

For personal use only

**AXIOM PROPERTIES LIMITED**

**ABN 40 0090 638 34**

**ANNUAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008**

**AXIOM PROPERTIES LIMITED**

**ABN 40 0090 638 34**

**ANNUAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008**

	<b><u>Page Numbers</u></b>
DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	9
CORPORATE GOVERNANCE STATEMENT	10
INDEPENDENT AUDIT REPORT	14
DIRECTORS' DECLARATION	16
INCOME STATEMENT	17
BALANCE SHEET	18
STATEMENT OF CHANGES IN EQUITY	19
STATEMENT OF CASH FLOWS	20
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS	21
AUSTRALIAN STOCK EXCHANGE INFORMATION	50

For personal use only

## AXIOM PROPERTIES LIMITED

### DIRECTORS' REPORT

The directors of Axiom Properties Limited submit herewith the annual financial report of the Group for the financial year ended 30 June 2008. In order to comply with the provisions of the Corporations Act the Directors report as follows:

#### DIRECTORS

The names and particulars of the Directors of Axiom Properties Limited in office during or since the end of the financial year and until the date of this report are as follows:

#### NAME:

Ian James Laurance AM  
(Executive Chairman)

#### PARTICULARS

Mr Ian 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 (2000 – 2004) and was previously Chairman of the Western Australian Sports Centre Trust for ten years (1993 – 2003). Mr Laurance is currently Chairman of Australia's North West Tourism and Chairman of the Ningaloo Research Centre Inc. In a voluntary capacity he serves as Chairman of the Anglicare WA Winter Appeal and is a Director of the Tourism Council WA.

In 2006 he was made a Member of the Order of Australia (AM) for "services to the Tourism Industry in Western Australia, to the community as a member of the Western Australian Parliament, and to sporting, environmental, and charitable organizations".

*Other Public Company Directorships*  
Arafura Resources Limited

*Former Public Company Directorships in last three years*  
None

Ben Peter Laurance  
(Managing Director)

Mr Ben Laurance is Managing Director of Axiom Properties Ltd, and an Executive Director of Axiom's major shareholder, Pivot Group Pty Ltd. Pivot is one of Australia's most successful private property development companies, with a 35 year track record of delivering over \$2 billion of property projects.

Ben joined the family business of Pivot in June 2001 after a 10 year career as an investment advisor in Sydney advising domestic and American institutions on Australian equities.

Ben's role as Managing Director of Axiom is to source, manage and deliver investment grade development projects across various asset classes around Australia. Ben is also responsible for the day to day management and operation of Axiom. With his expertise in the corporate and financial markets, Ben has been instrumental in the guidance and management of Pivot's and Axiom's strategic directions for the future.

*Other Public Company Directorships*  
None

*Former Public Company Directorships in last three years*  
None

Umberto Bruno Gianotti  
(Non Executive Director)

Mr Gianotti is a Property and Construction lawyer. He is a former partner of a national law firm and has specialised in property law for 31 years.

Mr Gianotti is a member of the Group's Audit Committee.

*Other Public Company Directorships*  
None

*Former Public Company Directorships in last three years*  
None

**AXIOM PROPERTIES LIMITED**

**DIRECTORS' REPORT**

Michael Gerrard Blakiston  
(Non Executive Director)

Mr Blakiston is a practicing solicitor with legal experience in the resources sector. Mr Blakiston holds the degrees of Bachelor of Jurisprudence and Bachelor of Laws from the University of Western Australia and is a partner of the corporate and resource law firm, Blakiston & Crabb. Mr Blakiston has been practicing law for over 26 years.

Mr Blakiston has extensive commercial experience both in advisory and directorial capacities having been involved in project assessment, structuring and financing, joint ventures and strategic alliances in the resource industry. In addition, Mr Blakiston has experience in initial public offerings, takeovers and mergers, corporate and project fundraisings (either with debt or equity), construction, offtake and sales contracts.

Mr Blakiston is a member of the Group's Audit Committee.

**Other Public Company Directorships**

Platinum Australia Ltd, Vulcan Resources Limited, Rox Resources Limited and Aurora Oil & Gas Limited.

**Former Public Company Directorships in the last three years.**

Colltech Australia Limited, Australian Development Capital, GFB Limited and Black Range Minerals NL.

John Sylvester Howe  
(Non Executive Director)  
(Appointed 24 April 2008)

Mr Howe has over 25 years of business experience in the Development and Construction industry. He founded and developed his company, Weathered Howe into a highly successful International Consulting group. He established a national and international reputation across a range of sectors including property, integrated tourism resorts, theme parks, special events and tall buildings.

In 2005, Mr Howe led the successful sale and integration of Weathered Howe into the 4,000 strong Hyder International Consulting Group. He now acts as an adviser to Hyder Consulting and separately acts as a special advisor to Dubai Properties on the US\$10 billion Culture Village project in Dubai. Mr Howe also acts as a specialist advisor to Limitless, the real estate development arm of Dubai World, on international and Dubai based 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 is an Adjunct Professor at the Mirvac School of Sustainable Development at Bond University.

**Other Public Company Directorships**

Nil

**Former Public Company Directorships in the last three years.**

Nil

**COMPANY SECRETARY**

Aaron Jon Gardiner

Mr Gardiner is a Chartered Accountant and has been Company Secretary of Axiom Properties Limited for 8 years.

**AXIOM PROPERTIES LIMITED**

**DIRECTORS' REPORT**

**DIRECTORS' MEETINGS**

The following table sets out the number of meetings attended whilst a director. During the year 11 meetings were held.

	<i>A</i>	<i>B</i>
I J Laurance AM	10	11
B P Laurance	11	11
U B Gianotti	11	11
M G Blakiston	10	11
J S Howe	3	3

*A- Number of meetings attended.*

*B- Number of meetings eligible to attend.*

**INTERESTS IN SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE**

DIRECTORS	FULLY PAID ORDINARY SHARES (AT 30 JUNE 2008)		SHARE OPTIONS (AT THE DATE OF THIS REPORT)
	DIRECTLY	INDIRECTLY	
I J Laurance AM	-	200,000	2,000,000
B P Laurance	-	25,800,000	42,000,000
U B Gianotti	-	1,000,000	2,000,000
M G Blakiston	-	1,000,000	2,000,000
J S Howe	-	1,868,500	-

Details of unissued ordinary shares under option at the date of this report are as follows:

	Number	Exercise Price	Exercise Dates
I J Laurance AM	2,000,000	45 cents	14 December 2006 to 14 December 2008
B P Laurance	40,000,000	20 cents	11 May 2007 to 15 January 2009
U B Gianotti	2,000,000	45 cents	14 December 2006 to 14 December 2008
M G Blakiston	2,000,000	45 cents	14 December 2006 to 14 December 2008
J S Howe	-	-	-

**Interests in the shares and options of the company and related bodies corporate**

During and since the end of the financial year 2,000,000 share options were granted to the following executive of the company:

	Number of options granted	Number of options over ordinary shares	Number of fully paid ordinary shares
P J Rouvray	2,000,000	2,000,000	-
	2,000,000	2,000,000	-

Details of unissued ordinary shares under options are as follows:

	Number of options	Exercise price	Expiry date
Axiom Properties Limited	10,000,000	10 cents	31 December 2008
Axiom Properties Limited	140,000,000	20 cents	15 January 2009
Axiom Properties Limited	8,000,000	45 cents	14 December 2008
Axiom Properties Limited	1,000,000	45 cents	20 December 2008
Axiom Properties Limited	2,000,000	45 cents	15 June 2009
Axiom Properties Limited	2,000,000	65 cents	3 December 2009
	163,000,000		

# **AXIOM PROPERTIES LIMITED**

## **DIRECTORS' REPORT**

### **REMUNERATION REPORT (AUDITED)**

This report details the nature and amount of remuneration for each director and executive of Axiom Properties Limited.

#### **Company's Remuneration Policies**

The Board, subject to the approval of shareholders in general meeting, sets the remuneration 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 Executive Chairman is determined by the Board of Directors and is also determined by the skills, experience and length of service of the 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. 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.

There is no direct 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 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. Remuneration packages may include base salary, superannuation, fringe benefits and options.

The following table discloses the Directors of the Company, including Executive Directors, and Executive Officers who received remuneration during the year. The remuneration disclosed is the same for the Group as it is for the Parent entity.

#### **Remuneration of directors and named executives**

Director Remuneration for the year ended 30 June 2008

		Primary Benefits			Post Employment		Equity	Other	Total	% Performance Related.
		Salary and Fees	Bonuses	Non Monetary Benefits	Superannuation	Prescribed Benefits	Options			
I J Laurance AM	2008	25,000	-	16,369	52,000	-	-	-	93,368	-
	2007	25,001	-	18,355	52,000	-	83,588	-	178,944	-
B P Laurance	2008	261,750	-	-	51,315	-	-	-	313,065	-
	2007	87,471	-	-	53,048	-	83,588	-	224,107	-
U B Gianotti	2008	30,000	-	-	2,700	-	-	-	32,700	-
	2007	-	-	-	19,756	-	83,588	-	103,344	-
M G Blakiston	2008	30,000	-	-	2,700	-	-	-	32,700	-
	2007	-	-	-	19,756	-	83,588	-	103,344	-
J S Howe	2008	5,808	-	-	523	-	-	-	6,330	-
	2007	-	-	-	-	-	-	-	-	-

#### **Service Agreements**

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

I J Laurance AM – Executive Chairman

The terms and conditions of the service agreement dated 7 July 2006 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 \$70,000 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 declared bankrupt.

# **AXIOM PROPERTIES LIMITED**

## **DIRECTORS' REPORT**

### **REMUNERATION REPORT (AUDITED) Cont'd**

#### **Service Agreements (Cont'd)**

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 \$300,000 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 declared bankrupt.

Remuneration of named executives who received the highest remuneration for the year ended 30 June 2008

		Primary Benefits			Post Employment		Equity	Other	Total	% Performance Related.
		Salary and Fees	Bonuses	Non Monetary Benefits	Superan nuation	Prescribed Benefits	Options			
A J Gardiner	2008	139,595	20,000	-	12,563	-	-	-	172,158	-
	2007	124,161	-	-	11,175	-	41,794	-	177,130	-
P J Rouvray	2008	208,846	25,000	12,050	21,046	-	166,191	-	433,133	-
	2007	105,230	-	4,221	9,471	-	-	-	118,922	-
J P Wolfe	2008	288,461	-	-	25,961	-	-	-	314,422	-
	2007	48,076	65,000	-	51,477	-	252,767	-	417,320	-
L Boyatzis	2008	113,750	-	-	10,238	-	-	42,246	166,234	-
	2007	48,076	-	-	-	-	-	-	-	-
S L Quick	2008	83,373	-	-	7,503	-	-	-	90,876	-
	2007	-	-	-	-	-	-	-	-	-

The remuneration disclosed is the same for the Group as it is for the Parent Entity. For details on the valuations of options and assumptions used please refer Note 34.

#### **PRINCIPAL ACTIVITIES**

The principal activities during the year of the Group constituted by Axiom Properties Limited and the entities it controlled from time to time during the year consisted of property investment and development and funds management. The Group also divested its holding in listed Property Developer, Eumundi Group Limited. No other significant change in the nature of the Group's property investment, development and funds management activities took place during the year.

#### **CONSOLIDATED RESULTS**

The net amount of consolidated profit of the Group for the financial year after income tax was \$4,139,461 (2007: \$2,245,686).

#### **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.

#### **REVIEW OF OPERATIONS**

##### ***Port Geographe, Busselton, WA***

The Port Geographe Joint Venture continued development works at Port Geographe. Pre - sales of this development at 30 June 2008 total 206 lots for \$102.6m in Gross Sales. Settlements of the first 2 stages of the development are expected prior to 31 December 2008.

##### ***100 St Georges Tce, Perth WA.***

The Company announced the early release of its final profit entitlement for the Office Component of the 100 St Georges Tce, project on 24 April 2008. The release of the profit entitlement concluded Axiom's successful involvement in the project with its partner, Industry Superannuation Property Trust.

##### ***250 Spencer St Joint Venture, Melbourne VIC***

On 13 June 2007 the Company and ISPT entered into a Joint Venture to develop 250 Spencer St Melbourne known as the "Age Buildings". The site was settled on 15 June 2007 for \$66.1m and the Age Newspaper has leased back the buildings for three years which will provide surplus income while the Joint Venture master plans the redevelopment. Since 30 June 2007 the Company has been working with its Joint Venture Partners and consultants on the masterplanning of the site.

## **AXIOM PROPERTIES LIMITED**

### **DIRECTORS' REPORT**

#### **REVIEW OF OPERATIONS Cont'd**

##### ***World Park 01, Keswick SA***

The Company settled the site in Keswick, on the fringe of Adelaide's CBD, on 30 May 2008. As previously announced the Company has executed an Agreement for Lease with ASX Top 300 company, Coffey International, who will anchor the first of three stages with a commitment to occupy 7,000sq.m. in Stage 1, out of a total 11,300 m<sup>2</sup> of "new generation" office space. A forward works programme has been completed and the main construction is due to commence on Stage 1 which is expected to be completed by late 2009.

##### ***World Park 01, Hawthorn VIC***

On 27 June 2008 shareholders approved the Company being nominated as purchaser of Worldpark 01 on Toorak RD East Hawthorn, by Pivot Group, the Company's major shareholder. Pivot Group has contracted to purchase the 2.8ha site for \$32 million. Pivot Group has also agreed to provide a loan facility of up to \$12 million to assist in the acquisition of the site.

The Company has been granted approval to develop 2 A Grade buildings. Building A will comprise an expected 15,000 m<sup>2</sup> of net lettable area of which Coffey International has committed to a 15 year lease of 12,000m<sup>2</sup>. Building B will comprise 12,000m<sup>2</sup> of net lettable area.

##### ***Gepps Cross Centre, Gepps Cross SA***

The Company settled the purchase of its 50% interest in 16.5 hectares of land in Main North Road, Gepps Cross, 10km north of Adelaide in December 2007. The other 50% interest in the land and the development will be owned by Harvey Norman Limited and Charter Hall Limited. The land is being developed into a 60,000 m<sup>2</sup> bulky goods homemaker centre, to be known as Home HQ Gepps Cross and will be anchored by a 12,000 m<sup>2</sup> Harvey Norman store. The centre, when complete, will be South Australia's largest homemaker centre and one of the largest in Australia.

A special purpose, wholly owned subsidiary of Axiom's funds management business purchased the land and the development expertise of the Axiom management team will deliver the whole project on behalf of the owners to completion. Construction of Home HQ Gepps Cross has commenced following the granting of required approvals earlier in the year and the development is expected to be completed by June 2009.

##### ***Melbourne Airport – Sites 1, 2 and 3***

On 27 June 2008 shareholders approved the acquisition of leasehold interests in the Sites 1 and 2, Melbourne Airport from Pivot Group. Shareholders also approved the acquisition of Site 3 from Pivot Group subject to, amongst other conditions, the achievement of development approval from the Melbourne Airport Authority.

The Company intends to integrate several uses on the sites which may include Bulky Goods, a major supermarket and other complementary mixed retail uses.

#### **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.

#### **MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

At the date of this report there are no matters or circumstances, which have arisen since 30 June 2008 that have significantly affected or may significantly affect:

- a) the operations, in financial years subsequent to 30 June 2008 of the Group;
- b) the results of those operations; or
- c) the state of affairs, in financial years subsequent to 30 June 2008, of the Group

other than elsewhere disclosed in this report and the financial statements (Refer Note 31).

#### **FUTURE DEVELOPMENTS**

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

**AXIOM PROPERTIES LIMITED**

**DIRECTORS' REPORT**

**ENVIRONMENTAL REGULATIONS**

As part of the Group's land development operations certain deeds have been entered into which require regular environmental monitoring under state and local government legislation.

The Directors are not aware of any significant breaches of those requirements during the period covered by this report.

**INDEMNIFICATION OF OFFICERS AND AUDITORS**

The company has agreed to indemnify all the directors and officers for any breach of laws and regulations arising from their role as directors and officers. The agreement provides for the company to pay an amount not exceeding \$10,000,000. The total amount of premiums paid was \$44,489 (2007: \$33,200).

**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**

The Company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998 and in accordance with that class order amounts in the financial report have been rounded to the nearest thousand dollars.

**AUDITORS INDEPENDENCE**

The Auditor's Independence Declaration for the year ended 30 June 2008 has been received (refer page 9).

**NON - AUDIT SERVICES**

The following non-audit services were provided by HLB Mann Judd and associated entities of HLB Mann Judd. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence has not been compromised.

HLB Mann Judd and associated entities of HLB Mann Judd received or are due to receive the following amounts for the provision of non-audit services:

- HLB Mann Judd	\$7,890	Preparation of Income Tax Returns
-----------------	---------	-----------------------------------

Signed in accordance with a resolution of the directors:



Ben Laurance  
MANAGING DIRECTOR

Perth, Western Australia  
Dated: 29 September 2008

**Auditor's Independence Declaration**

As lead auditor for the audit of the financial report of Axiom Properties Limited for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Axiom Properties Limited.



**Perth, Western Australia  
29 September 2008**

**W M CLARK  
Partner, HLB Mann Judd**

For personal use only

## AXIOM PROPERTIES LIMITED

### CORPORATE GOVERNANCE STATEMENT

#### STATEMENT

Since listing on the Australian Stock Exchange ("**ASX**"), Axiom Properties Limited ("**Company**") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this report. Commensurate with the spirit of the ASX Principles of Good Corporate Governance and Best Practice Recommendations, the Company has followed each Recommendation where the Board has considered the Recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company. Where, after due consideration, the Company's corporate governance practices depart from the Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

Further information about the Company's corporate governance practices is set out on the Company's website at [www.axiompl.com.au](http://www.axiompl.com.au). In accordance with the recommendations of the ASX, information published on the Company's website includes charters (for the board and its sub-committees), codes of conduct and other policies and procedures relating to the board and its responsibilities.

#### EXPLANATIONS FOR DEPARTURES FROM BEST PRACTICE RECOMMENDATIONS

During the Company's 2007/2008 financial year ("**Reporting Period**") the Company has complied with each of the Ten Essential Corporate Governance Principles and the corresponding Best Practice Recommendations as published by the ASX Corporate Governance Council ("**ASX Principles and Recommendations**")<sup>1</sup>, other than in relation to the matters specified below.

##### **Principle 2 Recommendation 2.1**

**Notification of Departure:** Only two of the 5 directors (Mr Michael Blakiston and Mr John Howe) are independent.

**Explanation for Departure:** The Board considers its structure is, and continues to be, appropriate in the context of the Company's change in control which occurred in April 2006. The Company considers that each of the non-independent directors possess the right combination of skills and experience suitable for building the Company.

The Chairman, Mr Ian Laurance, is not independent because he carries out an executive role in the Company. Mr Ian Laurance is the brother of Mr Peter Laurance who owns 80% of the shares in Q-West Pty Ltd which in turn owns the majority of shares in Pivot Group Pty Ltd, the controlling shareholder of the Company. However, the Board does not consider the relationship between Mr Ian Laurance and Mr Peter Laurance itself to prevent Mr Ian Laurance from carrying out these duties as Chairman with the requisite independence of mind required by such a position. Further Mr Ben Laurance is not independent as he holds an executive position. Mr Ben Laurance is a director of Pivot Group Pty Ltd, the major shareholder of the Company. He is also Mr Peter Laurance's son and nephew of Mr Ian Laurance. Mr Ben Laurance has been appointed to the board to assist the Company to benefit from a strong relationship with its major shareholder, Pivot Group Pty Ltd.

Mr Umberto Gianotti was a non-executive director of the Company, and is not considered to be independent as he was a significant consultant of Pivot Group Pty Ltd during the year ended 30 June 2008. On 4 August 2008, he was appointed as an executive director of the company and therefore is not considered independent post 30 June 2008 due to his executive position. The relationship between the Company, members of its board and Pivot Group Pty Ltd was fully detailed in the disclosure materials provided by shareholders on or about 10 March 2006 and approved by shareholders on 11 April 2006. On 24 June 2006 Mr Michael Blakiston was appointed as a non-executive, independent director.

On 24 April 2008 Mr John Howe was appointed non executive, independent director of the Board.

The Board intends to monitor its composition as the Company's operations evolve and appoint further independent directors as appropriate.

---

<sup>1</sup> A copy of the ASX Principles and Recommendations is set out on the Company's website under the Section entitled "Corporate Governance".

**CORPORATE GOVERNANCE STATEMENT**

**Principle 2 Recommendation 2.2**

**Notification of Departure:** The chair does not satisfy the test of independence as set out in Box 2.1 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations Independence Test ("**Independence Test**").

**Explanation for Departure:** Mr Ian Laurance, the current chair, does not satisfy paragraph 2 of the Independence Test as he carries out the role of executive chair. The Board believes that Mr Ian Laurance is the most appropriate person for the position as chair because of his industry experience including, former State Minister for Housing, Tourism and Lands, former Chairman of Midland Redevelopment Authority and current director of a number of semi-government and not-for-profit boards. The Board has appointed Mr Michael Blakiston and Mr John Howe as independent directors and in this capacity Mr Blakiston and Mr Howe can facilitate any areas where it may be inappropriate for Mr Ian Laurance to do so should such circumstances arise.

**Principle 2 Recommendation 2.4**

**Notification of Departure:** A separate nomination committee has not been formed.

**Explanation of Departure:** The role of the nomination committee is carried out by the full Board in accordance with the Nomination Committee Charter. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate nomination committee.

**Principle 4 Recommendation 4.3**

**Notification of Departure:** The audit committee does not meet the requirements for composition. There are only two members of the audit committee.

**Explanation for Departure:** The Board considers it a priority to restrict membership of the audit committee to non-executive directors. Accordingly, due to the current structure of the Board, only Mr Michael Blakiston and Mr Umberto Gianotti are eligible to be members of the audit committee. The Board considers the composition of the audit committee satisfactory to properly discharge the duties of the audit committee.

**Principle 8 Recommendation 8.1**

**Notification of Departure:** During the Reporting Period there was no performance evaluation of the Board, its committees and individual directors.

**Explanation for Departure:** The current Board has only been in place since June 2006 and did not conduct a performance evaluation during the Reporting Period. The Board has, however commenced a performance evaluation since 30 June 2008.

**NOMINATION COMMITTEE**

The full Board carries out the role of the Nomination Committee. The full Board did not officially convene as a Nomination Committee during the Reporting Period, however nomination-related discussions occurred from time to time during the year as required.

**AUDIT COMMITTEE**

**Names and Qualifications of Audit Committee Members**

The following directors are members of the Audit Committee:

Mr Michael Blakiston and Mr Umberto Gianotti formed the Audit Committee and met once in this capacity during the year. The qualifications of Mr Blakiston and Mr Gianotti are contained in the Director's Report.

## **AXIOM PROPERTIES LIMITED**

### **CORPORATE GOVERNANCE STATEMENT**

#### **REMUNERATION COMMITTEE**

##### **Company's Remuneration Policies**

The full Board, in its capacity as the Remuneration Committee, held three meetings during the reporting period.

The Board, subject to the approval of shareholders in general meeting, sets the remuneration 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 Executive Directors are determined by the Board of Directors and is also determined by the skills, experience and length of service of each Executive Director.

Non-executive directors receive a fixed fee and statutory superannuation for the services as directors.

The Company 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. 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.

There is no direct 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 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 for executive directors and other executives are on a continuing basis the terms of which are not expected to change. Remuneration packages may include base salary, superannuation, fringe benefits and options.

#### **OTHER**

##### **Skills, Experience, Expertise and term of office of each Director**

A profile of each director containing the applicable information is set out in the Directors' Report.

##### **Identification of Independent Directors**

The independent directors of the Company are Michael Blakiston and John Howe.

Mr Blakiston is a principal of the firm Blakiston & Crabb. Blakiston & Crabb have provided legal services to the Company. The Company pays legal fees on a normal commercial basis to Blakiston & Crabb.

As a result of Mr Blakiston being a principal of Blakiston & Crabb he does not fit within paragraph 3 of the criteria of independence as set out in Box 2.1 of the commentary that supplements the Principles of Good Corporate Governance and Best Practice Recommendations as published by the ASX Corporate Governance Council ("Independence Criteria"). Mr Blakiston passes all other aspects of the Independence Criteria. The Board of Axiom Properties Limited (in the absence of Mr Blakiston) considers he is capable of and demonstrates that he consistently makes decisions and takes actions which are designed to be for the best interests of the Company. The Board notes the fees paid to Blakiston & Crabb are not material to the Company and are not of a high enough level to be material to Mr Blakiston's practice or the firm Blakiston & Crabb. Therefore the Board considers Mr Blakiston to be independent.

Mr John Howe is a principal of the firm Integrated Engineering and Delivery Management. Integrated Engineering and Delivery Management has provided professional services to the Company on a normal commercial basis to the Company throughout the reporting period. The Board notes that the fees that have been paid to Integrated Engineering and Delivery Management are not material to the Company or to Integrated Engineering and Delivery Management. The Board therefore considers Mr Howe to be independent.

##### **Statement concerning availability of Independent Professional Advice**

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his office as a director, then, provided the director first obtains approval for incurring such expense from the chairperson, the Company will pay the reasonable expenses associated with obtaining such advice.

**AXIOM PROPERTIES LIMITED**

**CORPORATE GOVERNANCE STATEMENT**

**Confirmation whether performance Evaluation of the Board and its members have taken place and how conducted**

The Board has not conducted a performance evaluation during the period under review but has since 30 June 2008 commenced such a review. The Board regularly reviews its composition and such reviews led to the appointment of Mr John Howe as non executive, independent director on 24 April 2008.

**Existence and Terms of any Schemes for Retirement Benefits for Non-Executive Directors**

There are no termination or retirement benefits for non-executive directors.

For personal use only

## **INDEPENDENT AUDITOR'S REPORT**

**To the members of  
AXIOM PROPERTIES LIMITED**

### **Report on the Financial Report**

We have audited the accompanying financial report of Axiom Properties Limited ("the company"), which comprises the balance sheet as at 30 June 2008, the income statement, statement of changes in equity, cash flow statement and notes to the financial statements for the year ended on that date, and the directors' declaration for both the company and the consolidated entity as set out on pages 16 to 49. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the year.

#### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

*Independence*

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

*Auditor's Opinion*

In our opinion:

- (a) the financial report of Axiom Properties Limited is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(c).

**Report on the Remuneration Report**

We have audited the Remuneration Report included on pages 5 to 6 of the directors' report for the year ended 30 June 2008. 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.

*Auditor's Opinion*

In our opinion the Remuneration Report of Axiom Properties Limited for the year ended 30 June 2008 complies with section 300A of the Corporations Act 2001.



**HLB MANN JUDD**  
**Chartered Accountants**



**W M CLARK**  
**Partner**

**Perth, Western Australia**  
**29 September 2008**

For personal use only

**AXIOM PROPERTIES LIMITED**

**DIRECTORS' DECLARATION**

1. In the opinion of the directors:
  - a. the financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001 including:
    - i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year then ended; and
    - ii) complying with Accounting Standards and Corporations Regulations 2001; and
  - b. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
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 2008.

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



Ben Laurance  
MANAGING DIRECTOR

Perth, Western Australia  
Dated: 29 September 2008

**AXIOM PROPERTIES LIMITED**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2008**

		<i>Consolidated</i>		<i>Parent</i>	
	<i>Note</i>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue	2	15,511	10,240	15,374	10,240
Cost of sales		(4,256)	(5,010)	(4,256)	(5,010)
Gross profit		11,255	5,230	11,118	5,230
Other income	2	1,460	1,668	1,430	483
Depreciation		(23)	(24)	(23)	(16)
Occupancy Expenses		(501)	(100)	(316)	(100)
Employee benefits expense		(1,752)	(1,363)	(1,057)	(1,363)
Write off of capitalised costs		(1,263)	-	(1,178)	-
Reversal of impairment in value of subsidiaries		-	-	-	53
Reversal of impairment of loans to subsidiaries		-	-	-	4,981
Other expenses		(2,017)	(751)	(1,770)	(730)
		7,159	4,660	8,204	8,538
Finance costs		(953)	(866)	(1,292)	(924)
Profit before income tax expense		6,206	3,794	6,912	7,614
Income tax expense	4	(2,067)	(1,548)	(2,019)	(881)
Net profit		4,139	2,246	4,893	6,733
Basic earnings per share	32	1.24 cents	0.75 cents		
Diluted earnings per share		1.04 cents	0.63 cents		

The accompanying notes form part of these financial statements.

**AXIOM PROPERTIES LIMITED****BALANCE SHEET  
AS AT 30 JUNE 2008**

	Note	<i>Consolidated</i>		<i>Parent</i>	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	3,159	4,767	1,762	4,733
Trade and other receivables	6	2,336	209	3,217	197
Other current assets	7	-	4,494	-	4,494
<b>TOTAL CURRENT ASSETS</b>		<b>5,495</b>	<b>9,470</b>	<b>4,979</b>	<b>9,424</b>
<b>NON-CURRENT ASSETS</b>					
Investments accounted for using the equity method	8	23,175	26,041	12,755	15,612
Property, plant and equipment	9	59	46	59	46
Trade and other receivables	10	-	-	26,306	15,033
Intangibles		198	-	-	-
Other assets	12	47,548	3,823	12,711	13,811
<b>TOTAL NON-CURRENT ASSETS</b>		<b>70,980</b>	<b>29,910</b>	<b>51,831</b>	<b>44,502</b>
<b>TOTAL ASSETS</b>		<b>76,475</b>	<b>39,380</b>	<b>56,810</b>	<b>53,926</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	13	1,768	3,297	1,425	3,322
Interest bearing liabilities	14	35,127	11	9,511	11
Other liabilities	17	42	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>36,937</b>	<b>3,308</b>	<b>10,936</b>	<b>3,333</b>
<b>NON-CURRENT LIABILITIES</b>					
Trade and other payables	16	-	-	10,770	10,836
Interest bearing liabilities	15	9,032	9,543	31	9,543
Other liabilities	18	676	863	2	61
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>9,708</b>	<b>10,406</b>	<b>10,803</b>	<b>20,440</b>
<b>TOTAL LIABILITIES</b>		<b>46,645</b>	<b>13,714</b>	<b>21,739</b>	<b>23,773</b>
<b>NET ASSETS</b>		<b>29,830</b>	<b>25,666</b>	<b>35,071</b>	<b>30,153</b>
<b>EQUITY</b>					
Issued capital	19	55,430	55,430	55,430	55,430
Reserves	20	795	770	795	770
Accumulated losses	21	(26,395)	(30,534)	(21,154)	(26,047)
<b>TOTAL EQUITY</b>		<b>29,830</b>	<b>25,666</b>	<b>35,071</b>	<b>30,153</b>

The accompanying notes form part of these financial statements.

**AXIOM PROPERTIES LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2008**

<b>Consolidated</b>	<b>Issued Capital</b>	<b>Retained Earnings</b>	<b>Reserves</b>	<b>Total Equity</b>
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2006</b>	39,427	(32,780)	-	6,647
Profit attributable to members of the parent entity	-	2,246	-	2,246
Issue of share capital	16,384	-	-	16,384
Transaction costs	(381)	-	-	(381)
Share based payment reserve	-	-	629	629
Net gains revaluation reserve	-	-	141	141
<b>Balance at 30 June 2007</b>	<b>55,430</b>	<b>(30,534)</b>	<b>770</b>	<b>25,666</b>

<b>Balance at 1 July 2007</b>	55,430	(30,534)	770	25,666
Profit attributable to members of the parent entity	-	4,139	-	4,139
Issue of share capital	-	-	-	-
Transaction costs	-	-	-	-
Share based payment reserve	-	-	166	166
Net gains revaluation reserve	-	-	(141)	(141)
<b>Balance at 30 June 2008</b>	<b>55,430</b>	<b>(26,395)</b>	<b>795</b>	<b>29,830</b>

<b>Parent</b>	<b>Issued Capital</b>	<b>Retained Earnings</b>	<b>Reserves</b>	<b>Total Equity</b>
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2006</b>	39,427	(32,780)	-	6,647
Profit attributable to members of the parent entity	-	6,733	-	6,733
Issue of share capital	16,384	-	-	16,384
Transaction costs	(381)	-	-	(381)
Share based payment reserve	-	-	629	629
Net gains revaluation reserve	-	-	141	141
<b>Balance at 30 June 2007</b>	<b>55,430</b>	<b>(26,047)</b>	<b>770</b>	<b>30,153</b>

<b>Balance at 1 July 2007</b>	55,430	(26,047)	770	30,153
Profit attributable to members of the parent entity	-	4,893	-	4,893
Issue of share capital	-	-	-	-
Transaction costs	-	-	-	-
Share based payment reserve	-	-	166	166
Net gains revaluation reserve	-	-	(141)	(141)
<b>Balance at 30 June 2008</b>	<b>55,430</b>	<b>(21,154)</b>	<b>795</b>	<b>35,071</b>

The accompanying notes form part of these financial statements.

**AXIOM PROPERTIES LIMITED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	<i>Consolidated</i>		<i>Parent Entity</i>	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers		2,616	1,485	1,553	184
Payments to suppliers & employees		(6,548)	(1,696)	(7,642)	(1,752)
Payment of project development costs		(51,449)	-	(583)	-
Interest received		243	482	228	483
Interest & other costs of finance paid		(953)	(791)	(980)	(849)
Other		-	-	-	113
Net cash provided by / (used in) operating activities	5(b)	(56,091)	(520)	(7,424)	(1,821)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds of sale of shares in listed entity		4,566	-	4,566	-
Proceeds on termination of development agreement		8,298	-	8,298	-
Purchase of plant and equipment		(36)	(8)	(36)	(8)
Purchase of shares in listed and non listed entities		-	(4,450)	(344)	(4,450)
Purchase of interests in jointly controlled entities		3,320	(7,969)	3,320	(7,836)
Net cash provided by / (used in) investing activities		16,148	(12,427)	15,804	(12,294)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from issue of shares		-	16,382	-	16,383
Share issue costs paid		-	(662)	-	(662)
Proceeds from external borrowings		47,731	-	-	-
Repayments of external borrowings		(9,385)	-	-	-
Proceeds from related loan		-	-	-	1,137
Loans to subsidiaries		-	-	(11,340)	-
Increase/(reduction) in lease and hire purchase liabilities		(11)	(10)	(11)	(10)
Net cash provided by / (used in) financing activities		38,335	15,710	(11,351)	16,848
Net increase / (decrease) in cash held		(1,608)	2,763	2,971	2,733
Cash at the beginning of the year		4,767	2,004	4,733	2,000
Cash at the end of the year	5(a)	3,159	4,767	1,762	4,733

The accompanying notes form part of these financial statements.

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) 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 report has also been prepared on a historical cost basis.

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 Class Order 98/100. The Company is an entity to which the class order applies. The Company is registered and domiciled within Australia.

The Company is a listed public company, incorporated in Australia and operating in Australia.

**(b) Adoption of New and Revised Standards**

*Changes in accounting policies on initial application of Accounting Standards*

In the year ended 30 June 2008, the Group has adopted all the new and revised Standards and interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2007. Details of the impact of these new accounting standards are set out in the individual accounting policy notes set out below. The Group has also adopted the following Standards as listed below which only impacted on the Group's financial statements with respect to disclosure:

- AASB 101 - Presentation of Financial Instruments (revised October 2006)
- AASB 7 – Financial Instruments: Disclosures

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2008. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

**(c) Statement of Compliance**

The financial report was authorised for issue on 26 September 2008. The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

**(d) Basis of Consolidation**

The consolidated financial statements comprise the separate financial statements of Axiom Properties Limited and its subsidiaries as at 30 June each year (the Group).

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

**(e) Going Concern**

The financial statements have been prepared on the basis that the Group is a going concern. The going concern basis assumes that the Group will be able to pay its debts as and when they fall due. The Group at 30 June 2008 had a deficiency in its working capital of \$31.4m. This deficiency is the result of debt facilities that will be expiring or are intended to be refinanced prior to 30 June 2009 and that are therefore classified as current.

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Going Concern (continued)**

Notwithstanding this deficit in working capital, after consideration of the following mitigating factors, the Directors are of the opinion that the going concern basis of preparation is appropriate.

Note 5 (c) sets out the details of the financing facilities of the Group. Of the current interest-bearing liabilities of \$35.1m, a total of \$18.75m (NAB- Gepps Cross construction facility) has been refinanced subsequent to year end into a non-current expiry period.

The Group is also in final negotiations to refinance the remaining \$16.4m of current interest-bearing liabilities. The remaining current interest-bearing liabilities are composed of the BankWest Port Geographe financing facility (\$9.5m) and the Group's Bank SA facilities in relation to Worldpark 01 Adelaide (\$6.9m). The Group has received an Offer of Finance from Bank SA that will roll the current facilities into a construction facility expiring 18 months from initial drawdown. At the date of this report, the Directors were in the process of evaluating this offer.

In regard to the BankWest Port Geographe financing facility (\$9.5m) the Group has classified this as a current interest bearing liability because it intends to re-finance the finance facility in the first half of the financial year ending 30 June 2009. The actual expiry date of the facility is 31 July 2009.

**(f) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*(i) Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

*(ii) Rendering of services*

Revenue from the rendering of services is recognised by reference to the stage of completion of the contract.

*(iii) Interest income*

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

*(iv) Dividends*

Revenue is recognised when the Group's right to receive the payment is established.

*(v) Rental income*

Rental income from investment properties 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 an integral part of the total rental income.

**(g) 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 or sale.

**(h) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs - refer Note 1(f).

Finance leased assets are depreciated on a straight line basis over the estimated useful life of the asset. Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) Cash and cash equivalents**

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 balance sheet.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**(j) Trade and other receivables**

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.

Impairment of trade receivables is continually reviewed and those that are considered uncollectible are generally written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of the estimated future cashflows, discounted at the original effective interest rate. Where receivables are short term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the income statement 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 income statement.

**(k) Inventories**

Costs relating to the acquisition and development of land are capitalised and carried forward at cost, as inventories. As developed lots are settled the associated value of inventories is expensed to the Income Statement. Profits are brought to account on the contract of sale settlement.

Inventories are valued at the lower of cost and net realisable value

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

**(l) Derivative financial instruments and hedging**

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to net profit or loss for the year. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

**(m) Derecognition of financial assets and financial liabilities**

*(i) Financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or

the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(m) Derecognition of financial assets and financial liabilities (continued)**

*(i) Financial assets (continued)*

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

*(ii) Financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

**(n) Impairment of financial assets**

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

*(i) Financial assets carried at amortised cost*

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

*(ii) Financial assets carried at cost*

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

*(iii) Available-for-sale investments*

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(o) Investment in Jointly Controlled Entity**

The Group's interests in jointly controlled entities are brought into account using the equity method of accounting in the consolidated financial statements. Any parent entity interests in jointly controlled entities are brought to account at cost. Refer to Note 9.

**(p) Income tax**

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 balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date 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 each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date 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 balance sheet 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.

**(q) 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 balance sheet.

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.

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(r) Property, plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Buildings – over 20 years

Plant and equipment – over 5 to 15 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

*(i) Impairment*

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. 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.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the income statement in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

*(ii) Derecognition and disposal*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

**(s) Investments and other financial assets**

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

*(i) Financial assets at fair value through profit or loss*

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

*(ii) Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost.

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(s) Investments and other financial assets (continued)**

*(ii) Held-to-maturity investments (continued)*

This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

*(iii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

*(iv) Available-for-sale investments*

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

**(t) Trade and other payables**

Trade payables and other payables are carried at amortised costs 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.

**(u) Interest-bearing loans and borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

**(v) Provisions**

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.

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 income statement net of any reimbursement.

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.

**(w) 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 reporting date are recognised in other payables in respect of employees' services up to the reporting date. 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.

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(w) Employee leave benefits (continued)**

*(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 reporting date using the projected unit credit method. 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 reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

**(x) Share-based payment transactions**

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently a Employee Share Option Plan (ESOP), which provides benefits to directors and senior executives.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black and Scholes model, further details of which are given in Note 34.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Axiom Properties Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 32).

**(y) Issued Capital**

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

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(z) Earnings per share**

Basic earnings per share is calculated as net profit 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 is calculated as net profit 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; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**(aa) Critical accounting judgements and key sources of estimation uncertainty**

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 those estimates. The following are areas where assumptions and estimates are significant to the financial statements:

- *Recoverability of Capitalised Development Costs*  
The Group estimates the recoverability of its capitalised development costs by reference to its project feasibilities and supporting independent valuations. Judgement is required in estimating forecast profitability of projects and market assumptions.
- *Valuation of Options*  
The Group estimates the expense incurred when it issues options to its Directors and Employees under its ESOP (Refer Note 34). The group uses the Black and Scholes model to estimate the expense and judgement is required in estimating the inputs to the model.

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**2. REVENUE**

<b>Operating Revenue</b>	<i>Consolidated</i>		<i>Parent</i>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Sales Revenue:</b>				
Sales of inventories	5,346	-	5,346	-
Share of profit from development agreement	8,298	10,000	8,298	10,000
Project management revenue	930	240	1,730	240
Funds management revenue	937	-	-	-
	<u>15,511</u>	<u>10,240</u>	<u>15,374</u>	<u>10,240</u>
<b>Revenue From Non-operating Activities</b>				
Interest revenue	243	483	228	483
Share of net result of jointly controlled entities accounted for using the equity method (refer Note 30)	437	(19)	446	-
Other income	780	1,204	756	-
	<u>1,460</u>	<u>1,668</u>	<u>1,430</u>	<u>483</u>
<b>Total Revenue</b>	<u>16,971</u>	<u>11,908</u>	<u>16,804</u>	<u>10,723</u>

**3. PROFIT BEFORE INCOME TAX EXPENSE**

	<i>Consolidated</i>		<i>Parent</i>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Profit before income tax includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entities</b>				
a) Revenue and net gains				
Reversal of impairment of loans to subsidiaries	-	-	-	4,981
Reversal of impairment in value of investment in subsidiaries	-	-	-	53
b) Expenses				
Operating lease rentals	501	100	316	100
Finance lease charges	5	5	5	5
Depreciation of property, plant and equipment	23	24	23	16
c) Borrowing costs				
Interest				
- Other entities	877	791	903	849
Other borrowing costs	76	75	389	75
	<u>953</u>	<u>866</u>	<u>1,292</u>	<u>924</u>

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**4. INCOME TAX EXPENSE**

	<i>Consolidated</i>		<i>Parent</i>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>a) The prima facie income tax expense on the operating profit is reconciled to the income tax expense as follows:</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Operating profit before income tax	6,206	3,794	6,912	7,614
Income tax expense calculated at 30% (2007:30%) of operating profit	1,862	1,138	2,074	2,284
Adjusted for tax effect of:				
Non Deductible items	4	(67)	4	(81)
Share options expensed during the year	50	188	50	188
Reversal of impairment in value	-	-	-	(1,510)
Other	151	289	(109)	-
Income tax expense applicable to ordinary activities	2,067	1,548	2,019	881
<b>b) The components of tax expense comprise:</b>				
Current tax expense	1,809	-	2,128	-
Deferred tax	258	1,548	(109)	881
Total income tax expense	2,067	1,548	2,019	881
<b>c) Income tax recognised directly in equity</b>				
The following current and deferred amounts were charged directly to equity during the period:				
Current tax:				
- Share-issue expenses	163	268	163	268
Deferred tax				
- Net gains revaluation	61	(61)	61	(61)
	224	207	224	207
<b>d) Deferred Tax Assets and Liabilities</b>				
<b>Deferred Tax Assets comprise:</b>				
Losses available for offset against future taxable income	584	3,114	584	2,978
Write off of capitalised costs	-	38	-	38
Share issue expenses	478	214	478	214
Other	90	-	90	-
	1,152	3,366	1,152	3,230
<b>Deferred Tax Liabilities comprise:</b>				
Net gains revaluation	-	61	-	61
Temporary differences in inventory	673	802	-	-
Other	3	-	2	-
	676	863	2	61

For personal use only

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**4. INCOME TAX EXPENSE (continued)**

**e) Tax Consolidation**

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. In accordance with Urgent Issues Group Interpretation 1039 "Substantive Enactment of Major Tax Bills in Australia", the financial effect of the legislation has therefore not been brought to account in the financial statements for the year ended 30 June 2008, except to the extent that the adoption of the tax consolidation would impair the carrying value of any deferred tax assets.

**5. NOTES TO THE STATEMENT OF CASH FLOWS**

**a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the year as shown in the Statement of Cash Flows agrees with the related items in the Balance Sheet as follows:

	<i>Consolidated</i>		<i>Parent</i>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and in hand	3,159	4,767	1,762	4,733

**b) Reconciliation of Net Cash Provided by Operating Activities to Operating Profit After Tax**

Operating profit after tax	4,139	2,246	4,893	6,733
Non cash items:				
Depreciation	23	24	23	16
Profit on sale of Investments	(213)	-	(213)	-
Impairment of subsidiaries	-	-	-	(77)
Impairment of loans to subsidiaries	-	-	-	(4,981)
Share of net (profit)/loss of jointly controlled entity	(446)	19	(446)	-
Write off of takeover costs	-	157	-	157
Share based payments	166	628	166	628
Net share of profit from development agreement	(8,298)	(5,000)	(8,298)	(5,000)
Changes in assets and liabilities:				
(Increase) / decrease in receivables	(2,127)	40	(3,020)	(23)
Increase / (decrease) in creditors and borrowings	-	(183)	(1,966)	(156)
Other Assets	(51,362)	-	(583)	-
Tax balances	2,027	1,549	2,020	882
Net cash flow used in operating activities	(56,091)	(520)	(7,424)	(1,821)

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**5. NOTES TO THE STATEMENT OF CASH FLOWS (continued)**

**c) Financing Facilities**

	<i>Consolidated</i>		<i>Parent</i>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Access was available at balance date to the following lines of credit:				
<i>Total facilities</i>				
Bank loan facilities	35,113	9,500	9,500	9,500
Other facilities	24,000	-	12,000	-
	<u>59,113</u>	<u>9,500</u>	<u>21,500</u>	<u>9,500</u>
<i>Used at balance date</i>				
Bank loan facilities	35,113	9,500	9,500	9,500
Other facilities	9,000	-	-	-
	<u>44,113</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Unused at balance date</i>				
Bank loan facilities	-	-	-	-
Other facilities	15,000	-	12,000	-
	<u>15,000</u>	<u>-</u>	<u>12,000</u>	<u>-</u>

**Details of Financing facilities**

*BankWest Limited*

The facility was comprised of a cash advance development facility of \$9.5M and a contingent instrument facility of \$1.85M. The Company has classified the cash advance facility as current as the facility will be re-financed in the first half of the financial year ended 30 June 2009. The current expiry date of the facilities are 31 July 2009. The facilities are secured by a fixed and floating charge over the assets and undertakings in Port Geographe Joint Venture. The weighted average rate applicable to these facilities is 9.78 % at 30 June 2008 (2007: 9.01%).

*National Australia Bank Limited*

The Group entered into a commercial bill facility with National Australia Bank Limited to purchase its portion of the land required to develop the Home HQ Gepps Cross bulky goods centre at Gepps Cross in South Australia. The facility totaled \$18.75m at 30 June 2008 and was secured by amongst other securities, a first ranking mortgage debenture over the assets of a Group subsidiary. The weighted average rate applicable to these facilities is 7.52% at 30 June 2008 (2007: Nil).

Subsequent to year end the Group rolled the abovementioned land facility into a construction facility with National Australia Bank Limited totaling \$56.2m. The facility expires on 30 June 2012 and is secured by the abovementioned securities.

*Bank South Australia*

On 30 May 2008 the Group entered into a commercial bill line with Bank of South Australia for \$6.87m to settle the purchase of land at Keswick, South Australia. The land is the future location of Worldpark 01 Adelaide. The facility is secured by a fixed and floating charge over the assets and undertakings of the Group in Worldpark 01 Adelaide land. The weighted average rate applicable to these facilities is 7.55% at 30 June 2008 (2007:Nil)

*Commonwealth Bank of Australia Limited*

The Group has also entered into a first ranking registered equitable mortgage with Commonwealth Bank of Australia limited to the rights, entitlements and interests of the Group in the 250 Spencer St Joint Venture. The facility funded the purchase of 250 Spencer St Melbourne Victoria by the 250 Spencer St Joint Venture in May 2007(Refer to Note 30). The facility is currently fully drawn (\$46.27M) in the 250 Spencer St Joint Venture.

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**5 NOTES TO THE STATEMENT OF CASH FLOWS (continued)**

**c) Financing Facilities (continued)**

*daVinci Funds Management Ltd*

The Group has entered into an unsecured mezzanine debt facility for \$12M with daVinci Funds Management Ltd to provide financing for the Home HQ Gepps Cross project. The facility, including a profit share from the Home HQ project that will be calculated according to certain hurdle rates, is repayable after practical completion of the project. At 30 June 2008, \$9M had been drawn down under the facility

	<i>Consolidated</i>		<i>Parent</i>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets pledged as security</b>				
<b>Current</b>				
<i>Fixed and floating charge</i>				
Cash	-	849	-	849
<i>Mortgage</i>				
Cash	375	-	-	-
Receivables	135	-	-	-
Total current assets pledged as security	<u>510</u>	<u>849</u>	<u>-</u>	<u>849</u>
<b>Non Current</b>				
<i>Fixed and floating charge</i>				
Investments accounted for using the equity method	10,420	26,040	-	15,613
Other financial assets	8,345	-	-	-
<i>Mortgage</i>				
Investments accounted for using the equity method	12,755	-	12,755	-
Other financial assets	32,309	-	-	-
<i>Finance lease</i>				
Property, plant and equipment	21	36	21	36
Total non current assets pledged as security	<u>63,850</u>	<u>26,076</u>	<u>12,776</u>	<u>15,649</u>
Total assets pledged as security	<u><u>64,360</u></u>	<u><u>26,925</u></u>	<u><u>12,776</u></u>	<u><u>16,498</u></u>

**6. CURRENT ASSETS – RECEIVABLES**

Trade debtors	2,099	85	3,160	98
Other debtors	237	124	57	99
	<u>2,336</u>	<u>209</u>	<u>3,217</u>	<u>197</u>
Trade Debtors -Ageing of Past Due but not Impaired				
60-90 days	110	-	220	-
90-120 days	71	-	499	-
	<u>181</u>	<u>-</u>	<u>719</u>	<u>-</u>

For personal use only

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**7. CURRENT ASSETS – OTHER FINANCIAL ASSETS**

Shares in corporations listed on a prescribed stock exchange	-	4,292	-	4,292
Net gain revaluation	-	202	-	202
	-	4,494	-	4,494

**8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

	<i>Consolidated</i>		<i>Parent</i>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Interests in jointly controlled entities (Note 30)	23,175	26,041	12,755	15,612

**9. NON -CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT**

Plant and equipment - at cost	94	106	94	62
Accumulated depreciation	(58)	(96)	(58)	(52)
	36	10	36	10
Plant and equipment – finance lease	75	75	75	75
Accumulated depreciation	(54)	(39)	(54)	(39)
	21	36	21	36
Furniture and fittings - at cost	17	19	17	15
Accumulated depreciation	(15)	(19)	(15)	(15)
	2	-	2	-
Buildings - at cost	-	118	-	-
Accumulated depreciation	-	(118)	-	-
	-	-	-	-
Total property, plant and equipment	59	46	59	46

**10. NON-CURRENT ASSETS -RECEIVABLES**

Amounts receivable from:				
Subsidiaries	-	-	28,844	17,570
Less impairment	-	-	(2,538)	(2,537)
	-	-	26,306	15,033

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**11. RECONCILIATION OF MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT**

**2008**

	<b>Carrying Value 2007</b>	<b>Additions</b>	<b>Disposals</b>	<b>Depreciation Write Back</b>	<b>Depreciation</b>	<b>Carrying Value 2008</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant & equipment	46	34	-	-	(21)	59

**2007**

	<b>Carrying Value 2006</b>	<b>Additions</b>	<b>Disposals</b>	<b>Depreciation Write Back</b>	<b>Depreciation</b>	<b>Carrying Value 2007</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant & equipment	62	8	-	-	(24)	46

**12. OTHER ASSETS**

	<i>Consolidated</i>		<i>Parent</i>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	\$'000	\$'000	\$'000	\$'000
Shares and units held in unlisted subsidiaries	-	-	20,598	20,204
Shares in corporations listed on a prescribed stock exchange (Note i)	100	100	-	-
Less impairment	(100)	(100)	(9,846)	(9,846)
Capitalised project costs	46,396	457	10,752	10,358
Deferred tax asset (Note ii)	1,152	3,366	806	223
	47,548	3,823	12,711	13,811

- (i) The market value of shares in corporations listed on a prescribed stock exchange was \$Nil at balance date (2007 \$Nil).
- (ii) The deferred tax asset primarily relates to the recognition of the benefit of income tax losses. The utilization of the deferred tax asset is dependent on the group satisfying the following conditions:
- (i) assessable income is derived of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;
  - (ii) conditions for deductibility imposed by the law are complied with.
  - (iii) no change in legislation adversely affects the companies in the Group in realising the benefit from the deductions for the losses.

The Directors consider these conditions will be satisfied through anticipated profits arising from the Group's interests in the Port Geographe Joint Venture and the 250 Spencer St Joint Venture.

**13. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES**

	<i>Consolidated</i>		<i>Parent</i>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	\$'000	\$'000	\$'000	\$'000
Trade creditors – other	1,318	158	827	183
Accrued expenses	450	3,139	598	3,139
	1,768	3,297	1,425	3,322

For personal use only

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**14. CURRENT LIABILITIES - INTEREST BEARING LIABILITIES**

	<i>Consolidated</i>		<i>Parent</i>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Bank loans – secured (Note 5 (c))	35,116	-	9,500	-
Finance lease (Note 22)	11	11	11	11
	<u>35,127</u>	<u>11</u>	<u>9,511</u>	<u>11</u>

**15. NON CURRENT LIABILITIES – INTEREST BEARING LIABILITIES**

Bank loans – secured (Note 5 (c))	-	9,500	-	9,500
Loan - Unsecured	9,000	-	-	-
Finance lease (Note 22)	32	43	31	43
	<u>9,032</u>	<u>9,543</u>	<u>31</u>	<u>9,543</u>

**16. NON -CURRENT LIABILITIES – TRADE AND OTHER PAYABLES**

Amount payable to subsidiary	-	-	10,770	10,836
	<u>-</u>	<u>-</u>	<u>10,770</u>	<u>10,836</u>

**17. CURRENT LIABILITIES –OTHER**

Tax liability	42	-	-	-
	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>

**18. NON - CURRENT LIABILITIES –OTHER**

Deferred tax liability	676	863	2	61
	<u>676</u>	<u>863</u>	<u>2</u>	<u>61</u>

**19. ISSUED CAPITAL**

Fully paid and partly paid ordinary shares	55,430	55,430	55,430	55,430
	<u>55,430</u>	<u>55,430</u>	<u>55,430</u>	<u>55,430</u>

**Fully Paid Ordinary Shares**

At the beginning of the year	55,430	38,605	55,430	38,605
- 100,000,000 on 27 September 2006 – conversion of partly paid shares	-	3,822	-	3,822
- 43,613,000 on 6 October 2006 - placement	-	13,083	-	13,083
- 1,000,000 on 28 November 2006 - placement	-	300	-	300
Transaction costs relating to share issues	-	(380)	-	(380)
At reporting date	<u>55,430</u>	<u>55,430</u>	<u>55,430</u>	<u>55,430</u>

	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
At the beginning of the year	335,370,532	190,757,532	335,370,532	190,757,532
- 100,000,000 on 27 September 2006 – conversion of partly paid shares	-	100,000,000	-	100,000,000
- 43,613,000 on 6 October 2006 - placement	-	43,613,000	-	43,613,000
- 1,000,000 on 28 November 2006 - placement	-	1,000,000	-	1,000,000
At reporting date	<u>335,370,532</u>	<u>335,370,532</u>	<u>335,370,532</u>	<u>335,370,532</u>

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**19. ISSUED CAPITAL (continued)**

	<i>Consolidated</i>		<i>Parent</i>	
	<b>2008 \$'000</b>	<b>2007 \$'000</b>	<b>2008 \$'000</b>	<b>2007 \$'000</b>
<b>Partly Paid Ordinary Shares</b>				
At the beginning of the year	-	822	-	822
- 100,000,000 on 12 April 2006 – Pivot transaction	-	-	-	-
- 100,000,000 on 28 July 2006 – part payment	-	320	-	320
- 100,000,000 on 27 September 2006 – final payment	-	2,680	-	2,680
- 100,000,000 on 27 September 2006 – conversion of partly paid shares	-	(3,822)	-	(3,822)
Transaction costs relating to share issues	-	-	-	-
At reporting date	-	-	-	-
	<b>2008 No.</b>	<b>2007 No.</b>	<b>2008 No.</b>	<b>2007 No.</b>
At the beginning of the year	-	100,000,000	-	100,000,000
- 12 April 2006 – Pivot transaction	-	-	-	-
- 100,000,000 on 27 September 2006 – conversion of partly paid shares	-	(100,000,000)	-	(100,000,000)
At reporting date	-	-	-	-

**Terms and Conditions of Issued Capital**

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

<b>Options</b>	<b>2008 No.</b>	<b>2007 No.</b>
Exercisable at 10 cents each prior to 31 December 2008	10,000,000	10,000,000
Exercisable at 20 cents each to 15 January 2009	140,000,000	140,000,000
Exercisable at 45 cents each to 14 December 2008	8,000,000	8,000,000
Exercisable at 45 cents each to 20 December 2008	1,000,000	1,000,000
Exercisable at 45 cents each to 15 June 2009	2,000,000	2,000,000
Exercisable at 65 cents each to 3 December 2009	2,000,000	-
	<b>163,000,000</b>	<b>161,000,000</b>

For personal use only

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

	<i>Consolidated</i>		<i>Parent</i>	
	<b>2008 \$'000</b>	<b>2007 \$'000</b>	<b>2008 \$'000</b>	<b>2007 \$'000</b>
<b>20. RESERVES</b>				
<b>Share Based Payment Reserve</b>				
At the beginning of the year	629	-	629	-
Share based payment expense	166	629	166	629
At reporting date	795	629	795	629
<b>Net Gains Revaluation Reserve</b>				
At the beginning of the year	141	-	141	-
Net gains revaluation – listed shares	-	202	-	202
Tax effect	-	(61)	-	(61)
Reversal - sale of listed shares	(141)	-	(141)	-
At reporting date	-	141	-	141
	795	770	795	770

**Nature and Purpose of Reserves**

*Share Based Payment Reserve*

This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration.

*Net Gains Revaluation Reserve*

This reserve records fair value changes on investments.

**21. ACCUMULATED LOSSES**

Balance at the beginning of the year	(30,534)	(32,780)	(26,047)	(32,780)
Net profit after tax	4,139	2,246	4,893	6,733
At reporting date	(26,395)	(30,534)	(21,154)	(26,047)
Franking credits available for subsequent years	-	-	-	-

**22. FINANCE LEASE LIABILITIES**

Finance lease commitments payable:

No later than 1 year	15	15	15	15
Later than 1 year and not later than 2 years	33	15	31	15
Later than 2 years and not later than 5 years	-	31	-	31
Minimum future lease payments	48	61	46	61
Deduct future finance charges	(5)	(7)	(4)	(7)
Present value of minimum lease payments	43	54	42	54
Included in the balance sheet as:				
Interest bearing liabilities				
Current (Note 14)	11	11	11	11
Non-current (Note 15)	32	43	31	43
	43	54	42	54

For personal use only

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**23. CONTINGENT LIABILITIES**

BankWest Limited has issued guarantees on behalf of the Group to third parties pursuant to the requirements of the Shire of Busselton and other parties in relation to Port Geographe. These guarantees amounted to \$1,850,000 at 30 June 2008 (2007: \$1,850,000). Subsequent to year end guarantees totaling \$1,730,000 were returned by the Shire and cancelled.

**24. COMMITMENTS FOR EXPENDITURE**

	<i>Consolidated</i>		<i>Parent</i>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Operating Lease commitments:				
Commitments in relation to operating leases are payable as follows:				
Not later than one year	608	84	608	84
Later than one year but not later than five years	759	8	759	8
Later than five years	2,486	-	2,486	-
	<b>3,853</b>	<b>92</b>	<b>3,853</b>	<b>92</b>

Capital Commitments

*Melbourne Airport Leases – Sites 1, 2 and 3*

On 27 June 2008 shareholders approved the acquisition from Pivot Group of the long term leases of Sites 1,2 and 3 at Melbourne Airport (Tullamarine). The Company will be assigned the leases of Sites 1 and 2 on settlement and has the right to accept assignment of Site 3 once development approval is received by Pivot Group. In return for the assignment, the Company will pay Pivot Group consideration of \$3,700,000 for Sites 1 and 2 and \$1,300,000 for Site 3 payable by the issue of ordinary shares at 20 cents per share. Also refer Note 31.

**25. DIRECTORS' AND EXECUTIVES' REMUNERATION**

- a) Names and positions held of Parent Entity Directors and specified Executives in office at any time during the financial year are listed below.

Parent Entity Directors

Mr I J Laurance	Executive Chairman
Mr B P Laurance	Managing Director
Mr U B Gianotti	Non Executive Director
Mr M G Blakiston	Non Executive Director
Mr J S Howe	Non Executive Director

Parent Company Secretary

Mr A J Gardiner

Specified Executives

Mr P J Rouvray  
Mr J P Wolfe  
Mr S L Quick  
Mr L Boyatzis

Remuneration and Retirement Benefits

The Company has applied the exemptions available under Schedule 5B of the Corporations Regulations 2001 which exempts listed companies from providing remuneration disclosures in relation to key management

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**25 DIRECTORS' AND EXECUTIVES' REMUNERATION (continued)**

Remuneration and Retirement Benefits (continued)

The Company has applied the exemptions available under Schedule 5B of the Corporations Regulations 2001 which exempts listed companies from providing remuneration disclosures in relation to key management personnel if these disclosures are contained within the Directors' Report. These remuneration disclosures are provided in the Remuneration Report section of the Directors' Report and are designated as audited.

**(b) Remuneration Options**

During the financial year 2,000,000 (2007 – 11,000,000) options were granted as equity compensation benefits under the long-term incentive plan to certain key management personnel as disclosed below. The options were issued free of charge.

	Vested	Granted	Terms and Conditions for each Grant					
			Grant Date	Fair Value per option at grant date (\$) (note 19)	Exercise price per option(\$)	Expiry Date	First Exercise Date	Last Exercise Date
No.	No.							
30 June 2008								
<i>Executives</i>								
P J Rouvray	2,000,000	2,000,000	6.12.2007	8.3 cents	65 cents	30.11.2009	6.12.2007	30.11.2009
Total	2,000,000	2,000,000						

**(c) Options and rights holdings**

Number of options held by specified directors and executives

Parent entity directors

Name	Balance 1.7.2007	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2008
I J Laurance AM	2,000,000	-	-	-	2,000,000
B P Laurance	42,000,000	-	-	-	42,000,000
U B Gianotti	2,000,000	-	-	-	2,000,000
M G Blakiston	2,000,000	-	-	-	2,000,000
J S Howe	-	-	-	-	-
	<u>48,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,000,000</u>

Parent entity executives

A J Gardiner	1,000,000	-	-	-	1,000,000
J P Wolfe	2,000,000	-	-	-	2,000,000
P J Rouvray	-	2,000,000	-	-	2,000,000
	<u>3,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>

**(d) Shareholdings**

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

Parent entity directors

Name	Balance 1.7.2007	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2008
I J Laurance	-	-	-	200,000	200,000
B P Laurance	25,000,000	-	-	800,000	25,800,000
U B Gianotti	1,000,000	-	-	-	1,000,000
M G Blakiston	1,000,000	-	-	-	1,000,000
J S Howe	-	-	-	1,868,500	1,868,500
	<u>27,000,000</u>	<u>-</u>	<u>-</u>	<u>2,868,500</u>	<u>29,868,500</u>
Parent entity executives					
J P Wolfe	50,000	-	-	-	50,000
	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

<i>Consolidated</i>		<i>Parent</i>	
2008	2007	2008	2007
\$'000	\$'000	\$'000	\$'000

**26. REMUNERATION OF AUDITORS**

The auditors of Axiom Properties Limited are HLB Mann Judd

Amounts received or due and receivable by HLB Mann Judd for :

i) Audit and review of the financial reports	62	44	62	44
ii) Tax compliance	8	8	8	4
iii) Other services	-	15	-	15
	70	67	70	63

**27. RELATED PARTY DISCLOSURES**

**i) Transactions with Directors**

**a) Blakiston and Crabb Solicitors**

Blakiston and Crabb Solicitors, a firm in which Mr M G Blakiston is a partner, provided legal services to the company on normal terms and conditions during the financial year. Total fees charged to the Company were \$348,743 (2007: \$219,000).

**b) Pivot Group Pty Ltd**

Pivot Group Pty Ltd, a director related entity of Mr B P Laurance, provided premises and consulting services on normal terms and conditions during the year. The total charged to the Company was \$307,642 (2007: \$50,055).

Additionally the Company entered into contracts with Pivot Group Pty Ltd during the year in relation to the purchase of property. Refer to Note 24 for details.

**c) Integrated Engineering and Delivery Management**

Integrated Engineering and Delivery Management, a firm in which Mr J S Howe is a principal, provided consulting services to the Company on normal terms and conditions during the financial year. Total fees charged to the Company were \$30,000 (2007: Nil).

**ii) Transactions with Associates**

**Port Geographe Joint Venture**

The Group provides project management services to the Port Geographe Joint Venture on normal terms and conditions. Total fees earned during the year were \$240,269 (2007: \$240,269)

**iii) Transactions within the Wholly Owned Group**

Amounts receivable from wholly owned subsidiaries are disclosed in Note 10 to the financial statements. Amounts payable to wholly owned controlled entities are disclosed in Note 16 to the financial statements. No interest is charged on these outstanding balances.

**iv) Ultimate Parent Entity**

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

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**28. PARTICULARS IN RELATION TO SUBSIDIARIES**

	Country Incorporation/ Formation	Interest Held	
		2008 %	2007 %
<b>Parent</b>			
Axiom Properties Ltd	Australia		
<b>Subsidiaries:</b>			
Tallwood Nominees Pty Ltd	Australia	100	100
Axiom Resorts Pty Ltd	Australia	100	100
Southern Development Unit Trust	Australia	100	100
Oakford Enterprises Pty Ltd	Australia	100	100
Axiom Resorts Management Pty Ltd	Australia	100	100
Superior Properties Pty Ltd	Australia	100	100
Axiom Properties Funds Management Pty Ltd	Australia	100	100
Axiom Property Funds Ltd	Australia	100	100
AOF Gepps Cross Pty Ltd	Australia	100	100
Axiom Properties Property Fund	Australia	100	100
Axiom Opportunity Fund No2	Australia	100	100
Axiom Worldpark Trust	Australia	100	100
Axiom Worldpark Adelaide Pty Ltd	Australia	100	100

**29. SEGMENT INFORMATION**

The Company only operates in one industry segment being property development. The Company operates in one geographical segment, being Australia.

**30. INTERESTS IN JOINTLY CONTROLLED ENTITIES**

The Group has interests in the following Jointly Controlled Entities:

NAME OF ENTITY	PRINCIPAL ACTIVITY	INTEREST IN JOINT VENTURE NET ASSETS AT BALANCE DATE		VOTING POWER AND NET PROFIT ENTITLEMENT	
		2008 %	2007 %	2008 %	2007 %
Port Geographe Joint Venture	Development and sale of land at Port Geographe WA. The Company is entitled to 40% of the net profits of this Joint Venture.	15	26	40	40
250 Spencer St Joint Venture	Leasing and future development of the "Age Buildings" in Melbourne Victoria.	50	50	50	50

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**30. INTERESTS IN JOINTLY CONTROLLED ENTITIES (continued)**

	<i>Consolidated</i>		<i>Parent</i>	
	<b>2008 \$'000</b>	<b>2007 \$'000</b>	<b>2008 \$'000</b>	<b>2007 \$'000</b>
(i) Retained earnings attributable to interests in jointly controlled entity:				
Balance at beginning of the financial year	(19)	-	-	-
- shares of jointly controlled entities profit/( loss) after income tax	437	(19)	446	-
Balance at the end of the financial year	418	(19)	446	-
(ii) Carrying amount of investments in jointly controlled entities:				
Balance at beginning of the financial year	26,041	10,448	15,612	-
- share of jointly controlled entities profit/( loss) after income tax	437	(19)	446	-
- investments made during the year	(3,303)	15,612	(3,303)	15,612
Balance at the end of the financial year	23,175	26,041	12,755	15,612
(iii) Share of jointly controlled entities results and financial position:				
Current assets	1,387	4,254	1,002	3,940
Non-current assets	45,827	45,595	35,228	35,105
Total assets	47,214	49,849	36,230	39,045
Current liabilities	883	1,011	479	273
Non-current liabilities	23,135	23,135	23,135	23,135
Total liabilities	24,018	24,146	23,614	23,408
Revenues	2,271	-	2,266	-
Expenses	1,834	19	1,820	-
Profit/(Loss)before income tax	437	(19)	446	-
Income tax expense	-	-	-	-
Profit/(Loss) after income tax	437	(19)	446	-

As at 30 June 2008, the group was not liable for any expenditure commitments of the Jointly Controlled Entities (2007: Nil).

There are no contingent liabilities, other than disclosed in Note 23, of the Jointly Controlled Entities for which the Group can be held liable, including guarantees for other venturers.

For personal use only

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**31. SUBSEQUENT EVENTS**

The following events occurred after balance date and have not been brought to account at 30 June 2008.

*Rights Issue*

On 1 August 2008 the Company announced a pro-rata non renounceable rights issue to its shareholders on a 2 for 5 basis at an issue price of 8 cents per share. The Company raised \$5.7million from the issue and 71,095,911 shares were issued to subscribers on 15 September 2008. The prospectus allows the Company to place the shortfall in subscriptions (\$5.6million) by 8 December 2008.

*Melbourne Airports Sites 1 and 2*

The Company issued 4,500,000 shares at 20 cents per share to Pivot Group Pty Ltd on 25 July 2008 and 14,000,000 shares at 20 cents per share to a nominee of Pivot Group Pty Ltd on 12 August 2008. Both tranches were issued in satisfaction of consideration for the assignment of Melbourne Airport ground leases from Pivot Group approved by Shareholders at a General Meeting held on 27 June 2008.

**32. EARNINGS PER SHARE**

	<b>2008</b>	<b>2007</b>
	<b>Cents per Share</b>	<b>Cents per Share</b>
Basic earnings per share	1.24	0.75
Diluted earnings per share	1.04	0.63
	<b>2008</b>	<b>2007</b>
	<b>No.</b>	<b>No.</b>
The weighted average number of shares on issue used in the calculation of basic earnings per share.	335,370,532	335,370,532
The weighted average number of shares on issue used in the calculation of diluted earnings per share.	399,287,318	356,228,376

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

**33. FINANCIAL INSTRUMENTS**

**(a) Significant accounting policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

**(b) Capital Management**

Management controls the capital of the Group in order to maintain a reasonable debt to equity ratio and to ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues.

There have been no significant changes in strategies to control the capital of the Group since the prior year.

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**33. FINANCIAL INSTRUMENTS (continued)**

**(c) Categories of Financial Assets**

	<i>Consolidated</i>		<i>Parent</i>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<i>Financial Assets</i>				
Cash and cash equivalents	3,159	4,767	1,762	4,733
Available for sale financial assets	-	4,494	-	4,494
	<u>3,159</u>	<u>9,261</u>	<u>1,762</u>	<u>9,227</u>
<i>Financial Liabilities</i>				
Interest Bearing Liabilities	<u>44,159</u>	<u>9,554</u>	<u>9,542</u>	<u>9,554</u>
	<u>44,159</u>	<u>9,554</u>	<u>9,542</u>	<u>9,554</u>

**(d) Credit risk**

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

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.

**(e) Interest rate risk**

The Group is exposed to interest rate risk on its borrowings that are used to fund its development activities. The Group seeks to minimise the effect of this risk by using derivative financial instruments to hedge this 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 through loan facility documentation.

At balance date all the Group's borrowings were at a variable rate.

*Interest Rate Sensitivity Analysis*

The sensitivity analyses below have 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 for borrowings and all other variables are held constant the Group's:

- Net profit before tax would decrease by \$31,883 (2007:\$17,500) or increase by \$31,883 (2007:\$17,500). Capitalised development costs (other non current assets) would increase by \$128,000 (2007:Nil) or decrease by \$128,000 (2007:Nil). This is due to the Group's exposure to variable interest rates on its finance facilities.
- Equity would decrease by \$22,318 (2007 \$12,250) or increase by \$22,318 (2007:\$12,250).

For personal use only

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**33. FINANCIAL INSTRUMENTS (continued)**

**(f) Liquidity Risk Management**

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate cash reserves and borrowing facilities and by monitoring forecast versus actual cashflows and matching where ever possible the maturity profiles of financial assets and liabilities. Included in Note 5 is a listing of undrawn facilities that the Group has at its disposal.

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

**GROUP**

			Maturity					Total	
			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	\$'000
2008									
<b>Financial Assets</b>									
Variable Interest Instruments	Rate		5.85	3,159	-	-	-	-	3,159
Non Interest Bearing			-	2,336	-	-	-	-	2,336
				5,495	-	-	-	-	5,495
<b>Financial Liabilities</b>									
Variable Interest Instruments	Rate		8.13	-	18,986	16,835	14,379	-	50,200
Non Interest Bearing			-	1,768	-	-	-	-	1,768
Finance lease			7.19	-	-	-	42	-	42
				1,768	18,986	16,835	14,421	-	52,010
2007									
<b>Financial Assets</b>									
Variable Interest Instruments	Rate		5.46	4,767	-	-	-	-	4,767
Non Interest Bearing			-	-	-	4,494	209	-	4,703
				4,767	-	4,494	209	-	9,470
<b>Financial Liabilities</b>									
Non Interest Bearing			-	1,297	-	2,000	-	-	3,297
Variable Interest Instruments	Rate		9.32	-	-	3,851	-	-	3,851
Fixed Interest Instruments	Rate		8.83	-	-	6,578	-	-	6,578
Finance lease			7.19	-	-	-	54	-	54
				1,297	-	12,429	54	-	13,780

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**33. FINANCIAL INSTRUMENTS (continued)**

**(f) Liquidity Risk Management (continued)**

**COMPANY**

2008			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
<b>Financial Assets</b>									
Variable Interest Instruments	Rate		5.85	1,762	-	-	-	-	1,762
Non Interest Bearing			-	3,217	-	-	-	-	3,217
				4,979	-	-	-	-	4,979
<b>Financial Liabilities</b>									
Variable Interest Instruments	Rate		9.78	-	-	9,500	-	-	9,500
Non Interest Bearing			-	1,425	-	-	-	10,770	12,195
Finance lease			7.19	-	-	-	42	-	42
				1,425	-	9,500	42	10,770	21,737

2007			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
<b>Financial Assets</b>									
Variable Interest Instruments	Rate		5.46	4,733	-	-	-	-	4,733
Non Interest Bearing			-	-	-	4,494	197	-	4,691
				4,733	-	4,494	197	-	9,424
<b>Financial Liabilities</b>									
Non Interest Bearing			-	1,322	-	2,000	-	-	3,322
Variable Interest Instruments	Rate		9.32	-	-	3,851	-	-	3,851
Fixed Interest Instruments	Rate		8.83	-	-	6,578	-	-	6,578
Finance lease			7.19	-	-	-	54	-	54
				1,322	-	12,429	54	-	13,805

**(g) Net fair value**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

**AXIOM PROPERTIES LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**34 SHARE BASED PAYMENT PLAN**

Shareholders approved the Axiom Properties Limited Employee Share Option Plan (“Plan”) on 23 November 2006.

The Plan is designed to provide incentives to the Directors and employees of the Company and to recognise their contribution to the Company’s success.

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Options in the Company as the Board may decide and on the terms set out in the rules of the Plan. Options granted under the Plan are offered to participants in the Plan on the basis of the Board’s view of the contribution of the eligible person to the Company. All options issued are unlisted and are vested. The following table sets out details of options issued under the plan to date.

	<b>2008 No \$</b>	<b>2008 Weighted Average Exercise Price \$</b>	<b>2007 No \$</b>	<b>2007 Weighted Average Exercise Price \$</b>
Outstanding Options at the beginning of the year	11,000,000	45 cents	-	-
Granted during the year	2,000,000	65 cents	11,000,000	45 cents
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	13,000,000	48 cents	11,000,000	-
Exercisable at the end of the year	13,000,000	48 cents	11,000,000	45 cents

The outstanding balance as at 30 June 2008 is represented by:

- 8,000,000 options over ordinary shares with an exercise price of 45 cents each, exercisable until 14 December 2008
- 1,000,000 options over ordinary shares with an exercise price of 45 cents each, exercisable until 20 December 2008
- 2,000,000 options over ordinary shares with an exercise price of 45 cents each, exercisable until 15 June 2009
- 2,000,000 options over ordinary shares with an exercise price of 65 cents each, exercisable until 30 November 2009

The weighted average contractual life for the share options outstanding at 30 June 2008 is less than a year.

The weighted average fair value of the options granted during the year was 8.3 cents (2007: 5.72 cents).

The fair value of the equity settled share options granted under the option plan is estimated as at the grant date using the Black and Scholes model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the year ended 30 June 2008:

	<b>2008</b>	<b>2007</b>
Volatility (%)	55	60.25
Risk Free interest rate (%)	6.68	5.93
Weighted Average share price at grant date (cents)	50	31

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

**AXIOM PROPERTIES LIMITED**

**AUSTRALIAN STOCK 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 23 September 2008 is 66.40% (2007: 63.08%) and the names and number of shares are as follows:

<b>NAME</b>	<b>NUMBER</b>	<b>PERCENTAGE OF TOTAL SHAREHOLDINGS</b>
Pivot Group Pty Ltd	74,200,000	17.45%
Startrend Investments Pty Ltd	35,000,000	8.23%
Pivot Projects Pty Ltd	30,380,000	7.14%
Laurance Super Pty Ltd	28,000,000	6.58%
Advent Capital Ltd	17,990,000	4.23%
Charter Halls Fund Management Ltd	16,700,000	3.93%
Hamilton Corporation Pty Ltd	14,000,000	3.29%
ANZ Nominees Ltd Cash Income A/C	11,377,302	2.68%
Bell Potter Nominees <BB Nominees A/C>	7,456,100	1.75%
Pivot Group Pty Ltd	6,300,000	1.48%
Citicorp Nominees Pty Ltd	6,079,867	1.43%
Pivot Group Pty Ltd	5,511,800	1.30%
Bernville Pty Ltd	4,620,000	1.09%
Weathered Howe and Assoc Pty Ltd	4,315,900	1.01%
Silver Lake Nominees Pty Ltd	4,041,300	0.95%
Tee Pee Investments Pty Ltd	3,500,000	0.82%
Silver Lake Nominees Pty Ltd	3,279,278	0.77%
Merrill Lynch (Australia) Nominees Pty Ltd (Berndale A/C)	3,250,000	0.76%
Laissez Faire Et Cie Pty Ltd	3,236,700	0.76%
Johanna Investment Pty Ltd	3,189,170	0.75%
	<b>282,427,417</b>	<b>66.40%</b>

The substantial shareholders notices received by the Company as at 23 September 2008 are:

<b>SHAREHOLDER</b>	<b>No of Shares advised</b>
Peter Laurance	149,382,800
Ben Laurance	35,000,000

**DISTRIBUTION OF SHAREHOLDERS AS AT 23 September 2008**

There were 1158 shareholders holding issued ordinary shares in the Company which were distributed among shareholders as follows:

<b>CATEGORY</b>	<b>NO. OF SHAREHOLDERS</b>
1-1,000	14
1,001-5,000	139
5,001 – 10,000	129
10,001-100,000	610
100,001- and over	266
	<b>1,158</b>

There were 199 shareholders with less than the marketable parcel (7,143 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.

**AXIOM PROPERTIES LIMITED**

**CORPORATE DIRECTORY**

**DIRECTORS**

Ian James Laurance AM	Executive Chairman
Ben Peter Laurance	Managing Director
Umberto Bruno Gianotti	Executive Director
Michael Gerrard Blakiston	Non Executive Director
John Sylvester Howe	Non Executive Director

**COMPANY SECRETARY**

Aaron Jon Gardiner

**COMPANY INFORMATION**

Axiom Properties Limited is a company limited by shares that is registered and domiciled in Australia. Its registered and business office is:

Level 45, Bankwest Tower  
108 St Georges Terrace  
PERTH WA 6000

Telephone: (08) 9321 4646  
Facsimile: (08) 9321 8122

**WEBSITE**

[axiompl.com.au](http://axiompl.com.au)

**AUDITORS**

HLB Mann Judd  
Chartered Accountants  
15 Rheola Street  
WEST PERTH Western Australia 6005

**SHARE REGISTRY**

Computershare Investor Services Pty Limited  
Level 2, Reserve Bank Building  
45 St George's Terrace  
PERTH Western Australia 6000

Telephone: 618 9323 2001  
Facsimile: 618 9323 2033

**STOCK EXCHANGE LISTING**

Axiom Properties Limited's shares are listed on the Australian Stock Exchange Limited.