AXIOM PROPERTIES LIMITED
ABN 40 009 063 834

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

AND

EXPLANATORY MEMORANDUM

Date of Meeting
27 November 2009

Time of Meeting
10.00 am WST

Place of Meeting
The Duxton Hotel
1 St Georges Terrace
PERTH WA 6000

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

AXIOM PROPERTIES LIMITED
ABN 40 009 063 834
NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN of the Annual General Meeting of Axiom Properties Limited ("**Company**") to be held at the Duxton Hotel, 1 St Georges Terrace, Perth, Western Australia on 27 November 2009 at 10.00 am Western Standard Time, for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

An Explanatory Memorandum containing information in relation to the following Resolutions accompanies this Notice.

Certain terms and abbreviations used in this Notice of Annual General Meeting and the accompanying Explanatory Memorandum have defined meanings which are set out in the glossary contained in the accompanying Explanatory Memorandum.

AGENDA

ORDINARY BUSINESS

Financial Report for the Period Ended 30 June 2009

To receive and consider the financial report for the Company and its controlled entities for the year ended 30 June 2009, and the reports of the Directors and the Company's auditors thereon.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution:**

> *"That Shareholders adopt the Remuneration Report for the financial year ended 30 June 2009."*

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Mr Umberto Gianotti as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution:**

> *"That Mr Umberto Gianotti, being a Director who retires by rotation pursuant to clause 13.2 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."*

By Order of the Board of Directors

Mr Aaron Gardiner
Company Secretary 26 October 2009

PROXIES

- Votes at the Meeting may be given personally or by proxy, attorney or representative.
- A Shareholder entitled to attend and vote at the above Meeting may appoint not more than two proxies to attend and vote at this Meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.
- A proxy may but need not be a Shareholder of the Company.
- The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer of his attorney duly authorised.
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the Registered Office of the Company at least 48 hours prior to the Meeting. For the convenience of Shareholders a Proxy Form is enclosed.

ENTITLEMENT TO VOTE

For the purposes of section 1074E(2) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding ordinary shares at 5.00pm WST on 25 November 2009 will be entitled to attend and vote at the Meeting.

CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the Meeting.

AXIOM PROPERTIES LIMITED
ABN 40 009 063 834
EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting ("**Notice**") of Axiom Properties Limited ("**Company**")

The directors of the Company ("**Directors**") recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Shareholders will be given an opportunity to ask questions of the Directors and the Company's auditor in relation to the accounts of the Company and its controlled entities at the Meeting.

2. OVERVIEW OF RESOLUTIONS

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Section 298 of the Corporations Act requires that the annual Directors' Report contain a Remuneration Report prepared in accordance with section 300A of the Corporations Act.

The Company's Remuneration Report for the financial year ended 30 June 2009 is set out in the Directors' Report in the 2009 Annual Report to Shareholders.

By way of summary, the Remuneration Report:

(a) discusses the Company’s policy and the process for determining the remuneration of its executive officers and Directors;

(b) addresses the relationship between the remuneration of the Company’s executive officers and the performance of the Company; and

(c) sets out remuneration details for each Director and each of the executive officers of the Company named in the Remuneration Report for the financial year ended 30 June 2009.

Shareholders are entitled to vote on the question whether the Remuneration Report as contained in the Annual Report for the year ended 30 June 2009 is to be adopted. Section 250R(2) of the Corporations Act requires listed companies to put a resolution to their members that the Remuneration Report be adopted.

Pursuant to section 250R(3), Shareholders should note that the vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

RESOLUTION 2 – RE-ELECTION OF MR UMBERTO GIANOTTI AS A DIRECTOR

Clause 13.2 of the Company's Constitution provides that at every annual general meeting one third of the Directors or, if their number is not a multiple of three, then such number as is appropriate to ensure that no Director holds office for more than 3 years, shall retire from office. This requirement does not apply to the Managing Director, alternative Directors and Directors appointed by the Board since the last annual general meeting who are required to retire.

Mr Umberto Gianotti therefore retires from office in accordance with this requirement and, being eligible, offers himself for re-election as a 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 32 years.

GLOSSARY

In this Explanatory Memorandum, the following terms have the following meanings unless the context otherwise requires:

ASX	ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
ASX Listing Rules	The listing rules of ASX.
Board	The board of directors of the Company.
Company	Axiom Properties Limited ABN 40 009 063 834.
Constitution	The constitution of the Company.
Corporations Act	Corporations Act 2001 (Cth).
Director	A director of the Company.
Meeting	The Annual General Meeting the subject of the Notice.
Notice	The Notice of Annual General Meeting which accompanies this Explanatory Memorandum.
Resolution	A resolution proposed pursuant to the Notice.
Shareholder	A shareholder of the Company.
WST	Australian Western Standard Time.

2009
ANNUAL REPORT

AXIOM
PROPERTIES LIMITED

Corporate Directory

Directors

Ian James Laurance AM
Executive Chairman

Ben Peter Laurance
Managing Director

Umberto Bruno Gianotti
Non 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 18
109 St Georges Terrace
PERTH WA 6000

Telephone: (08) 9321 4646
Facsimile: (08) 9321 8122
Website: axiompl.com.au

Auditors

HLB Mann Judd
Chartered Accountants
15 Rheola Street
West Perth WA 6005

Share Registry

Computershare Investor
Services Pty Limited

Level 2,
Reserve Bank Building
45 St George's Terrace
Perth WA 6000

Telephone: 618 9323 2001
Facsimile: 618 9323 2033

Stock Exchange Listing

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

2009 ANNUAL REPORT

AXIOM PROPERTIES LIMITED

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Chairman's Letter to Shareholders

Dear Shareholder,

The 2008/2009 financial year would undoubtedly be the toughest that Axiom has faced since it began life as a listed company.

The Global Financial Crisis that effected markets across the world, hit the property industry particularly hard. Tightening of credit and impairment writedowns have been the norm for all Australian property companies.

The end result of these difficult conditions has meant that your company reported a loss of $13.9 million for 2008/2009 compared to a profit of $4.1 million in the previous year. Your Directors are also very conscious of the fact that these prevailing conditions have also meant that the Axiom share price has been savaged by the market.

In response to these conditions the Directors took early and positive action to reduce overhead costs and expenditure in order to place the company in survival mode.

Your Directors believe that the 2009/2010 financial year will be a brighter year for the property industry. Bottom-of-the-cycle valuations should improve on the upside and confidence appears to be returning to the market.

Apart from the Port Geographe Joint Venture, which has been adversely affected by intransigence on the part of State Government and Local Council officers, Axiom's projects are performing strongly and auger well for the company as market conditions improve.

As reported in more detail elsewhere in this report, Gepps Cross Bulky Goods Centre, WorldPark: 01 Adelaide and the Age Site are all performing strongly and the Islington Industrial site is shaping up as a major opportunity for the company going forward.

I would like to take this opportunity to thank our joint venture partners in our various projects, for their ongoing support and steadfastness during the past difficult year. ISPT, Harvey Norman, Charter Hall Group, Coffey International and our many consultants and contractors deserve our praise.

In addition we thank the South Australian Government for their refreshingly pro-active stance towards development in their state.

We also thank our small, and somewhat diminished, staff for their continued commitment and dedication to the Company.

Finally, I wish to thank our loyal shareholders who have stuck with the company – your Directors are more than ever committed to rebuilding the company's fortunes as markets recover.

Ian James Laurance AM
Chairman

Review of Operations

In spite of the global and local economic headwinds, the Company has continued to focus on strategic property developments in South Australia, a State with an outstanding economic base and strong prospects for growth.

On 5th June 2009, the company (together with its partners Harvey Norman and Charter Hall) opened Gepps Cross, the biggest bulky goods centre in Australia.

Since the end of the financial year, we have been pleased to announce the commencement of construction of Stage One of WorldPark: 01 Adelaide, a 5 star green star, boutique office park on Adelaide's fringe CDB at Keswick.

The company also entered into a favourable development agreement over a 24 hectare parcel of near city industrial land at Islington, 5km north of Adelaide's CBD. The company believes that the Islington project represents an exceptional future opportunity.

During the year the company also delivered on its "Age" project, in selling the residential component representing 20% of the total land area at a premium to its cost price.

In closing, the company is looking forward to the year ahead, to the opportunities that this year presents, and in consolidating its quality portfolio of projects and continuing to deliver value to its shareholders.

Ben Laurance
Managing Director

Projects

WorldPark: 01, Adelaide, SA

WorldPark: 01 is a campus style business precinct incorporating leading technologies in water and energy conservation. When completed, WorldPark: 01 will provide 34,000sqm of new generation office space in 3 boutique buildings of 11,500sqm each.

On 29 June 2009 the Company announced the commitment of the State Government of South Australia to occupy the balance of Stage 1.

Together with the previous pre-commitment from ASX Top 300 Company, Coffey International, Stage 1's 11,500sqm is 100% pre-committed.

On 19th August 2009 the Minister for Urban Development and Planning, Hon. Paul Holloway, turned the first sod to commence construction of Stage 1. The Stage 1 building is expected to be completed by September 2010.

Above (left to right): Axiom's Chairman Ian Laurance, Hon. Patrick Conlon Minister for Transport, Energy and Infrastructure, Hon. Paul Holloway Minister for Urban Development and Planning, Axiom's Managing Director Ben Laurance.

Above: First soil turned at WorldPark: 01 site.
Left: Paul Rouvray, Axiom South Australian Manager
Far Left: Glen Simpson, Executive Director Coffey International Limited

Gepps Cross Centre, Adelaide, SA

The Gepps Cross Centre, a 60,000sqm bulky goods retail centre located at Gepps Cross, South Australia reached practical completion on 5 June 2009.

The construction was Project Managed by the Company on behalf of its partners, Harvey Norman (25%) and Charter Hall (25%). The Company has maintained a 50% interest in the Centre which includes Australia's premier bulky goods retailers, Harvey Norman, JB HIFI, Super Amart, Spotlight, Toys 'R' Us and others.

At the date of this Report the Centre has executed leases and received lease commitments for approximately 90% of the space.

Above: Managing Director Ben Laurance with Axiom's South Australian Manager Paul Rouvray

Above: Aerial view of Gepps Cross

Australia's largest homemaker centre commences trading.

"The centre reached practical completion on time and on budget on 5 June 2009."

Gepps Cross has attracted major national tenants

Projects (continued)

Islington, Adelaide, SA

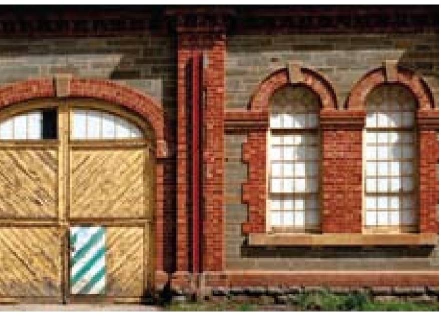
This huge site is located in the inner North Western suburbs of Adelaide and is 5km from the CBD.

The site was originally a rail yard first developed by the State Railways more than a century ago.

Axiom has received South Australian Government approval to enter into a 99 year ground lease on the 24 hectare site.

Axiom is currently developing a Master Plan for the site, which represents one of the last remaining inner city land parcels available for development.

The Master Plan will examine several development options including industrial warehouse/showrooms or retail/bulky goods facilities.



The Islington Industrial site is shaping up as a major opportunity for the company going forward.

Above: Paul Rouvray inspects the Islington site.
Left and Above: The Islington site features a number of buildings dating back to the early 1900's.

The Age, Melbourne, VIC

The 15,200sqm site, leased by the Age Newspaper, continued to earn rental income for the Company and its Joint Venture Partner, Industry Superannuation Property Trust.

The partners, since year end, announced that they had entered into a conditional contract to sell the residential component of the site for $17m. This component of the site represents 20% of the total site, and was put up for sale via a 6 week Expression of Interest campaign following the achievement of a planning permit for two residential towers. Settlement for the sale is expected in April 2010. The proceeds of the sale will be used to reduce the debt on the site.

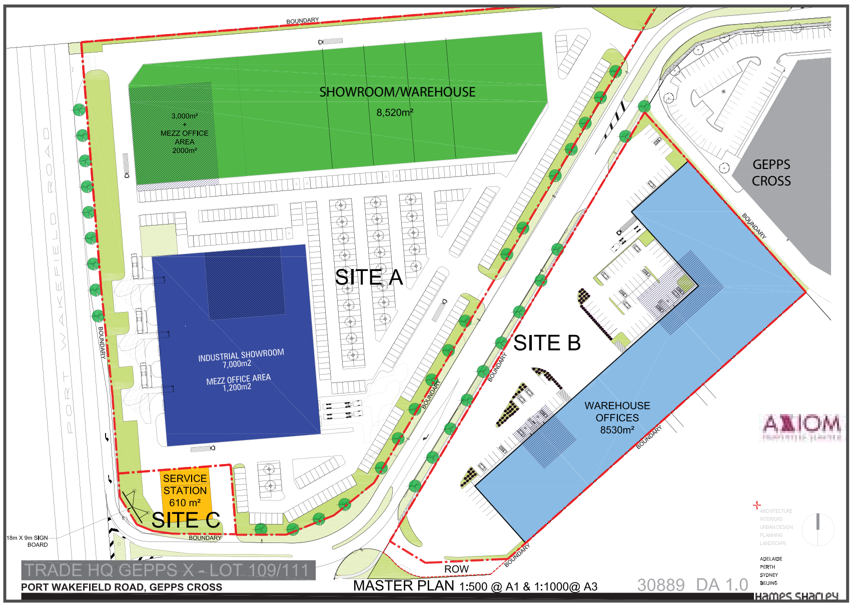
The remaining 12,000sqm of the site, comprising land and buildings opposite the Spencer St Railway Station in the growing western end of Melbourne's CBD, is expected to be held by the partners.

Above: Architect's perspective of the proposed residential towers of the Age site redevelopment.

Future Developments

Lot 109/111 - Gepps Cross South Australia

The Company has obtained a lease of 6.5ha of vacant land adjacent to its Gepps Cross Bulky Goods Centre in Gepps Cross SA. The Company together in joint venture with Harvey Norman and Charter Hall will continue to investigate development opportunities over the site which may include bulky goods or light industrial.

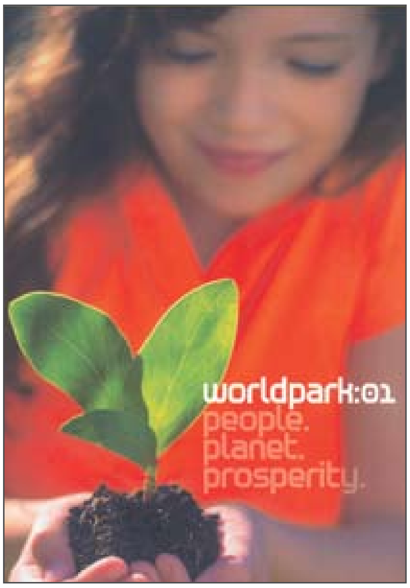


Potential Developments

WorldPark Concept

The company continues to evaluate several sites in Victoria in order to start development of the WorldPark concept in Victoria and accommodate Coffey International's requirements for office space in that State. The Company, in conjunction with Coffey, intends to rollout the WorldPark concept in all states in Australia.

The company is looking forward to the year ahead, to the opportunities that this year presents, and in consolidating its quality portfolio of projects and continuing to deliver value to its shareholders.



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Directors' Report

Your directors submit the annual financial report of the consolidated entity for the financial year ended 30 June 2009. 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	Particulars
Ian James Laurance AM **(Executive Chairman)**	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* Nil
Ben Peter Laurance **(Managing Director)**	Mr Ben Laurance is the 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, and since its inception in 1972, it has developed shopping centres, bulky goods centres, office buildings, medical centres, theme parks, hotels, resorts and marinas worth more than $1 billion. Mr Laurance joined the family property 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. Mr Laurance's role as Managing Director of Axiom is to source, manage and deliver investment grade development projects across various asset classes around Australia. He is also responsible for the day to day management and operation of the company. With his expertise in the corporate and financial markets, Mr Laurance has been instrumental in the guidance and management of Axiom's business strategy. Mr Laurance has a Bachelor of Economics from the University of Western Australia, and he is also a Director of Axiom's Funds Management Division. *Other Public Company Directorships* Nil *Former Public Company Directorships in last three years* Nil

Directors' Report continued

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 32 years. Mr Gianotti is a member of the Group's Audit Committee. *Other Public Company Directorships* Nil *Former Public Company Directorships in last three years* Nil
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 29 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* Nil
John Sylvester Howe (Non Executive Director)	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. Mr Howe is a member of the Group's Audit Committee. *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 9 years.

Directors' Meetings

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

Director	A	B
I J Laurance AM	10	11
B P Laurance	11	11
U B Gianotti	11	11
M G Blakiston	11	11
J S Howe	11	11

A - Number of meetings attended. B - Number of meetings eligible to attend.

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

	Fully paid ordinary shares (at the date of this report)		Share options (at the date of this report)
Directors	**Directly**	**Indirectly**	
I J Laurance AM	-	250,000	-
B P Laurance	-	52,041,834	-
U B Gianotti	-	2,114,029	-
M G Blakiston	-	1,400,000	-
J S Howe	-	4,315,900	-

Options

During and since the end of the financial year there were no share options granted. No ordinary shares were issued by the Company during or since the end of the financial year as a result of the exercise of an option.

During the year 161,000,000 options over ordinary shares lapsed. The value of the options at lapse date was nil.

Details of unissued ordinary shares under options are as follows:

	Number of options	Exercise price	Expiry date
Axiom Properties Limited	2,000,000	65 cents	3 December 2009

Directors' Report continued

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 2009

		Primary Benefits			Post Employment		Equity	Other	Total	% Performance Related
		Salary and Fees	Bonuses	Non Monetary Benefits	Superannuation	Prescribed Benefits	Options			
I J Laurance AM	2009	30,000	-	15,565	47,000	-	-	-	92,565	-
	2008	25,000	-	16,369	52,000	-	-	-	93,368	-
B P Laurance	2009	276,999	-	79,272	50,000	-	-	-	406,271	-
	2008	261,750	-	-	51,315	-	-	-	313,065	-
U B Gianotti	2009	570,000	-	-	95,816	-	-	150,000	815,816	37%
	2008	30,000	-	-	2,700	-	-	-	32,700	-
M G Blakiston	2009	30,000	-	-	2,700	-	-	-	32,700	-
	2008	30,000	-	-	2,700	-	-	-	32,700	-
JS Howe	2009	30,000	-	-	2,700	-	-	-	32,700	-
	2008	5,808	-	-	523	-	-	-	6,330	-

Remuneration Report (Audited) (cont'd)

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.

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.

U B Gianotti – Non Executive Director (Executive Director 1 July 2008 to 30 June 2009)

The terms and conditions of the service agreement dated 4 August 2008 were:

- Mr Gianotti provided executive directorial services primarily as in-house legal counsel for Axiom Properties Limited;
- in exchange for Mr Gianotti's services an annual package of $300,000 plus a short term incentive (based upon in-house legal counsel hours achieved) plus other benefits was payable;
- the Company and Mr Gianotti mutually terminated the Agreement for nil consideration as a part of the Company's cost saving measures on 30 June 2009.

Directors' Report continued

Remuneration Report (Audited) (cont'd)

Service Agreements (cont'd)

Remuneration of named executives who received the highest remuneration for the year ended 30 June 2009

		Primary Benefits			Post Employment		Equity	Other	Total	
		Salary and Fees	Bonuses	Non Monetary Benefits	Supera-nnuation	Prescribed Benefits	Options			% Perform-ance Related
A J Gardiner	2009 2008	161,538 139,595	- 20,000	- -	14,538 12,563	- -	- -	- -	176,076 172,158	- -
P J Rouvray	2009 2008	230,000 208,846	- 25,000	15,745 12,050	20,700 21,046	- -	- 166,191	- -	266,445 433,133	- -
J P Wolfe	2009 2008	- 288,461	- -	- -	- 25,961	- -	- -	- -	- 314,422	- -
L Boyatzis	2009 2008	167,180 113,750	- -	- -	23,543 10,238	- -	- -	85,885 42,246	276,608 166,234	- -
S L Quick	2009 2008	82,033 83,373	50,000 -	- -	13,823 7,503	21,562 -	- -	- -	167,418 90,876	- -
B Norman	2009 2008	140,000 -	- -	- -	12,600 -	- -	- -	- -	152,600 -	- -

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. 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 loss of the Group for the financial year after income tax was $13,932,000 (2008: Profit $4,139,461).

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 and achieved titles for 134 lots despite continuing difficulties experienced with Local and State Government Authorities in obtaining clearances under the subdivision approval. Pre - sale settlements of 94 lots totalling $36.13m (net of GST) occurred during the financial year.

The Project was valued in June 2009 and an impairment charge recorded in the books of the Joint Venture as a result. The Project's financier, St George Bank Limited, is presently conducting a review of the financing facilities which at the date of this Report is not complete. St George have since year end issued a "Breach Notice" alleging certain breaches of the Port Geographe financial facilities. The Company through its subsidiary, Tallwood Nominees Pty Ltd, is a 40% borrower under the facility. The other joint borrower is Macsea Nominees Pty Ltd (60%). Both Tallwood and Macsea have written to St George denying the alleged breaches.

The partners in the project, including Canberra Investment Corporation Limited, whom is not a party to the financing facility, will continue to work together to determine the financial structure of the Project once the position of St George is known.

Pre-sales contracts for 72 lots, totalling $43.8m in gross sales, in Stages 5 and 6 expire on various dates from late 2009 to early 2010. The Company is currently uncertain as to whether these lots can be produced and titles secured prior to the expiry dates.

The Age, 250 Spencer St Joint Venture, Melbourne, VIC

The 15,200sqm site, leased by the Age Newspaper, continued to earn rental income for the Company and its Joint Venture Partner, Industry Superannuation Property Trust.

The partners, since year end, announced that they had entered into a conditional contract to sell the residential component of the site for $17m. This component of the site represents 20% of the total site, and was put up for sale via a 6 week Expression of Interest campaign following the achievement of a planning permit for two residential towers. Settlement for the sale is expected in April 2010. The proceeds of the sale will be used to reduce the debt on the site.

The remaining 12,000sqm of the site, comprising land and buildings opposite the Spencer St Railway Station in the growing western end of Melbourne's CBD, is expected to be held by the partners.

WorldPark: 01, Keswick SA

WorldPark: 01 is a campus style business precinct incorporating leading technologies in water and energy conservation. When completed, WorldPark: 01 will provide 34,000sqm of new generation office space in 3 boutique buildings of 11,500sqm each.

On 29 June 2009 the Company announced the commitment of the State Government of South Australia to occupy the balance of Stage 1. Together with the previous pre-commitment from ASX Top 300 Company, Coffey International, Stage 1's 11,500sqm is 100% pre-committed.

Construction of Stage 1 commenced post year end and is expected to be completed in September 2010.

WorldPark: 01, Melbourne VIC

On 23 December 2008 the Company announced the end of its Agreement to acquire the site at Toorak in Victoria upon which it intended to construct the WorldPark: 01, Melbourne. The Company continues to evaluate several sites in Victoria in order to start development of the Worldpark concept in Victoria and accommodate Coffey International's requirements for office space in Victoria.

Directors' Report continued

Review of operations (cont'd)

Gepps Cross Bulky Goods Centre, Gepps Cross SA

The Gepps Cross Centre, a 60,000sqm bulky goods retail centre located at Gepps Cross, South Australia reached practical completion on 5 June 2009. The construction was Project Managed by the Company on behalf of its partners, Harvey Norman (25%) and Charter Hall (25%). The Company has maintained a 50% interest in the Centre which includes Australia's premier bulky goods retailers, Harvey Norman, JB HIFI, Super Amart, Spotlight, Toys 'R' Us and others.

At the date of this Report the Centre has executed leases and received lease commitments for approximately 89% of the space.

Melbourne Airport – Sites 1, 2 and 3

The Company completed the acquisition of Sites 1 and 2 during the year and continued to evaluate development options for each site in accordance with the approved Master Development Plan. Given the current economic environment, Directors have resolved to raise an impairment allowance of the Company's investment in Melbourne Airport Sites 1 and 2, the result of which the carrying value of the investment at 30 June 2009 is brought to account at $2.2m.

The Company is in contact with parties interested in developing or occupying these sites although at this point the Company intends to terminate its lease over Site 2. The Company believes that Site 1 will prove to be an attractive site for developers and retailers once economic circumstances improve.

Gepps Cross Industrial, Adelaide SA

The Company has obtained a one third leasehold interest over 6.5ha of vacant land adjacent to its Gepps Cross Bulky Goods Centre in Gepps Cross SA. The Company together with its partners, Harvey Norman and Charter Hall continues to investigate development opportunities over the site which may include bulky goods or light industrial.

Islington Industrial Estate

The Company has executed a Development Agreement with Gennessee & Wyoming Australia Pty Ltd, the lessee of a large, strategic parcel of land at Islington in Adelaide's north. Under the terms of the agreement, the Company has the right to enter into a long term ground lease over approximately 23ha of near city industrial land. The Company is currently masterplanning this strategic site which involves examining several development options, including industrial warehouse/ showrooms or retail/bulky goods facilities.

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 2009 that have significantly affected or may significantly affect:

a) the operations, in financial years subsequent to 30 June 2009 of the Group;
b) the results of those operations; or
c) the state of affairs, in financial years subsequent to 30 June 2009, 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.

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 $48,259 (2008: $44,489).

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

Section 307(c) of the Corporations Act 2001 requires the Company's auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the Annual Report. This Independence Declaration is set out on page 20 and forms part of the Directors Report for the year ended 30 June 2009.

Directors’ Report continued

Non - audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 26 to the financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditor’s independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in the Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

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	$64,159	Preparation of Income Tax Returns
	$5,200	Other Services
	$69,359	Total

Signed in accordance with a resolution of the directors:

Ben Laurance
MANAGING DIRECTOR

Perth, Western Australia
Dated: 30 September 2009

Auditor’s Independence Declaration

HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor’s Independence Declaration

As lead auditor for the audit of the financial report of Axiom Properties Limited for the year ended 30 June 2009, 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
30 September 2009

W M CLARK
Partner, HLB Mann Judd

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 2 15 Rheola Street West Perth 6005 PO Box 263 West Perth 6872 Western Australia. Telephone +61 (08) 9481 0977. Fax +61 (08) 9481 3686.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

Corporate Governance Statement

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 statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("**Principles & Recommendations**"), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

Disclosure of Corporate Governance Practices

Summary Statement

	ASX P & R[1]	If not, why not[2]		ASX P & R[1]	If not, why not[2]
Recommendation 1.1	✓		Recommendation 4.3	✓	
Recommendation 1.2	✓		Recommendation 4.4[3]	n/a	n/a
Recommendation 1.3[3]	n/a	n/a	Recommendation 5.1	✓	
Recommendation 2.1		✓	Recommendation 5.2[3]	n/a	n/a
Recommendation 2.2		✓	Recommendation 6.1	✓	
Recommendation 2.3	✓		Recommendation 6.2[3]	n/a	n/a
Recommendation 2.4		✓	Recommendation 7.1	✓	
Recommendation 2.5	✓		Recommendation 7.2		✓
Recommendation 2.6[3]	n/a	n/a	Recommendation 7.3	✓	
Recommendation 3.1	✓		Recommendation 7.4[3]	n/a	n/a
Recommendation 3.2	✓		Recommendation 8.1		✓
Recommendation 3.3[3]	n/a	n/a	Recommendation 8.2	✓	
Recommendation 4.1	✓		Recommendation 8.3[3]	n/a	n/a
Recommendation 4.2		✓			

1 Indicates where the Company has followed the Principles & Recommendations.
2 Indicates where the Company has provided "if not, why not" disclosure.
3 Indicates an information based recommendation. Information based recommendations are not adopted or reported against using "if not, why not" disclosure - information required is either provided or it is not.

Website Disclosures

Further information about the Company's charters, policies and procedures may be found at the Company's website at www.axiompl.com.au, under the section marked Corporate Governance. A list of the charters, policies and procedures which are referred to in this Corporate Governance Statement, together with the Recommendations to which they relate, are set out below.

Charters	Recommendation(s)
Board	1.3
Audit Committee	4.4
Nomination Committee	2.6
Remuneration Committee	8.3
Policies and Procedures	**Recommendation(s)**
Policy and Procedure for Selection and (Re)Appointment of Directors	2.6
Process for Performance Evaluation	1.2, 2.5
Policy on Assessing the Independence of Directors	2.6
Policy for Trading in Company Securities (summary)	3.2, 3.3
Code of Conduct (summary)	3.1, 3.3
Policy on Continuous Disclosure (summary)	5.1, 5.2
Procedure for Selection, Appointment and Rotation of External Auditor	4.4
Shareholder Communication Policy	6.1, 6.2
Risk Management Policy (summary)	7.1, 7.4

Disclosure – Principles & Recommendations

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the 2008/2009 financial year ("**Reporting Period**").

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1: Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

Disclosure: The Company has established the functions reserved to the Board and has set out these functions in its Board Charter. The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

Corporate Governance Statement continued

Principle 1 (cont'd)

The Company has established the functions delegated to senior executives and has set out these functions in its Board Charter. Senior executives are responsible for supporting the Managing Director and assisting the Managing Director in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, then directly to the Chair or the lead independent director, as appropriate.

Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives.

Disclosure: The Managing Director is responsible for evaluating the senior executives. The Managing Director evaluates the performance of all executives of the Company utilising personal interview processes.

This disclosed process was adopted by the Company when it adopted its new Corporate Governance Manual on 26 March 2009[1]. Prior to this time, the Company's process for performance evaluation of senior executives was not publicly disclosed.

Recommendation 1.3: Companies should provide the information indicated in the *Guide to reporting on Principle 1.*

Disclosure: During the Reporting Period, an evaluation of the senior executives occurred in accordance with the process disclosed at Recommendation 1.2.

Principle 2 – Structure the board to add value

Recommendation 2.1: A majority of the Board should be independent directors.

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

Explanation for Departure: The independent directors of the Board are Mr Michael Blakiston and Mr John Howe and the non-independent directors of the Board are Messrs Ian Laurance, Umberto Gianotti and Ben Laurance.

The Board considers its structure is, and continues to be, appropriate in the context of the Company's current operations. The Company considers that each of the non-independent directors possess the right combination of skills and experience suitable for building the Company.

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

Recommendation 2.2: The Chair should be an independent director.

Notification of Departure: The Chair does not satisfy the test of independence as set out in Box 2.1 of the ASX Corporate Governance Principles and 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 continues to believe 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, current chair of rare earths company, Arafura Resources Limited, and current director of a number of semi-government and not-for-profit boards. If or when matters of conflict arise, Mr Ian Laurance declares his interest and abstains from voting on the matter and the Board appoints another director that does not have a conflict of interest.

[1]On 26 March 2009, the Company adopted a Corporate Governance Manual which brought the Company's corporate governance policies and procedures into line with the Principles & Recommendations.

Principle 2 (cont'd)

The Board believes that Mr Ian Laurance makes decisions that are in the best interests of the Company. Further, the Board has appointed Mr Michael Blakiston and Mr John Howe as independent directors and in this capacity Messrs Blakiston and Howe can facilitate any areas where it may be inappropriate for Mr Ian Laurance to do so should such circumstances arise.

Recommendation 2.3: The roles of the Chair and Managing Director should not be exercised by the same individual.

Disclosure: The Managing Director is Ben Laurance who is not Chair of the Board.

Recommendation 2.4: The Board should establish a Nomination Committee.

Notification of Departure: The Company has not established a separate Nomination Committee.

Explanation for 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. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated in the Company's Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of Nomination Committee by ensuring the director with conflicting interests is not party to the relevant discussions.

Recommendation 2.5: Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

Disclosure: The Chair is responsible for evaluation of the Board and, when deemed appropriate, Board committees and individual directors. The Nomination Committee is responsible for evaluating the Managing Director.

This disclosed process was adopted by the Company when it adopted its new Corporate Governance Manual on 26 March 2009. Prior to this time, the disclosed process for performance evaluation stated that the Chair is responsible for conducting an annual review of board performance.

The Chair reviews the performance of the Board as a whole. The reviews are undertaken by way of informal discussions relating to how the Board functions and operates effectively. Further, the Chair issues questionnaires to individual members of the Board, including the Managing Director, for the purposes of reviewing their individual performance as a member of the Board.

Recommendation 2.6: Companies should provide the information indicated in the *Guide to reporting on Principle 2*.

Disclosure: Skills, Experience, Expertise and Term of Office of each Director

A profile of each director containing their skills, experience, expertise and term of office is set out in the Directors' Report.

Identification of Independent Directors

The independent directors of the Company are Messrs 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 independence criteria set out in the Board's *Policy on Assessing the Independence of Directors.* Mr Blakiston passes all other aspects of the independence criteria set out in the Board's *Policy on Assessing the Independence of Directors*. The Board (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.

Corporate Governance Statement continued

Principle 2 (cont'd)

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.

Independence is measured having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Company's materiality thresholds. The materiality thresholds are set out below.

Company's Materiality Thresholds

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's Board Charter:

- Balance sheet items are material if they have a value of more than 10% of pro-forma net assets.
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, they could affect the Company's rights to its assets, if accumulated they would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, they are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

Statement concerning availability of Independent Professional Advice

To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Nomination Matters

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, the Board discussed nomination related matters from time to time during the year as required. To assist the Board to fulfil its function as the Nomination Committee, it has adopted a Nomination Committee Charter.

The explanation for departure set out under Recommendation 2.4 above explains how the functions of the Nomination Committee are performed.

The Board will adopt a program in the forthcoming reporting period whereby formally convened Committee meetings will be scheduled.

Principle 2 (cont'd)

Performance Evaluation

For the period until the Company's adoption of its new Corporate Governance Manual on 26 March 2009 (i.e for the majority of the Reporting Period), the Company followed the process disclosed at Recommendation 2.5 regarding performance evaluation. That is, during the year, the Chair reviewed the performance of the Board as a whole. The review was undertaken by way of informal discussions relating to how the Board functions and operates effectively. Further, the Chair issued questionnaires to individual members of the Board, including the Managing Director, for the purposes of reviewing their individual performance as a member of the Board.

As noted above, the Managing Director was evaluated by the Chair by way of questionnaire. The Managing Director's performance was also subject to continuous review through ongoing discussions with the Chair.

Selection and (Re)Appointment of Directors

In determining candidates for the Board, the Nomination Committee (or equivalent) follows a prescribed procedure whereby it considers the balance of independent directors on the Board as well as the skills and qualifications of potential candidates that will best enhance the Board's effectiveness.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. The Company's constitution requires one third of directors to retire by rotation at every annual general meeting. Directors are eligible for re-election however re-appointment of directors is not automatic.

Principle 3 – Promote ethical and responsible decision-making

Recommendation 3.1: Companies should establish a Code of Conduct and disclose the code or a summary of the code as to the practices necessary to maintain confidence in the company's integrity, the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Disclosure: The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.2: Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.

Disclosure: The Company has established a policy concerning trading in the Company's securities by directors, senior executives and employees.

Recommendation 3.3: Companies should provide the information indicated in the *Guide to reporting on Principle 3.*

Disclosure: Please refer to the section above marked Website Disclosures.

Corporate Governance Statement continued

Principle 4 – Safeguard integrity in financial reporting

Recommendation 4.1: The Board should establish an Audit Committee.

Disclosure: The Company has established an Audit Committee.

Recommendation 4.2: The Audit Committee should be structured so that it:

- consists only of non-executive directors
- consists of a majority of independent directors
- is chaired by an independent Chair, who is not Chair of the Board
- has at least three members.

Notification of Departure: The Audit Committee does not meet the requirements for composition. For the Reporting Period, the Audit Committee comprised of only two members. Further, for a majority of the Reporting Period, the Audit Committee did not consist of only non-executive directors and a majority of independent directors.

Explanation for Departure: While the Board considers it a priority to restrict membership of the Audit Committee to non-executive directors, for a majority of the Reporting Period (from 1 July 2008 to 26 March 2009) the Audit Committee comprised one non-executive director (Mr Michael Blakiston, who is considered independent) and one executive director (Mr Umberto Gianotti). On 26 March 2009, Mr John Howe, an independent director, joined the Audit Committee in Mr Gianotti's place. Effective from 1 July 2009 however, Mr Umberto Gianotti re-joined the Audit Committee and, accordingly, the Company expects to be able to comply with Recommendation 4.2 for the 2009/2010 reporting period.

Recommendation 4.3: The Audit Committee should have a formal charter.

Disclosure: The Company has adopted an Audit Committee Charter.

Recommendation 4.4: Companies should provide the information indicated in the *Guide to reporting on Principle 4.*

Disclosure: The Audit Committee held 2 meetings during the Reporting Period. The following table identifies those directors who are, or were, members of the Audit Committee during the Reporting Period and shows their attendance at Committee meetings:

Name	No. of meetings attended
M G Blakiston	2
U B Gianotti (until 26 March 2009)	2
J S Howe (appointed 26 March 2009)	0

Details of each of the director's qualifications are set out in the Director's Report.

The Committee members consider themselves to be financially literate and have industry knowledge. Furthermore, the members may seek external advice from the Company's auditors to assist the Committee with financial matters, if required. It is also noted that the Company Secretary, Mr Aaron Gardiner, a Chartered Accountant, is available to attend Committee meetings if required, to assist the Committee with financial matters.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed by the Audit Committee and any recommendations are made to the Board.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure: The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

Recommendation 5.2: Companies should provide the information indicated in the *Guide to reporting on Principle 5.*

Disclosure: Please refer to the section above marked Website Disclosures.

Principle 6 – Respect the rights of shareholders

Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Disclosure: The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

Recommendation 6.2: Companies should provide the information indicated in the *Guide to reporting on Principle 6.*

Disclosure: Please refer to the section above marked Website Disclosures.

Principle 7 – Recognise and manage risk

Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Disclosure: The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the Policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the Policy, the Board delegates day-to-day management of risk to the Managing Director, who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board. The Managing Director reported regularly to the Board during the Reporting Period on the management of material business risks.

In fulfilling the duties of risk management, the Managing Director may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

The Board has established a separate Audit Committee to monitor and review the integrity of financial reporting and the Company's internal financial control systems. During the Reporting Period, the Board also established a separate Risk Management Committee to monitor and review the Company's risk management systems. The Risk Management Committee comprises Messrs John Howe, Ben Laurance and Umberto Gianotti. While the Risk Management Committee do not formally convene meetings, it was established to play an active role in mitigating the Company's material business risks, with Mr Howe having engineering risk ownership, Mr Gianotti having legal risk ownership and Mr Ben Laurance being in charge of ensuring a system is in place to mitigate risks with respect to operations and property projects.

Corporate Governance Statement continued

Principle 7 (cont'd)

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board has established authority limits for management which, if exceeded, will require prior Board approval;
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and
- the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

During the Reporting Period, the Company had an informal risk management system in place.

In May 2009, the Board resolved to review, formalise and document the management of its material business risks and expects to implement this system in the 2009/2010 financial year. This system is expected to include the preparation of a risk register by management to identify the Company's material business risks and risk management strategies for these risks. In addition, the process of management of material business risks will be formally allocated to members of senior management. The risk register will be reviewed quarterly and updated, as required.

Recommendation 7.2: The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

Notification of Departure: The Board has required management to design and implement and maintain risk management and internal control system to manage the company's material business risks. The Board has not received a report from Management as to the effectiveness of the company's management of its material business risks.

Explanation for Departure: The company is in the process of formalizing its risk management and internal control system. Management reports regularly to the Board on the management of the company's material business risks and internal control on an informal basis. Management was unable to report on the effectiveness of this management during the year in light of the informal system.

Recommendation 7.3: The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Disclosure: The Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

Recommendation 7.4: Companies should provide the information indicated in the *Guide to reporting on Principle 7.*

Disclosure: The Board has received the assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) under Recommendation 7.3. The Board has not received the report from management under recommendation 7.2.

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1: The Board should establish a Remuneration Committee.

Notification of Departure: The Company has not established a separate Remuneration Committee.

Explanation for Departure: The role of the Remuneration Committee is carried out by the full Board in accordance with the Remuneration Committee Charter. The Board considers that, at this stage, no efficiencies or other benefits would be gained by establishing a separate Remuneration Committee. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Remuneration Committee it carries out those functions which are delegated in the Company's Remuneration Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of Remuneration Committee by ensuring the director with conflicting interests is not party to the relevant discussions.

Recommendation 8.2: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Disclosure: Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance and therefore non-executive directors do not receive bonus payments for achievement of key performance indicators. From time to time, the Company may grant options to non-executive directors to recognise and reward efforts as well as to provide them with additional incentive to continue those efforts for the benefit of the Company.

Pay and rewards for executive directors and senior executives consists of a base salary and performance incentives, based upon length of service, experience and performance of the Company. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals.

Recommendation 8.3: Companies should provide the information indicated in the *Guide to reporting on Principle 8*.

Disclosure: Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report.

Remuneration Committee Function

The full Board carries out the role of the Remuneration Committee. The full Board did not officially convene as a Remuneration Committee during the Reporting Period, however, the Board discussed remuneration related matters from time to time during the year as required. In particular, the Board instituted a policy of freezing fees and salaries paid to directors for the duration of the Reporting Period. To assist the Board to fulfil its function as the Remuneration Committee, it has adopted a Remuneration Committee Charter.

The explanation for departure set out under Recommendation 8.1 above explains how the functions of the Remuneration Committee are performed.

The Board will adopt a program in the forthcoming reporting period whereby formally convened Committee meetings will be scheduled.

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

The Company's Remuneration Committee Charter adopted when the Company adopted its new Corporate Governance Manual on 26 March 2009, includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes. Prior to this time, the Company's Remuneration Committee Charter did not include such a statement however, it has always been the Company's position that such transactions are prohibited.

Independent Auditor's Report

HLB Mann Judd

Accountants | Business and Financial Advisers

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 2009, 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 33 to 77. 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.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

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 2009 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 13 to 15 of the directors' report for the year ended 30 June 2009. 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 for the year ended 30 June 2009 complies with section 300A of the Corporations Act 2001.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

Perth, Western Australia
30 September 2009

W M CLARK
Partner

Directors' Declaration

1. In the opinion of the directors of Axiom Properties Limited (the "Company"):

   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 2009 and of their performance for the year then ended; and

      ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) 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 2009.

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

Ben Laurance
MANAGING DIRECTOR

Perth, Western Australia
Dated: 30 September 2009

Income Statement

FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated		Parent	
	Note	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Revenue	2	**1,165**	15,511	**1,202**	15,374
Cost of sales		**-**	(4,256)	**-**	(4,256)
Gross profit		**1,165**	11,255	**1,202**	11,118
Other income	2	**38**	1,460	**730**	1,430
Depreciation		**(240)**	(23)	**(77)**	(23)
Occupancy expenses		**(662)**	(501)	**(663)**	(316)
Employee benefits expense		**(2,957)**	(1,752)	**(2,957)**	(1,057)
Write off of capitalised costs	12	**(2,170)**	(1,263)	**(2,147)**	(1,178)
Impairment of intangibles	35	**(198)**	-	**-**	-
Impairment of investments in subsidiaries and loans	10,12	**-**	-	**(11,276)**	-
Share of net result of jointly controlled entities accounted for using the equity method	30	**(1,302)**	-	**-**	-
Provision for loss on loan	14	**(4,314)**	-	**-**	-
Provision for onerous lease contract	14	**(586)**	-	**(586)**	-
Other expenses		**(2,151)**	(2,017)	**(2,159)**	(1,770)
		(13,377)	7,159	**(17,933)**	8,204
Finance costs		**(47)**	(953)	**(88)**	(1,292)
(Loss)/Profit before income tax expense		**(13,424)**	6,206	**(18,021)**	6,912
Income tax expense	4	**(508)**	(2,067)	**(1,152)**	(2,019)
Net (loss)/profit		**(13,932)**	4,139	**(19,173)**	4,893
Basic (loss)/ earnings per share	32	(3.35) cents	1.24 cents		
Diluted earnings per share		-	1.04 cents		

The accompanying notes form part of these financial statements.

Balance Sheet as at 30 June 2009

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
CURRENT ASSETS					
Cash and cash equivalents	5	**9,527**	3,159	**8,163**	1,762
Trade and other receivables	6	**2,087**	2,336	**1,307**	3,217
TOTAL CURRENT ASSETS		**11,614**	5,495	**9,470**	4,979
NON-CURRENT ASSETS					
Investments accounted for using the equity method	8	**13,012**	23,175	**13,012**	12,755
Investment property	7	**67,499**	-	**-**	-
Property, plant and equipment	9	**264**	59	**264**	59
Trade and other receivables	10	**-**	-	**22,043**	26,306
Intangibles	35	**-**	198	**-**	-
Other assets	12	**18,354**	47,548	**2,702**	12,711
TOTAL NON-CURRENT ASSETS		**99,129**	70,980	**38,021**	51,831
TOTAL ASSETS		**110,743**	76,475	**47,491**	56,810
CURRENT LIABILITIES					
Trade and other payables	13	**2,218**	1,768	**1,285**	1,425
Interest bearing liabilities	15	**7,566**	35,127	**59**	9,511
Provisions	14	**586**	-	**586**	-
Other liabilities	17	**29**	42	**-**	-
TOTAL CURRENT LIABILITIES		**10,399**	36,937	**1,930**	10,936
NON-CURRENT LIABILITIES					
Trade and other payables	16	**-**	-	**22,330**	10,770
Interest bearing liabilities	15	**62,267**	9,032	**-**	31
Provisions	14	**4,339**	-	**25**	-
Other liabilities	8,18	**10,532**	676	**-**	2
TOTAL NON-CURRENT LIABILITIES		**77,138**	9,708	**22,355**	10,803
TOTAL LIABILITIES		**87,537**	46,645	**24,285**	21,739
NET ASSETS		**23,206**	29,830	**23,206**	35,071
EQUITY					
Issued capital	19	**62,926**	55,430	**62,926**	55,430
Reserves	20	**(22)**	795	**(22)**	795
Accumulated losses	21	**(39,698)**	(26,395)	**(39,698)**	(21,154)
TOTAL EQUITY		**23,206**	29,830	**23,206**	35,071

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2009

Consolidated	Issued Capital $'000	Accumulated Losses $'000	Reserves $'000	Total Equity $'000
Balance at 1 July 2007	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)
Balance at 30 June 2008	**55,430**	**(26,395)**	**795**	**29,830**
Balance at 1 July 2008	55,430	(26,395)	795	29,830
(Loss) attributable to members of the parent entity	-	(13,932)	-	(13,932)
Issue of share capital	7,559	-	-	7,559
Transaction costs	(63)	-	-	(63)
Share based payment reserve	-	629	(629)	-
Cash flow hedge reserve	-	-	(188)	(188)
Balance at 30 June 2009	**62,926**	**(39,698)**	**(22)**	**23,206**

Parent	Issued Capital $'000	Accumulated Losses $'000	Reserves $'000	Total Equity $'000
Balance at 1 July 2007	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)
Balance at 30 June 2008	**55,430**	**(21,154)**	**795**	**35,071**
Balance at 1 July 2008	55,430	(21,154)	795	35,071
Profit attributable to members of the parent entity	-	(19,173)	-	(19,173)
Issue of share capital	7,559	-	-	7,559
Transaction costs	(63)	-	-	(63)
Share based payment reserve	-	629	(629)	-
Cash flow hedge reserve	-	-	(188)	(188)
Balance at 30 June 2009	**62,926**	**(39,698)**	**(22)**	**23,206**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated		Parent Entity	
		2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		**848**	2,616	**3,460**	1,553
Payments to suppliers & employees		**(7,284)**	(6,548)	**(6,413)**	(7,642)
Payment of project development costs		**(30,914)**	(51,449)	**(2,356)**	(583)
Distribution from Joint Venture		**7,600**	-	**-**	-
Interest received		**474**	243	**450**	228
Interest & other costs of finance paid		**(179)**	(953)	**(88)**	(980)
Other		**(45)**	-	**-**	-
Net cash provided by / (used in) operating activities	5(b)	**(29,500)**	(56,091)	**(4,947)**	(7,424)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds of sale of shares in listed entity		**-**	4,566	**-**	4,566
Proceeds on termination of development agreement		**-**	8,298	**-**	8,298
Purchase of property, plant and equipment		**(292)**	(36)	**(282)**	(36)
Purchase of shares in listed and non listed entities		**-**	-	**-**	(344)
Purchase of interests in jointly controlled entities		**-**	3,320	**-**	3,320
Net cash provided by / (used in) investing activities		**(292)**	16,148	**(282)**	15,804
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from external borrowings		**30,526**	47,731	**-**	-
Repayments of external borrowings		**-**	(9,385)	**(9,470)**	-
Net proceeds from rights issue		**5,645**	-	**5,645**	-
Loans from subsidiaries		**-**	-	**15,466**	-
Loans to subsidiaries		**-**	-	**-**	(11,340)
Reduction in lease and hire purchase liabilities		**(11)**	(11)	**(11)**	(11)
Net cash provided by / (used in) financing activities		**36,160**	38,335	**11,630**	(11,351)
Net increase / (decrease) in cash held		**6,368**	(1,608)	**6,401**	(2,971)
Cash at the beginning of the year		**3,159**	4,767	**1,762**	4,733
Cash at the end of the year	5(a)	**9,527**	3,159	**8,163**	1,762

The accompanying notes form part of these financial statements.

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 except for available-for-sale investments which are measured at fair value. Cost is based on the fair value of the consideration given in exchange for assets.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under ASIC 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. The entity's principal activities are property investment and development and funds management.

(b) Adoption of New and Revised Standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2009, 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 the current annual reporting period. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

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 2009. 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 30 September 2009. 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). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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.

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.

1 - Statement of significant accounting policies (cont'd)

(e) 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.

(f) 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.

(g) 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.

1 - Statement of significant accounting policies (cont'd)

(h) 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.

(i) 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.

(j) 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.

(k) 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. The fair value of interest rate swap constraints is determined by reference to market values from similar instruments. 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.

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability; and
- cash flow hedges when they hedge exposure to variables in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction.

1 - Statement of significant accounting policies (cont'd)

(l) 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.

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.

(m) 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.

1 - Statement of significant accounting policies (cont'd)

(m) Impairment of financial assets (cont'd)

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.

(n) 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 8.

Under the equity method, the investment in the jointly controlled entity is carried at cost plus post acquisition changes to the Group's share of net assets of the jointly controlled entity.

After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the jointly controlled entity. The consolidated income statement reflects the Group's share of the results of operations of the jointly controlled entity.

Where there has been a change recognized directly in the jointly controlled entity's equity, the Group recognizes its share of any changes and discloses this in the consolidated statement of changes in equity.

(o) Investment in Jointly Controlled Asset

Interests in jointly controlled assets in which the Group is a venturer and has joint control are included in the financial statements by recognizing the Group's share of jointly controlled assets (classified according to their nature), the share of liabilities incurred (including those incurred jointly with other venturers) and the Group's share of expenses incurred by or in respect of the joint venture. The Group also recognizes income from its share of lease income in accordance with the revenue policy in Note 1(e).

1 - Statement of significant accounting policies (cont'd)

(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.

1 - Statement of significant accounting policies (cont'd)

(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.

(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 40 years

Depreciation is calculated on a diminishing balance basis over the estimated useful life of assets as follows:

- Plant and equipment – over 4 to 16 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.

1 - Statement of significant accounting policies (cont'd)

(r) Property, plant and equipment (cont'd)

(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) Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is carried at cost less accumulated depreciation and impairment losses.

(t) 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.

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.

1 - Statement of significant accounting policies (cont'd)

(t) Financial assets (cont'd)

(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.

(u) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(v) 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.

(w) 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.

Where a contract has terms that are onerous to the Group, the present obligation under the contract is recognised and measured as a provision. A contract is considered onerous where the unavoidable costs of meeting the obligations under the contract exceed the benefits to be received under it.

1 - Statement of significant accounting policies (cont'd)

(x) 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.

(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 . 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.

(y) 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).

1 - Statement of significant accounting policies (cont'd)

(z) 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.

(aa) 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.

(ab) 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimate is revised iff it affects only that period, or in the period of the revision and further periods of the revision affects both current and future periods.

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.

- *Provision for Onerous Contract*
  A provision has been raised for an onerous contract relating to the costs of exiting from an existing lease contract in relation to Melbourne Airport. The time value of money is not considered to be material in relation to the provision and accordingly the unavoidable nominal cashflows under the lease agreements of $586,000 have not been discounted (refer Note 14).

- *Provision for Loss on Port Geographe jointly controlled entity*
  As indicated in Note 31, a subsidiary of the Group received a breach notice from St George Bank subsequent to year end. This breach notice provided notification of alleged breaches of the St George facility agreement and requested formal written submissions identifying how and by when the alleged breaches will be rectified.

1 - Statement of significant accounting policies (cont'd)

(ab) Critical accounting judgements and key sources of estimation uncertainty (cont'd)

The directors are of the view that the alleged breaches are in dispute and have denied them in their response to St George. However the directors have considered it prudent that a provision be raised to reflect their estimate of the maximum liability to the Group should St George exercise their rights as project financier.

Notwithstanding having made such a provision in its financial statements, which provision the directors believe is conservative, if St George decide to commence proceedings alleging that the Group is in default of the above facility, then the Group will make such claim as advised against St George for loss and damage caused to, and/or suffered by, the Group by reason of the acts and omissions of St George. At this stage, the quantum of the loss and damage has not been ascertained but it could be substantial.

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

2 - Revenue

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Operating Revenue				
Sales Revenue:				
Sales of inventories	**-**	5,346	**-**	5,346
Share of profit from development agreement	**-**	8,298	**-**	8,298
Project management revenue	**692**	930	**1,202**	1,730
Funds management revenue	**337**	937	**-**	-
Other	**136**	-	**-**	-
	1,165	15,511	**1,202**	15,374
Revenue From Non-operating Activities:				
Interest revenue	**474**	243	**450**	228
Share of net result of jointly controlled entities accounted for using the equity method (refer Note 30)	**-**	437	**446**	446
Other income	**(436)**	780	**(166)**	756
	38	1,460	**730**	1,430
Total Revenue	**1,203**	16,971	**1,932**	16,804

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

3 - Profit/(Loss) before income tax expense

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Loss/ Profit before income tax includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entities				
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	**542**	501	**542**	316
Depreciation of property, plant and equipment	**240**	23	**77**	23
Impairment of development costs	**2,170**	-	**2,170**	-
Share of net loss of jointly controlled entities	**1,302**	-	**-**	-
Provision for loss on loan	**4,314**	-	**-**	-
Provision for onerous lease contract	**586**	-	**586**	-
Impairment of loans to subsidiaries	**-**	-	**11,276**	-
c) Borrowing costs				
Interest				
- Other entities	**179**	877	**88**	903
Other borrowing costs	**(132)**	76	**-**	389
	47	953	**88**	1,292

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

4 - Income tax expense

a) The prima facie income tax expense on the operating (loss)/profit is reconciled to the income tax expense as follows:

Operating (loss)/profit before income tax	**(13,424)**	6,206	**(18,021)**	6,912
Income tax (benefit)/expense calculated at 30% (2008:30%) of operating (loss)/ profit	**(4,027)**	1,862	**(5,406)**	2,074
Adjusted for tax effect of:				
Non deductible items	**172**	4	**172**	4
Share options expensed during the year	**-**	50	**-**	50
Other	**-**	151	**-**	(109)
Deferred tax not recognised	**4,363**	-	**6,386**	-
Income tax expense applicable to ordinary activities	**508**	2,067	**1,152**	2,019

b) The components of tax expense comprise:

Current tax (benefit)/expense	**(3,855)**	1,809	**(5,234)**	2,128
Deferred tax asset not recognised/ written off	**4,363**	258	**6,386**	(109)
Total income tax expense	**508**	2,067	**1,152**	2,019

c) Income tax recognised directly in equity

The following current and deferred amounts were charged directly to equity during the period:

Current tax: share-issue expenses	**-**	163	**-**	163
Deferred tax: net gains revaluation	**-**	61	**-**	61
	-	224	**-**	224

d) Deferred Tax Assets and Liabilities

Deferred Tax Assets comprise:				
Losses available for offset against future taxable income	**-**	584	**-**	584
Write off of capitalised costs	**-**	-	**-**	-
Share issue expenses	**-**	478	**-**	478
Other	**-**	90	**-**	90
	-	1,152	**-**	1,152
Deferred Tax Liabilities comprise:				
Temporary differences in inventory	**-**	673	**-**	-
Other	**-**	3	**-**	2
	-	676	**-**	2

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

4 - Income tax expense (cont'd)

e) Unrecognised Deferred Tax Assets

The following deferred tax asset has not been brought to account as assets:				
Tax Losses	**4,363**	-	**6,386**	-

f) 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. The financial effect of the legislation has therefore not been brought to account in the financial statements for the year ended 30 June 2009.

5 - Notes to the statements 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:

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Cash at bank and in hand	**9,527**	3,159	**8,163**	1,762

b) Reconciliation of Net Cash Provided by Operating Activities to Operating (Loss)/Profit After Tax

	Consolidated 2009	Consolidated 2008	Parent 2009	Parent 2008
Operating (loss)/profit after tax	**(13,932)**	4,139	**(19,173)**	4,893
Non cash items:				
Depreciation	**240**	23	**77**	23
Profit on sale of Investments	**-**	(213)	**-**	(213)
Share of net (profit)/loss of jointly controlled entities	**1,302**	(446)	**(446)**	(446)
Joint Venture distribution	**7,600**	-	**-**	-
Share based payments	**-**	166	**-**	166
Net share of profit from development agreement	**-**	(8,298)	**-**	(8,298)
Write down and Impairment Expense	**2,368**	-	**13,423**	-
Provisions	**4,925**	-	**586**	-
Other	**(99)**	-	**21**	-
Changes in assets and liabilities:				
(Increase) / decrease in receivables	**250**	(2,127)	**1,910**	(3,020)
Increase / (decrease) in creditors and borrowings	**(1,702)**	-	**(140)**	(1,966)
Other Assets	**(30,915)**	(51,362)	**(2,356)**	(583)
Tax balances	**463**	2,027	**1,151**	2,020
Net cash flow used in operating activities	**(29,500)**	(56,091)	**(4,947)**	(7,424)

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

5 - Notes to the statements of cash flows (cont'd)

c) Financing Facilities

Access was available at balance date to the following lines of credit:

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Total facilities				
Bank loan facilities	**63,122**	35,113	**27**	9,500
Other facilities	**10,598**	24,000	**-**	12,000
	73,720	59,113	**27**	21,500
Used at balance date				
Bank loan facilities	**59,205**	35,113	**27**	9,500
Other facilities	**10,598**	9,000	**-**	-
	69,803	44,113	**27**	9,500
Unused at balance date				
Bank loan facilities	**3,917**	-	**-**	-
Other facilities	**-**	15,000	**-**	12,000
	3,917	15,000	**-**	12,000

Details of Financing facilities

St George Bank Limited
The Group has also entered into a first ranking registered equitable mortgage with St George Bank Limited over the property being developed at Port Geographe. In addition, the Group has given a fixed and floating charge over the assets and undertakings of a subsidiary whilst the parent has given a limited guarantee and indemnity and a share mortgage over its interest in the Trustee of the subsidiary holding its interest in Port Geographe Joint Venture. The facility refinanced the Macquarie Bank facilities funding the Port Geographe Joint Venture and the Company's BankWest facility in October 2008. The facility limit is $100m and was drawn to $71.05m at balance date. Also refer Note 31 Subsequent events.

National Australia Bank Limited
The Group's commercial bill facility with National Australia Bank Limited financed its portion of the land and development costs required to develop the Gepps Cross bulky goods centre at Gepps Cross in South Australia. The facility totaled $52.3m at 30 June 2009 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 6.28% at 30 June 2009 (2008: 7.52%).

The facility limit totals $56.2m. The facility expires on 30 June 2012 and is secured by the above mentioned securities.

5 - Notes to the statements of cash flows (cont'd)

c) Financing Facilities (cont'd)

Bank South Australia
On 30 May 2008 the Group entered into a commercial bill line with Bank of South Australia for $6.87m (fully drawn) 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 and is being held "past due" whilst the conditions precedent of the longer term development and investment facility (approved by Bank of South Australia on 3 July 2009) are being completed. The directors are of the view that there is no reason why these conditions precedent will not be met in due course.

This facility is classified as current as the Group was in technical breach of the requirement for a specified loan-to- value ratio to be maintained. As at the date of authorization of the financial report this breach has not been remedied. As the Group does not have an unconditional right to defer settlement, the liability is classified as current.

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.

daVinci Funds Management Ltd
The Group has entered into an unsecured mezzanine debt facility for $10.57m with daVinci Funds Management Ltd to provide financing for the Gepps Cross Centre project. The facility is subordinated to the senior debt on the project and is repayable upon senior debt maturity at 30 June 2012. At 30 June 2009, the facility was fully drawn.

	Consolidated		**Parent**	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Assets pledged as security				
Current				
Fixed and floating charge				
Cash	**359**	-	**-**	-
Mortgage				
Cash	**22**	375	**-**	-
Receivables	**498**	135	**-**	-
Other	**560**	-	**-**	-
Total current assets pledged as security	**1,439**	510	**-**	-
Non Current				
Fixed and floating charge				
Investments accounted for using the equity method	**(7,623)**	10,420	**-**	-
Other financial assets	**9,074**	8,345	**-**	-
Mortgage				
Investments accounted for using the equity method	**13,012**	12,755	**13,012**	12,755
Investment Property	**67,499**	-	**-**	-
Other financial assets	**-**	32,309	**-**	-
Finance lease				
Property, plant and equipment	**6**	21	**6**	21
Total non current assets pledged as security	**81,968**	63,850	**13,018**	12,776
Total assets pledged as security	**83,407**	64,360	**13,018**	12,776

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

6 - Current assets - Receivables

Trade debtors	**1,046**	2,099	**903**	3,160
Other debtors	**1,041**	237	**404**	57
	2,087	2,336	**1,307**	3,217
Trade Debtors - ageing of past due but not Impaired				
60-90 days	**12**	110	**12**	220
90-120 days	**214**	71	**168**	499
	226	181	**180**	719

7 - Non current assets - Investment property

Share of investment property at cost Land	**26,795**	-	**-**	-
Plant and equipment at cost	**6,783**	-	**-**	-
Accumulated depreciation	**(102)**	-	**-**	-
	6,681	-	**-**	-
Furniture and fittings at cost	**34,083**	-	**-**	-
Accumulated depreciation	**(60)**	-	**-**	-
	34,023	-	**-**	-
	67,499	-	**-**	-

2009 Consolidated	**Carrying Value 2008**	**Transfers(i)**	**Depreciation**	**Carrying Value 2009**
	$'000	$'000	$'000	$'000
Land	-	26,795	-	26,795
Plant and equipment	-	6,783	(102)	6,681
Furniture and fittings	-	34,083	(60)	34,023
	-	**67,661**	**(162)**	**67,499**

(i) During the year, practical completion was achieved on the Group's 50% share in the Gepps Cross Centre development in Adelaide SA. On practical completion of 5 June 2009, $67.7m was transferred from development costs to investment property.

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000

8 - Investments accounted for using the equity method

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Interests in jointly controlled entities (Note 30)	**5,389**	23,175	**13,012**	12,755
Classified as :				
Non Current Assets	**13,012**	23,175	**13,012**	12,755
Non Current Liabilities	**(7,623)**	-	**-**	-
	5,389	23,175	**13,012**	12,755

9 - Non-current assets - Property, plant and equipment

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Plant and equipment - at cost	**97**	94	**97**	94
Accumulated depreciation	**(65)**	(58)	**(65)**	(58)
	32	36	**32**	36
Plant and equipment – finance lease	**75**	75	**75**	75
Accumulated depreciation	**(68)**	(54)	**(68)**	(54)
	7	21	**7**	21
Furniture and fittings - at cost	**290**	17	**290**	17
Accumulated depreciation	**(65)**	(15)	**(65)**	(15)
	225	2	**225**	2
Total property, plant and equipment	**264**	59	**264**	59

10 - Non current assets - Receivables

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Amounts receivable from:				
Subsidiaries	**-**	-	**25,104**	28,844
Less impairment	**-**	-	**(3,061)**	(2,538)
	-	-	**22,043**	26,306

11 - Reconciliation of movements in property, plant and equipment

2009	**Carrying Value 2008** $'000	**Additions** $'000	**Disposals** $'000	**Depreciation Write Back** $'000	**Depreciation** $'000	**Carrying Value 2009** $'000
Property, plant & equipment	59	289	(11)	4	(77)	264

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

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000

12 - Other assets

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Shares and units held in unlisted subsidiaries	**-**	-	**20,598**	20,598
Shares in corporations listed on a prescribed stock exchange (Note i)	**100**	100	**-**	-
Less impairment	**(100)**	(100)	**(20,598)**	(9,845)
	-	-	**-**	10,753
Capitalised development costs (Note iii)	**18,354**	46,396	**2,702**	806
Deferred tax asset (Note ii)	**-**	1,152	**-**	1,152
	18,354	47,548	**2,702**	12,711

(i) The market value of shares in corporations listed on a prescribed stock exchange was $Nil at balance date (2008 $Nil).

(ii) Deferred tax assets in relation to tax losses have been written off to income tax expense at 30 June 2009.

The Directors consider the conditions for recovery of unrecognised deferred tax losses will be ultimately be satisfied through anticipated profits arising from the Group's interests in its various projects however to be conservative have written off the deferred tax assets at 30 June 2009.

(iii) Reconciliation of movement in capitalised development costs

Consolidated	**Carrying Value 2008** $'000	**Additions** $'000	**Transfers (i)** $'000	**Impairment(ii)** $'000	**Carrying Value 2009** $'000
Development costs	46,396	41,789	(67,661)	(2,170)	18,354

(i) Upon practical completion on 5 June 2009 $67.7m of development costs were transferred to investment property (refer Note 7)

(ii) During the period, the Group carried out a review of its development costs. The review led to the recognition of an impairment loss of $2.17m. The recoverable amount of the relevant assets has been determined on the basis of their value-in-use which was by reference to directors valuation.

Parent	**Carrying Value 2008** $'000	**Additions** $'000	**Transfers (i)** $'000	**Impairment(ii)** $'000	**Carrying Value 2009** $'000
Development costs	806	4,043	-	(2,147)	2,702

13 - Current liabilities - Trade and other payables

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Trade creditors – other	**876**	1,318	**820**	827
Call liability to jointly controlled entity	**805**	-	**-**	-
Accrued expenses	**537**	450	**465**	598
	2,218	1,768	**1,285**	1,425

14 - Current liabilities - Provisions

Current				
Provision for onerous lease contract (i)	**586**	-	**586**	-
	586	-	**586**	-

(i) The provision relates to the unavoidable minimum costs of exiting from an existing lease contract in relation to Melbourne Airport.

Non Current				
Provision for loss on loan (i)	**4,314**	-	**-**	-
Provision for long service leave	**25**	-	**25**	-
	4,339	-	**25**	-

(i) As indicated in Note 31, a subsidiary of the Group received a breach notice from St George Bank subsequent to year end. This breach notice provided notification of alleged breaches of the St George facility agreement and requested formal written submissions identifying how and by when the alleged breaches will be rectified.

The directors are of the view that the alleged breaches are in dispute and have denied them in their response to St George. However the directors have considered it prudent that a provision be raised to reflect their estimate of the maximum liability to the Group should St George exercise their rights as project financier.

Notwithstanding having made such a provision in its financial statements, which provision the directors believe is conservative, if St George decide to commence proceedings alleging that the Group is in default of the above facility, then the Group will make such claim as advised against St George for loss and damage caused to, and/or suffered by, the Group by reason of the acts and omissions of St George. At this stage, the quantum of the loss and damage has not been ascertained but it could be substantial.

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

15 - Interest bearing liabilities

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Current				
Bank loans – secured (Note 5 (c))	**7,507**	35,116	**-**	9,500
Premium funding	**28**	-	**28**	-
Finance lease (Note 22)	**31**	11	**31**	11
	7,566	35,127	**59**	9,511
Non Current				
Bank loans – secured (Note 5 (c))	**51,669**	-	**-**	-
Loan - unsecured	**10,598**	9,000	**-**	-
Finance lease (Note 22)	**-**	32	**-**	31
	62,267	9,032	**-**	31

16 - Non current liabilities - Trade and other payables

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Amount payable to subsidiary	**-**	-	**22,330**	10,770

17 - Current liabilities - Other

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Tax liability	**29**	42	**-**	-

18 - Non current liabilities - Other

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Interest in jointly controlled entity	**7,623**	-	**-**	-
Deferred tax liability	**-**	676	**-**	2
Hedge liability (refer Note 33)	**2,909**	-	**-**	-
	10,532	676	**-**	2

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

19 - Issued capital

	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Fully paid and partly paid ordinary shares	**62,926**	55,430	**62,926**	55,430
Fully Paid Ordinary Shares				
At the beginning of the year	**55,430**	55,430	**55,430**	55,430
- acquisition of Melbourne Airport Lease - 25 July 2008	**1,850**	-	**1,850**	-
- rights issue – 15 September 2008	**5,710**	-	**5,710**	-
Transaction costs relating to share issues	**(64)**	-	**(64)**	-
At reporting date	**62,926**	55,430	**62,926**	55,430
	2009 No.	**2008 No.**	**2009 No.**	**2008 No.**
At the beginning of the year	**335,370,532**	335,370,532	**335,370,532**	335,370,532
- 18,500,000 - acquisition of Melbourne Airport Lease 25 July 2008	**18,500,000**	-	**18,500,000**	-
- 71,370,111 - rights issue – 15 September 2008	**71,370,111**	-	**71,370,111**	-
At reporting date	**425,240,643**	335,370,532	**425,240,643**	335,370,532

Terms and Conditions of Issued Capital

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

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

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

20 - Reserves

Share Based Payment Reserve				
At the beginning of the year	**795**	629	**795**	629
Share based payment expense	**-**	166	**-**	166
Transfer to accumulated losses on expiry of options	**(629)**	-	**(629)**	-
At reporting date	**166**	795	**166**	795
Net Gains Revaluation Reserve				
At the beginning of the year	**-**	141	**-**	141
Reversal - sale of listed shares	**-**	(141)	**-**	(141)
At reporting date	**-**	-	**-**	-
Cash Flow Hedge Reserve				
At the beginning of the year	**-**	-	**-**	-
Share of movement in fair value of hedge	**(188)**	-	**(188)**	-
At reporting date	**(188)**	-	**(188)**	-
	(22)	795	**(22)**	795

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.

Cash Flow Hedge Reserve
This reserve records the Group's share of changes in fair value of interest rate swap transactions held in the Age Joint Venture.

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

21 - Accumulated losses

Balance at the beginning of the year	**(26,395)**	(30,534)	**(21,154)**	(26,047)
Net (loss)/profit after tax	**(13,932)**	4,139	**(19,173)**	4,893
Transfers from reserves	**629**	-	**629**	-
At reporting date	**(39,698)**	(26,395)	**(39,698)**	(21,154)
Franking credits available for subsequent years	**-**	-	**-**	-

22 - Finance lease liabilities

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

23 - Contingent liabilities

St George Bank Limited has issued guarantees to third parties pursuant to the requirements of the Shire of Busselton and other parties in relation to Port Geographe. The guarantees are issued pursuant to the St George facility (refer Note 5). These guarantees amounted to $8,660,365 at 30 June 2009. A Group subsidiary is a joint borrower under this facility as to 40%.

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000

24 - Commitments for expenditure

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Operating lease commitments:				
Commitments in relation to operating leases are payable as follows:				
Not later than one year	**2,198**	608	**2,198**	608
Later than one year but not later than five years	**8,718**	759	**8,718**	759
Later than five years	**105,621**	2,486	**105,621**	2,486
	116,537	3,853	**116,537**	3,853

Capital Commitments

WorldPark: 01 Adelaide
On 30 June 2009 has entered into contracts to develop Worldpark Adelaide totalling $29.7m.

Gepps Cross Centre
Group has entered into capital commitments for the Gepps Cross Centre totalling $0.5m at 30 June 2009.

25 - Directors' and executive 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 B Norman
Mr S L Quick
Mr L Boyatzis

b) Remuneration Options

During the financial year nil (2008 - 2,000,000) options were granted as equity compensation benefits under the long-term incentive plan to certain key management personnel as disclosed below. The options issued in 2008 were free of charge.

25 - Directors' and executive remuneration (cont'd)

c) Options and rights holdings

Number of options held by specified directors and executives

Name	Balance 1 July 2008	Granted as remuneration	Options exercised	Net change other	Balance 30 June 2009
2009 Parent entity directors					
I J Laurance	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	-	-	-	-	-
	48,000,000	-	-	(48,000,000)	
2009 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
	5,000,000	-	-	(3,000,000)	2,000,000

Name	Balance 1 July 2007	Granted as remuneration	Options exercised	Net change other	Balance 30 June 2008
2008 Parent entity directors					
I J Laurance	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	-	-	-	-	-
	48,000,000	-	-	-	48,000,000
2008 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
	3,000,000	2,000,000	-	-	5,000,000

During the year, 51,000,000 options expired without being executed.

25 - Directors' and executive remuneration (cont'd)

d) Shareholdings

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

Name	Balance 1 July 2008	Received as remuneration	Options exercised	Net change other	Balance 30 June 2009
2009 Parent entity directors					
I J Laurance	200,000	-	-	50,000	250,000
B P Laurance	25,800,000	-	-	26,241,834	52,041,834
U B Gianotti	1,000,000	-	-	1,114,029	2,114,029
M G Blakiston	1,000,000	-	-	400,000	1,400,000
J S Howe	1,868,500	-	-	2,447,400	4,315,900
	29,868,500	-	-	30,253,263	60,121,763
2009 Parent entity executives					
J P Wolfe	50,000	-	-	(50,000)	-
	50,000	-	-	(50,000)	-

Name	Balance 1 July 2007	Received as remuneration	Options exercised	Net change other	Balance 30 June 2008
2008 Parent entity directors					
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
	27,000,000	-	-	2,868,500	29,868,500
2008 Parent entity executives					
J P Wolfe	50,000	-	-	-	50,000
	50,000	-	-	-	50,000

26 - Remuneration of auditors

The auditors of Axiom Properties Limited are HLB Mann Judd

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Amounts received or due and receivable by HLB Mann Judd for :				
i) Audit and review of the financial reports	**92**	62	**80**	62
ii) Tax compliance	**64**	8	**60**	8
iii) Other services	**5**	-	**5**	-
	161	70	**145**	70

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 $195,327 (2008: $348,743).

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 $383,426 (2008: $307,642).

Additionally, the Company settled contracts with Pivot Group Pty Ltd during the year in relation to the purchase of property at Melbourne Airport. The Company received shareholder approval to acquire the leases over Sites 1 and 2 at Melbourne Airport in May 2008 and settled this transaction by the issue of 18,500,000 ordinary shares at 10 cents each to Pivot Group and its nominee during the year.

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 $122,218 (2008: $30,000).

ii) Transactions with Jointly Controlled Entity

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 (2008: $240,269)

27 - Related party disclosures (cont'd)

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.

28 - Particulars in relation to subsidiaries

	Country Incorporation/ Formation	Interest Held	
		2009 %	2008 %
Parent			
Axiom Properties Ltd	Australia		
Subsidiaries			
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 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
No 59 Unit Trust	Australia	100	100
Axiom Diversified Fund	Australia	100	100
Axiom Gepps Cross Trust	Australia	100	100
Axiom Sub Trust	Australia	100	100
Axiom Worldpark Adelaide Trust	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 2009 %	2008 %	Voting Power and Net Profit Entitlement 2009 %	2008 %
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.	40	15	40	40
250 Spencer St Joint Venture	Leasing and future development of the "Age Buildings" in Melbourne Victoria.	50	50	50	50

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
(i) Retained earnings attributable to interest in jointly controlled entity:				
Balance at beginning of the financial year	**418**	(19)	**446**	-
- share of jointly controlled entities profit/(loss) after income tax	**(1,302)**	437	**446**	446
Balance at the end of the financial year	**(884)**	418	**892**	446
(ii) Carrying amount of investments in jointly controlled entities:				
Balance at beginning of the financial year	**23,175**	26,041	**12,755**	15,612
- share of jointly controlled entities profit/(loss) after income tax	**(1,302)**	437	**446**	446
- return of capital during the year	**(17,100)**	(3,303)	**-**	(3,303)
- Other	**616**	-	**(189)**	-
Balance at the end of the financial year	**5,389**	23,175	**13,012**	12,755
(iii) Share of jointly controlled entities results and financial position:				
Current assets	**2,198**	1,387	**848**	1,002
Non-current assets	**56,387**	45,827	**35,788**	35,228
Total assets	**58,585**	47,214	**36,636**	36,230
Current liabilities	**1,669**	883	**466**	479
Non-current liabilities	**51,557**	23,135	**23,135**	23,135
Total liabilities	**53,226**	24,018	**23,601**	23,614
Revenues	**16,696**	2,271	**2,180**	2,266
Expenses	**17,998**	1,834	**1,734**	1,820
Profit/(Loss) before income tax	**(1,302)**	437	**446**	446
Income tax expense	**-**	-	**-**	-
Profit/(Loss) after income tax	**(1,302)**	437	**446**	446

As at 30 June 2009, the group was not liable for any expenditure commitments of the jointly controlled entities (2008: 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.

31 - Subsequent events

The following events occurred after balance date and have not been brought to account at 30 June 2009.

Port Geographe Joint Venture Financing Facilities – St George Bank Breach Notice

A subsidiary of the Group received a breach notice from St George Bank subsequent to year end. This breach notice provided notification of alleged breaches of the St George facility agreement and requested formal written submissions identifying how and by when the alleged breaches will be rectified.

The directors are of the view that the alleged breaches are in dispute and have denied them in their response to St George. However the directors have considered it prudent that a provision be raised to reflect their estimate of the maximum liability to the Group should St George exercise their rights as project financier.

Notwithstanding having made such a provision in its financial statements, which provision the directors believe is conservative, if St George decide to commence proceedings alleging that the Group is in default of the above facility, then the Group will make such claim as advised against St George for loss and damage caused to, and/or suffered by, the Group by reason of the acts and omissions of St George. At this stage, the quantum of the loss and damage has not been ascertained but it could be substantial.

32 - Earnings per share

	2009 Cents per Share	2008 Cents per Share
Basic earnings per share	(3.35)	1.24
Diluted earnings per share	-	1.04

	2009 No.	2008 No.
The weighted average number of shares on issue used in the calculation of basic earnings per share.	415,479,232	335,370,532
The weighted average number of shares on issue used in the calculation of diluted earnings per share.	415,479,232	399,287,318

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

The Group has made a loss during the year and accordingly diluted earnings per share is not presented.

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.

(c) Categories of Financial Assets and Liabilities

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Financial Assets				
Cash and cash equivalents	**9,527**	3,159	**8,163**	1,762
Trade and other receivables	**2,087**	2,336	**1,307**	3,217
	11,614	5,495	**9,470**	4,979
Financial Liabilities				
Trade and other payables	**2,218**	1,768	**23,615**	12,195
Hedge Liability	**2,909**	-	**-**	-
Interest Bearing Liabilities	**69,833**	44,159	**59**	9,542
	74,960	45,927	**23,674**	21,737

(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.

Whilst the Group does have exposure to a small spread of counterparties the directors are of the view that there is no significantly elevated credit risk arising from these concentrated exposures.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

33 - Financial Instruments (cont'd)

(e) Interest rate risk

The Group is exposed to interest rate risk on its borrowings that are used to fund its development activities and on its cash balances. 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 though 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 $nil (2008:$31,883) or increase by $nil (2008:$31,883). Capitalised development costs (other non current assets) would increase by $169,543 (2008:128,000) or decrease by $169,543 (2008:$128,000).This is due to the Group's exposure to variable interest rates on its finance facilities.
- Equity would decrease by $nil (2008: $22,318) or increase by $nil (2008:$22,318).

(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.

33 - Financial Instruments (cont'd)

(f) Liquidity Risk Management (cont'd)

Group

	Maturity						
	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
2009 Financial Assets							
Variable Interest Rate Instruments	3.19	9,527	-	-	-	-	9,527
Non Interest Bearing	-	2,087	-	-	-	-	2,087
		11,614	**-**	**-**	**-**	**-**	**11,614**
2009 Financial Liabilities							
Variable Interest Rate Instruments	6.72	-	-	7,039	69,610	-	76,649
Non Interest Bearing	-	2,218	-	-	-	-	2,218
Finance lease	7.19	-	31	-	-	-	31
		2,218	**31**	**7,039**	**69,610**	**-**	**78,898**
2008 Financial Assets							
Variable Interest Rate Instruments	5.85	3,159	-	-	-	-	3,159
Non Interest Bearing	-	2,336	-	-	-	-	2,336
		5,495	**-**	**-**	**-**	**-**	**5,495**
2008 Financial Liabilities							
Variable Interest Rate Instruments	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**

33 - Financial Instruments (cont'd)

(f) Liquidity Risk Management (cont'd)

Company

	Maturity						
	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
2009 Financial Assets							
Variable Interest Rate Instruments	3.10	8,163	-	-	-	-	8,163
Non Interest Bearing	-	1,307	-	-	-	-	1,307
		9,470	**-**	**-**	**-**	**-**	**9,470**
2009 Financial Liabilities							
Variable Interest Rate Instruments	4.16	-	-	27	-	-	27
Non Interest Bearing	-	1,285	-	-	-	-	1,285
Finance lease	7.19	-	31	-	-	-	31
		1,285	**31**	**27**	**-**	**-**	**1,343**
2008 Financial Assets							
Variable Interest Rate Instruments	5.85	1,762	-	-	-	-	1,762
Non Interest Bearing	-	3,217	-	-	-	-	3,217
		4,979	**-**	**-**	**-**	**-**	**4,979**
2008 Financial Liabilities							
Variable Interest Rate Instruments	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**

33 - Financial Instruments (cont'd)

(g) Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair values of issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by reference to external valuations.

The Group has entered into a "cap and collar" arrangement with National Australia Bank on the Gepps Cross Banking facility. The cap rate is 7.4% plus margin and the floor rate is 6.25% plus margin. This facility expires on 29 June 2012.

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding at reporting date.

	Average Contracted fixed Interest rate		Notional Principal Amount		Fair Value	
Outstanding Floating for Fixed Contracts	**2009 %**	**2008 %**	**2009 $'000**	**2008 $'000**	**2009 $'000**	**2008 $'000**
Consolidated	-	-	-	-	-	-
Less than 1 year	-	-	-	-	-	-
1 to 2 years	-	-	-	-	-	-
2 to 5 years	7.75	-	56,225	-	2,909	-
5 years +	-	-	-	-	-	-
			56,225		2,909	

Interest rate swaps settle on a quarterly basis. The floating rate on the interest swaps is the Australian BBSY. The Group will settle the difference between the fixed and floating interest rate on a net basis. All interest swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cashflow hedges on order to reduce the Group's cashflow exposure resulting from variable interest rates on borrowings.

(h) 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.

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.

	2009 No $	2009 Weighted Average Exercise Price $	2008 No $	2009 Weighted Average Exercise Price $
Outstanding Options at the beginning of the year	13,000,000	48 cents	11,000,000	45 cents
Granted during the year	-	-	2,000,000	65 cents
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	11,000,000	45 cents	-	-
Outstanding at the end of the year	2,000,000	65 cents	13,000,000	48 cents
Exercisable at the end of the year	2,000,000	65 cents	13,000,000	48 cents

The outstanding balance as at 30 June 2009 is represented by:

- 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 2009 is less than a year.

No new options were issued during the year. In the prior year, the weighted average fair value of the options granted was 8.3 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 2009:

	2009	2008
Volatility (%)	n/a	55
Risk Free interest rate (%)	n/a	6.68
Weighted Average share price at grant date (cents)	n/a	50

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.

35 - Non current assets - Intangibles

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
AFSL Licence	**-**	198	**-**	-

The directors have considered the recoverable amount of the AFSL licence and based upon a value in use calculation of current and reliably forecast future cashlflows attributable to the asset have determined that the licence should be impaired in full.

Australian Securities Exchange Information

Top twenty shareholders

The percentage of the total holding of the 20 largest shareholders, as shown in the Company's Register of Members as at 23 September 2009 is 64.6% (2008: 66.40%) and the names and number of shares are as follows:

Name	Number	Percentage of Total Shareholdings
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 <Laurance Super Fund A/C>	28,000,000	6.58%
Advent Capital Limited	17,990,000	4.23%
Startrend Investments Pty Ltd	15,000,000	3.53%
ANZ Nominees Limited <Cash Income A/C>	11,477,302	2.70%
Hamilton Corporation Pty Ltd <Phoenix A/C>	10,100,000	2.38%
Pivot Group Pty Ltd	6,300,000	1.48%
Pivot Group Pty Ltd	5,511,800	1.30%
Bernville Pty Ltd	4,620,000	1.09%
Bell Potter Nominees Ltd <Bb Nominees A/C>	4,571,000	1.07%
Citicorp Nominees Pty Limited	4,339,661	1.02%
Weathered Howe & Associates Pty Ltd <Weathered Howe Pension A/	4,315,900	1.01%
Cobbadah Pty Ltd <Kensington A/C>	4,186,105	0.98%
Silver Lake Nominees Pty Ltd	4,041,300	0.95%
Laissez Faire Et Cie Pty Ltd	4,000,000	0.94%
B & D Super Pty Ltd <The Phoenix Super Fund A/C>	3,900,000	0.92%
Teepee Investments Pty Ltd	3,500,000	0.82%
Silverlake Nominees Pty Ltd <D'espeissis Super A/C>	3,279,278	0.77%
	274,712,346	64.60%

The substantial shareholders notices received by the Company as at 23 September 2009 are:

Shareholder	No of Shares Advised
Peter Laurance	149,382,800
Ben Laurance	52,041,834

Australian Securities Exchange Information (continued)

Distribution of shareholders as at 23 September 2009

There were 1,103 shareholders holding issued ordinary shares in the Company which were distributed among shareholders as follows:

Category	No. of Shareholders
1 - 1,000	14
1,001 - 5,000	130
5,001 – 10,000	119
10,001-100,000	570
100,001- and over	270
	1,103

There were 183 shareholders with less than the marketable parcel (7,043 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.

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AXIOM
PROPERTIES LIMITED

DESIGNED AND PRODUCED BY BONSER DESIGN

AXIOM PROPERTIES LIMITED
ABN 40 009 063 834

PROXY FORM

The Company Secretary
Axiom Properties Limited
Postal Address: PO Box Z5351
Perth WA 6831
Facsimile: (08) 9321 8122

I/We (name of shareholder) ....

of (address) ....

being a member/members of Axiom Properties Limited HEREBY APPOINT

(name) ....

of (address) ....

and/or failing him (name) ....

of (address) ....

or failing that person then the Chairman of the Annual General Meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Duxton Hotel, 1 St Georges Terrace, Perth, Western Australia on Friday, 27 November 2009 at 10.00 am Perth Time and at any adjournment of the meeting.

Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box below:

I/We direct my/our Proxy to vote in the following manner:

	For	Against	Abstain
Resolution 1 – Adoption of Remuneration Report	☐	☐	☐
Resolution 2 – Re-election of Mr Umberto Gianotti as a Director	☐	☐	☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of Resolution 3, please place a mark in the box. ☐

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of Resolution 3 and that votes cast by the Chair of the meeting for Resolution 3 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolution 3 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 3.

The Chairman intends to vote in favour of all of the Resolutions in relation to undirected proxies.

This Proxy is appointed to represent ____% of my voting right, or if 2 proxies are appointed Proxy 1 represents _____% and Proxy 2 represents ____% of my total votes
My total voting right is _______shares

Signed this day of 2009

By:

Individuals and joint holders	*Companies (affix common seal if appropriate)*
Signature	Director
Signature	Director/Company Secretary
Signature	Sole Director and Sole Company Secretary

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.

2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.

3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer of the company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by at least one of the joint shareholders, personally or by a duly authorised attorney.

4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.

5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting (that is, by 10.00 am Perth Time on 25 November 2009), by post, facsimile or e-mail to the respective addresses stipulated in this proxy form.

6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:

   (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;

   (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;

   (c) if the proxy is Chairperson, the proxy must vote on a poll and must vote that way; and

   (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

   If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.

7. The Chairman intends to vote in favour of all resolutions in relation to undirected proxies.