pty Ltd for $24m to construct the large format retail centre at its Butler site in Western Australia. In addition, the Company is working on achieving financial close and entering into a construction facility with Bank SA to fund the construction of the precinct. The terms of the facility will be on standard construction finance terms.

No other matter or circumstance has arisen since 30 June 2021 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 27: AUDITOR'S REMUNERATION

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

	Consolidated		Parent	
	2021 $	2020 $	2021 $	2020 $
Audit and review of the financial reports	79,850	77,500	79,850	77,500
Other services	-	-	-	-
	79,850	77,500	79,850	77,500

NOTE 28: PARTICULARS IN RELATION TO SUBSIDIARIES

	Country Incorporation/ Formation	Interest Held	
Parent		2021 %	2020 %
Axiom Properties Ltd (ultimate parent of the Group)	Australia		
Subsidiaries			
Axiom Resorts Pty Ltd	Australia	100	100
Axiom Resorts Management Pty Ltd	Australia	100	100
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 Resources Pty Ltd	Australia	100	100
Axiom Mt Barker Estate 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 Francis St Pty Ltd	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

Director's 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 2021 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 2021.

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

Ben Laurance
MANAGING DIRECTOR

Adelaide, South Australia
Dated: 18 August 2021

Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
www.bdo.com.au

BDO Centre
Level 7, 420 King William Street
Adelaide SA 5000
GPO Box 2018 Adelaide SA 5001
Australia

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 2021, 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 2021 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.

Recognition and measurement of revenue from contracts with customers

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
A substantial amount of the Group's revenue relates to the sale of land inventory and subsequent ongoing development of the site. Recognition and measurement of this revenue was determined to be a key audit matter because the recognition and measurement of revenue involves a degree of complexity and management judgement. Furthermore, the resulting revenue recognised in the statement of comprehensive income and contract assets recognised in the statement of financial position are 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 identifiable performance obligations under the contract and the fair value of each obligation with reference to relevant terms and conditions of the executed contract; • Assessing the terms and conditions of the contract to determine the existence and significance of amounts subject to variable consideration calculations; • Evaluating management's assessment of the progress towards complete satisfaction of performance obligations recognised over time; • Considering the adequacy of the associated disclosures in the financial statements related to the estimates and judgements applied in determining revenue recognised under the contract.

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 2021, 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 25 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Axiom Properties Limited, for the year ended 30 June 2021, 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 (SA) Pty Ltd

Paul Gosnold

Paul Gosnold
Director

Adelaide, 18 August 2021

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 2021 is 86.74% (2020: 86.51%) and the names and number of shares are as follows:

NAME	NUMBER	PERCENTAGE OF TOTAL SHAREHOLDINGS
PIVOT GROUP PTY LTD	163,752,750	37.84%
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%
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%
BEEJAYEL PTY LTD <BEEJAYEL SUPER FUND A/C>	6,446,219	1.49%
BEAUVAIS PTY LTD <JOHN BISHOP FAMILY A/C>	6,000,000	1.39%
MR MILTON YANNIS	5,549,923	1.28%
SEAMIST PTY LTD	5,250,000	1.21%
MS LEANNE ROUVRAY <ROUVRAY FAMILY A/C>	5,000,000	1.16%
OAKMOUNT NOMINEES PTY LTD <NARROMINE SUPER FUND A/C>	4,876,500	1.13%
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>	2,996,455	0.69%
MR EDWARD JAMES STEPHEN DALLY + MRS SELINA DALLY <LEKDAL FAMILY A/C>	2,511,128	0.58%
WHIMPLECREEK PTY LTD <STAWELL FAMILY A/C>	2,500,000	0.58%
	375,331,850	**86.74%**

The substantial shareholders' notices received by the Company as at 17 August 2021 are:

SHAREHOLDER	No. of Shares advised
Peter Laurance	163,752,750
Oriental University City Holdings (HK) Ltd	82,250,000
Ben Laurance	72,588,053

DISTRIBUTION OF SHAREHOLDERS AS AT 17 AUGUST 2021
There were 429 shareholders holding issued ordinary shares in the Company which were distributed among shareholders as follows:

CATEGORY	No. of Shareholders
1-1,000	15
1,001-5,000	8
5,001 – 10,000	27
10,001-100,000	267
100,001- and over	118
	435

There were 31 shareholders with less than the marketable parcel (12,500 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

South Australia

Level 1, Leigh Chambers, 20 Leigh Street
Adelaide SA 5000

GPO Box 1248, Adelaide SA 5001

tel +61 (08) 8120 2400

New South Wales

Suite 2007, Level 20 Australia Square
264-278 George Street
Sydney NSW 2000

tel +61 (02) 8318 4700

Website

www.axiompl.com.au

AXIOM
PROPERTIES LIMITED