

ASX CODE

AXI

ISSUED CAPITAL

Ordinary Shares
432.7 M

CONTACT

South Australia

Level 1, Leigh Chambers
20 Leigh Street
Adelaide SA 5000

GPO Box 1248
Adelaide SA 5001

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

New South Wales

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

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

12 February 2021

ASX ANNOUNCEMENT

APPENDIX 4D – HALF YEAR REPORT – DECEMBER 2020

Adelaide, Australia, Friday 12 February 2021: Axiom Properties Limited (ASX:AXI) lodges the attached Appendix 4D Half Year Report for the half year ended 31 December 2020.

Authorised and approved for release by the Board.

About Axiom Properties Ltd

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

For more information, please contact:

Paul Santinon
Company Secretary
+61 8 8120 2400
admin@axiompl.com.au

Appendix 4D

Half year report Half-year ended 31 December 2020

Introduced 01/01/03 Amended 17/12/10

Name of entity

AXIOM PROPERTIES LIMITED

ABN

40 009 063 834

1. Half-year ended ('current reporting period') Half-year ended ('previous corresponding period')

31 DECEMBER 2020

31 DECEMBER 2019

2. Results for announcement to the market

				\$A'000
2.1	Revenue from ordinary activities	up/down	21,721%	To 29,540
2.2	Profit from ordinary activities after tax attributable to members	up/down	558%	To 5,561
2.3	Profit for the period attributable to members	up/down	558%	To 5,561

Dividends		Amount per security	Franked amount per security
2.4	Final dividends	N/A	N/A
2.4	Interim dividends	N/A	N/A

2.5	Record date for determining entitlements to the dividends	N/A
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- 2.6 Brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood:

This report should be read in conjunction with Axiom Properties Limited's most recent Annual and Interim Financial Reports.

3. NTA backing

	Current reporting period	Previous corresponding period
3.1 Net tangible assets per security	7.13 cents	5.77 cents

4. Control gained over entities having material effect

4.1 Name of entity (or group of entities)	N/A
4.2 Date of gain of control	N/A
4.3 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	N/A
4.3 Profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

4.1 Name of entity (or group of entities)	N/A
4.2 Date of loss of control	N/A
4.3 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	N/A
4.3 Profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

5. Dividends / distributions

Date the dividend / distribution is payable	N/A
Amount per security of foreign source dividend / distribution	N/A

Total dividends / distributions

Ordinary securities	N/A
Preference securities	N/A

6. Dividend / distribution plans

Dividend or distribution investment plans in operation:	N/A
The last date(s) for receipt of election notices for participation in dividend or distribution reinvestment plans	N/A

7. Details of aggregate share of profits (losses) of associates and joint venture entities

Name of associate / joint venture:	MB Estate Pty Ltd	
Holding in entities	50% holding in Joint Venture	
Group's aggregate share of associates' and joint venture entities':	Current reporting period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities before tax	497	43
Income tax on ordinary activities	-	-
Profit (loss) from ordinary activities after tax	-	-
Extraordinary items net of tax	-	-
Net profit (loss)	497	43
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	497	43

Name of associate / joint venture:	Currie St Pty Ltd	
Holding in entities	50% holding in Joint Venture	
Group's aggregate share of associates' and joint venture entities':	Current reporting period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities before tax	-	-
Income tax on ordinary activities	-	-
Profit (loss) from ordinary activities after tax	-	-
Extraordinary items net of tax	-	-
Net profit (loss)	-	-
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	-	-

8. Foreign entities

Which set of accounting standards is used in compiling the report (e.g. International Financial Reporting Standards):	N/A
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9. All entities

A description of accounts subject to audit dispute or qualification:	N/A
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INTERIM FINANCIAL REPORT
31 December 2020

CONTENTS	PAGE
Directors' Report	7
Auditor's Independence Declaration	9
Condensed Consolidated Statement of Comprehensive Income	10
Condensed Consolidated Statement of Financial Position	11
Condensed Consolidated Statement of Changes in Equity	12
Condensed Consolidated Statement of Cash Flows	13
Notes to the Condensed Consolidated Financial Statements	14
Directors' Declaration	21
Independent Auditor's Review Report	22

DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity, Axiom Properties Limited, ("Axiom" or "the Company") for the half-year ended 31 December 2020 ("the half-year"). In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

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

Ian James Laurance AM	Non-executive Chairman
Benjamin Peter Laurance	Managing Director
John Sylvester Howe	Non-executive Director
Liu Ying Chun	Non-executive Director
Doris Chung Gim Lian	Non-executive Director (alternate director)

Financial Results

The Group recorded a profit after tax of \$5,561,000 for the half-year ended 31 December 2020, up on the previous year's profit (31 December 2019: \$997,000 profit after tax). This profit is largely attributable to the sale of the World Park land and Safecom development under construction to Charter Hall. The Group's existing pipeline of projects is now underpinned by a strong cash balance.

Review of Operations

World Park 01: SAFECOM, Keswick SA (100% Interest)

As announced on 17 December 2020, the Company settled the first tranche of the \$80 million sale of Worldpark to Charter Hall for \$23 million. The Company continues to work with all stakeholders on delivery of the project with practical completion scheduled for the start of November this year.

Double Bay, Sydney NSW

During the half-year the Woollahra Council decided to re-engage with the local community and commence a fresh expression of interest process which closes at the end of February. The Company is considering its options with respect to the new expression of interest process.

Mt Barker (50% Interest)

During the half-year, the Company and its partner completed construction of stage 1b which consists of 43 allotments. As a result of selling 100% of the stage 1b allotments, the Company and its partner immediately commenced construction of minor stage 1c to bring to market a further 14 allotments adjacent to stage 1b, which will be completed and ready for settlement in April 2021. Three of these allotments have already been contracted and the Joint Venture continues to receive strong interest in the remaining 11 allotments.

The Company and its partner continue to sell the remaining allotments available in stage 1a which are ready for immediate settlement as well as continue to receive contracted allotment settlements on stage 1a and stage 1b, the proceeds of which are being used to progressively pay back the BankSA development finance facility.

Butler, WA (100% Interest)

As advised at year end, development consent was granted on 29th May 2020 for a large format retail centre comprising 13,240sqm of lettable retail and showroom space. Since that time, the Company has been working on modifications to the approval to accommodate specific tenant requirements.

DIRECTORS' REPORT (continued)**Review of Operations (continued)**

The Company is continuing with a marketing campaign to pre-lease the project, with terms now agreed on approximately 60% of the available space. The team is targeting construction commencement in May 2021 and completion in May 2022.

Churchill Centre North (4.5% Interest in Churchill North Centre Investment Trust 1):

At half year the Company held 1,180,000 of 19,320,000 units within the Trust and received its share of distributable income for quarter one during the half year, with quarter two income expected to be received subsequent to half year. During the half year the Company sold 750,000 units of its units in the trust at \$1 per unit. Subsequent to half year, the Company sold a further 330,000 units and as at report date holds 880,000 units. The Directors continue to believe it is appropriate for the Company to deploying its passive capital into other pipeline development assets.

Currie St, Adelaide SA (50% Interest)

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

Francis Street, Richmond NSW (100% Interest)

During the quarter, the Company decided not to pursue its Richmond, NSW project due to inability to reach development approval to the Company's satisfaction. As such, the land purchase deposit of \$90,000 and stamp duty of \$85,000 was refunded in full to the Company.

End of Review of Operations**Rounding of Amounts**

The Company has applied the relief available to it in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and accordingly certain amounts in the interim financial report and the Directors' report have been rounded off to the nearest \$1,000, unless otherwise indicated.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, BDO Audit (SA) Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 9 and forms part of this Directors' Report for the half year ended 31 December 2020.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Ben Laurance

Managing Director

Dated this 12th day of February 2021

**DECLARATION OF INDEPENDENCE
BY PAUL GOSNOLD
TO THE DIRECTORS OF AXIOM PROPERTIES LIMITED**

As lead auditor for the review of Axiom Properties Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

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

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



Paul Gosnold
Director

BDO Audit (SA) Pty Ltd

Adelaide, 12 February 2021

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Notes	31 December 2020 \$'000	31 December 2019 \$'000
Continuing Operations			
Revenue from contracts with customers	2 (a)	29,540	136
Cost of sales		(22,629)	-
		6,911	136
Other income	2 (b)	150	2,573
Share of profit from equity accounted investments	2 (c)	497	252
Employee benefits expense		(1,326)	(1,454)
Depreciation and amortisation expense		(115)	(116)
Finance costs		(25)	(28)
Other expenses		(531)	(366)
Profit/(loss) before income tax		5,561	997
Income tax benefit / (expense)		-	-
Net Profit for the period		5,561	997
Total comprehensive income for the period		5,561	997
Basic earnings per share (cents per share)		1.29 cents	0.23 cents
Diluted earnings per share (cents per share)		1.29 cents	0.23 cents

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Notes	31 December 2020 \$'000	30 June 2020 \$'000
Assets			
Current Assets			
Cash and cash equivalents		19,877	3,646
Trade and other receivables		3,607	88
Contract assets	6	2,935	-
Inventory		811	-
Other financial assets		-	3,572
Other assets	7	124	33
		<u>27,354</u>	<u>7,339</u>
Assets Classified as held for sale		1,180	1,930
Total Current Assets		<u>28,534</u>	<u>9,269</u>
Non-Current Assets			
Trade and other receivables		418	418
Inventory	5	-	14,303
Other assets	7	1,112	1,081
Investment properties	8	-	269
Investments accounted for using the equity method	9	1,631	1,134
Right -of-use assets	10	722	823
Total Non-Current Assets		<u>3,883</u>	<u>18,028</u>
Total Assets		<u>32,417</u>	<u>27,297</u>
Liabilities			
Current Liabilities			
Trade and other payables		478	867
Lease Liabilities	12	216	201
Provisions		334	297
Total Current Liabilities		<u>1,028</u>	<u>1,365</u>
Non-Current Liabilities			
Lease Liabilities	12	553	657
Total Non-Current Liabilities		<u>553</u>	<u>657</u>
Total Liabilities		<u>1,581</u>	<u>2,022</u>
Net Assets		<u>30,836</u>	<u>25,275</u>
Equity			
Issued capital	3	54,440	54,440
Accumulated losses		(23,604)	(29,165)
Total Equity		<u>30,836</u>	<u>25,275</u>

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	54,440	(29,532)	-	24,908
Profit for the period	-	997	-	997
Total comprehensive income for the period	-	997	-	997
Balance at 31 December 2019	54,440	(28,535)	-	25,905
Balance at 1 July 2020	54,440	(29,165)	-	25,275
Profit for the period	-	5,561	-	5,561
Total comprehensive income for the period	-	5,561	-	5,561
Balance at 31 December 2020	54,440	(23,604)	-	30,836

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Notes	31 December 2020 \$'000	31 December 2019 \$'000
Cash flows from operating activities			
Receipts from customers		23,579	177
Payments to suppliers and employees		(1,535)	(1,530)
Payment of project development costs		(9,791)	(964)
Interest received		10	54
Finance costs		(25)	(28)
Net cash inflow/(outflow) from operating activities		12,238	(2,291)
Cash flows from investing activities			
Investment in joint venture		-	(57)
Advances to joint ventures		(457)	-
Distributions Received		44	211
Proceeds from reimbursement of investment property costs		176	-
Proceeds from disposal of held for sale asset		750	1,970
Purchase of fixed interest securities		-	(5,538)
Proceeds from fixed interest securities		3,572	-
Net cash (outflow)/inflow from investing activities		4,085	(3,414)
Cash flows from financing activities			
Repayment of lease liability		(92)	(95)
Proceeds from borrowings	11	5,168	-
Repayments of borrowings	11	(5,168)	-
Net cash outflow from financing activities		(92)	(95)
Net increase/(decrease) in cash held		16,231	(5,800)
Cash and cash equivalents at the beginning of the period		3,646	9,207
Cash and cash equivalents at the end of the period		19,877	3,407

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying notes form part of these financial statements.

Statement of compliance

This half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial report is intended to provide an update on the latest annual financial statements of Axiom Properties Limited and its controlled entities ("Group"). This condensed half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The half-year financial report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and accordingly, certain amounts in the Directors' Report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these accounting standards and interpretations did not have any significant impact on the financial performance or position of the company.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual financial statements for the year ended 30 June 2020 with the exception of the estimates associated with revenue recognition as outlined in note 2(a).

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

NOTE 2: PROFIT BEFORE INCOME TAX

	31 December 2020 \$'000	31 December 2019 \$'000
(a) Revenue from contracts with customers		
Rental Income	44	136
Sales Income	29,312	-
Development fee income	184	-
	29,540	136
Disaggregation of revenue		
Goods transferred at a point of time	25,789	-
Goods transferred over time	3,523	-
Services transferred over time	228	136
	29,540	136
Geographical regions		
All revenue is derived from Australia.		
Revenue recognition		
As outlined in the market announcement on 11 th November 2020, Axiom has agreed to sell the Worldpark site including the land plus works completed to the date of settlement (tranche 1) as well as develop the facility, with completion expected in October 2021 (tranche 2). The initial sale is considered a separate performance obligation, with revenue recognised at the point of settlement. Revenue from the development of the facility is recognised over time based on the input method.		
Revenue - estimates		
Judgement is exercised in determining the proportion of the Worldpark development completed at the end of the reporting period. A degree of variability exists in the total expected cost of the development which has a direct bearing on the amount of revenue recognised in the period.		
(b) Other income		
Interest received	10	73
Government Subsidies	124	-
Distributions received	16	-
Gain on reversal of inventory write-down	-	2,500
	150	2,573
(c) Share of profit from equity accounted investments		
Share of profit from Churchill North Investment Trust 1	-	209
Share of profit from MB Estate Pty Ltd	497	43
	497	252

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

NOTE 3: ISSUED CAPITAL

	31 December 2020 \$'000	30 June 2020 \$'000
<i>Ordinary shares</i>		
Issued and fully paid	54,440	54,440

	6 months to 31 Dec 2020		12 months to 30 June 2020	
	No.	\$'000	No.	\$'000
<i>Movements in ordinary shares on issue</i>				
At start of period	432,713,658	54,440	432,713,658	54,440
At end of period	432,713,658	54,440	432,713,658	54,440

NOTE 4: SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board in order to allocate resources to the segment and to assess its performance.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies. The following tables are an analysis of the Group's revenue, results from continuing operations and the Group's assets and liabilities by reportable segment provided to the Board for the half-year ended 31 December 2020 and 31 December 2019.

Continuing operations				
31 December 2020	Investment Property \$'000	Development \$'000	Corporate \$'000	Consolidated \$'000
Segment revenue	-	29,512	28	29,540
Other income	16	1	133	150
Share of net profit/(loss) of equity accounted investments	-	497	-	497
Segment result	(80)	7,225	(1,584)	5,561
Results from continuing operations	(80)	7,225	(1,584)	5,561
Segment assets	1,180	25,692	5,545	32,417
Segment liabilities	-	58	1,523	1,581

Continuing operations				
31 December 2019	Investment Property \$'000	Development \$'000	Corporate \$'000	Consolidated \$'000
Segment revenue	-	100	36	136
Other income	-	2,500	73	2,573
Share of net profit/(loss) of equity accounted investments	209	43	-	252
Segment result	209	2,639	(1,851)	997
Results from continuing operations	209	2,639	(1,851)	997
Segment assets	5,011	12,680	9,977	27,668
Segment liabilities	-	22	1,741	1,763

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

NOTE 5: INVENTORIES

	31 December	30 June
	2020	2020
	\$'000	\$'000
<i>Non-Current</i>		
Land (development)	-*	13,125
Built Form homes at cost	811	1,178
	<u>811</u>	<u>14,303</u>

*The directors refer to the market announcement on the 17th December 2020 advising that Axiom had settled tranche 1 of the Worldpark development.

NOTE 6: CONTRACT ASSETS

	31 December	30 June
	2020	2020
	\$'000	\$'000
<i>Current</i>		
Contract Assets	2,935	-

Contract Assets recognise the proportion of revenue earned but not yet invoiced on the Worldpark development, based on the progress towards complete satisfaction of the associated performance obligation at the reporting date.

NOTE 7: OTHER ASSETS

	31 December	30 June
	2020	2020
	\$'000	\$'000
<i>Current</i>		
Prepayments	124	33
<i>Non-Current</i>		
Land (development) at cost	279	279
Other Development costs	355	403
Refundable deposits	478	399
	<u>1,112</u>	<u>1,081</u>

NOTE 8: INVESTMENT PROPERTIES

	31 December	30 June
	2020	2020
	\$'000	\$'000
Investment property at cost	-	269

During the half-year the Company decided not to pursue its Richmond, NSW project due to inability to reach development approval to the Company's satisfaction. As such, the land purchase deposit of \$90,000 and stamp duty of \$85,000 was refunded in full to the Company.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

NOTE 9: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment Summary

Name of entity	Type of Investment	31 December	30 June
		2020	2020
		\$'000	\$'000
MB Estate Pty Ltd	Joint Venture	1,015	518
Currie St Pty Ltd	Joint Venture	616	616
Total		1,631	1,134

Joint ventures

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

Name of entity	Principal activity	Country of incorporation	Equity Participation Share	
			December 2020	June 2020
			%	%
MB Estate Pty Ltd	Land subdivision	Australia	50	50
Currie St Pty Ltd	Land & building development	Australia	50	50

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

MB Estate Pty Ltd

	31 December	30 June
	2020	2020
	\$'000	\$'000
Opening carrying amount	518	660
Contributions to joint venture	-	-
Share of profit/(loss) of investment	497	(142)
Less: downstream development fees	-	-
Carrying value of the Group's interest in the joint venture	1,015	518

Axiom is responsible for initial equity contributions for the venture. The other party will contribute land and hold the land for the benefit of the joint venture until allotments are sold. After an initial distribution of proceeds paid to the other party, and a project management fee paid to Axiom, the remaining profits are to be distributed in accordance with the above equity participation share.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

NOTE 9: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Currie St Pty Ltd

	31 December	30 June
	2020	2020
	\$'000	\$'000
Opening carrying amount	616	550
Contributions to joint venture	-	66 ²
Share of profit/(loss) of investment	-	-
Carrying value of the Group's interest in the joint venture	<u>616</u>	<u>616</u>

² Axiom has the right to contribute equity of up to \$6.0m to earn a 50% interest in the project and will be responsible for delivering the development. Axiom also has the right to earn a development management fee during the project's life-cycle.

NOTE 10: RIGHT-OF-USE ASSETS

	31 December	30 June
	2020	2020
	\$'000	\$'000
Office Space – right-of-use	1,037	1,037
Less: Accumulated depreciation	(325)	(216)
	<u>712</u>	<u>821</u>
Motor Vehicle – right-of-use	29	18
Less: Accumulated depreciation	(19)	(16)
	<u>10</u>	<u>2</u>
Total right-of-use assets	<u>722</u>	<u>823</u>

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

The company leases offices located in Adelaide and Sydney under agreements of between five to six years. The leases have annual fixed escalation clauses. On renewal, the terms of the leases are renegotiated. The company also has a motor vehicle operating lease under a one year agreement.

The company leases office equipment under agreements. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

NOTE 11: BORROWINGS

Axiom World Park Pty Ltd as trustee for Axiom World Park Adelaide Trust

	31 December	30 June
	2020	2020
	\$'000	\$'000
Balance at the beginning of the period	-	-
Funds drawn during the period	5,168	-
Funds repaid during the period	(5,168)	-
Balance at the end of the period	-	-

NOTE 12 LEASE LIABILITIES

	31 December	30 June
	2020	2020
	\$'000	\$'000
<i>Current</i>		
Lease liabilities	216	201
<i>Non-Current</i>		
Lease liabilities	553	657

NOTE 13: FINANCIAL INSTRUMENTS

The Directors consider that the carrying amount of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

NOTE 14 COMMITMENTS

As announced on 3 September 2020, the Group achieved financial close on its SAFECOM World Park project which included achievement of conditions precedent to enter into a construction contract with Pike Constructions. As per previous announcements, the Group remains responsible for the delivery of the precinct development.

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

NOTE 16: CONTINGENT LIABILITIES

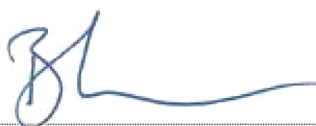
The Group had no contingent liabilities as at 31 December 2020.

DIRECTORS' DECLARATION

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

1. The financial statements and notes thereto, as set out on pages 10 to 20, are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the Corporations Act 2001.



Ben Laurance
Managing Director

Dated this 12th day of February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AXIOM PROPERTIES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Axiom Properties Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the directors for the financial report

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



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit (SA) Pty Ltd

A handwritten signature in blue ink that reads 'Paul Gosnold'.

Paul Gosnold
Director

Adelaide, 12 February 2021