

Appendix 4D

Half year report

Half-year ended 31 December 2012

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

Name of entity

AXIOM PROPERTIES LIMITED

ABN

40 009 063 834

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

31 DECEMBER 2012

31 DECEMBER 2011

2. Results for announcement to the market

\$A'000				
2.1	Revenue from ordinary activities	up/down	92.48%	To 4,221
2.2	Profit from ordinary activities after tax attributable to members	up/down	121.79%	To 477
2.3	Profit for the period attributable to members	up/down	121.79%	To 477

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

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

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

3. NTA backing

3.1 Net tangible assets per security

Current reporting period	Previous corresponding period
3.11 cents	4.10 cents

4. Control gained over entities having material effect

4.1 Name of entity (or group of entities)

N/A

4.2 Date of gain of control

N/A

4.3 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired

N/A

4.3 Profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period

N/A

Loss of control of entities having material effect

4.1 Name of entity (or group of entities)

N/A

4.2 Date of loss of control

N/A

4.3 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired

N/A

4.3 Profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period

N/A

5. Dividends / distributions

Date the dividend / distribution is payable

N/A

Amount per security of foreign source dividend / distribution

N/A

Total dividends / distributions

Ordinary securities

N/A

Preference securities

N/A

6. Dividend / distribution plans

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

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

Name of associate / joint venture:	Churchill North Pty Ltd Joint Venture	
Holding in entities	50% holding in Joint Venture	
Group's aggregate share of associates' and joint venture entities':	Current reporting period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities before tax	1,530	-
Income tax on ordinary activities	-	-
Profit (loss) from ordinary activities after tax	1,530	-
Extraordinary items net of tax	-	-
Net profit (loss)	1,530	-
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	1,530	-

8. Foreign entities

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

A description of accounts subject to audit dispute or qualification:	N/A
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A.B.N. 40 009 063 834

INTERIM FINANCIAL REPORT
31 December 2012

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DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity, Axiom Properties Limited, ("Axiom" or "the Company") for the half-year ended 31 December 2012 ("the half-year"). In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

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

Ian James Laurance AM	Non-executive Chairman
Benjamin Peter Laurance	Managing Director
Umberto Bruno Gianotti	Non-executive Director (Resigned 12 July 2012)
Michael Gerrard Blakiston	Non-executive Director (Resigned 27 September 2012)
John Sylvester Howe	Non-executive Director

Review of Operations

Islington Railyards ("Churchill Centre")

The Islington Railyards site consists of two separate large tracts of land of 6 hectares (south) and 18 hectares (north) for a total of 24 hectares, strategically located in the inner northwest suburbs of Adelaide, 6kms from the CBD. The Company has "joint ownership" of the land under a 97 year lease with the South Australian Government. The master plan for the two sites will result in a major retail destination, servicing the needs of Adelaide's inner northwestern suburbs. The master plan will incorporate a mix of bulky goods and hardware tenancies, alongside a major supermarket, shopping centre and a mix of other exciting retail opportunities.

The Company considers this development as a key component to the future success of the Company, being a major plank of the development and investment portfolio over the short to medium term.

The two distinct sites are referred to as Churchill Centre North and Churchill Centre South:

Churchill Centre North

The northern component of this project sits on 18 hectares of land, and will comprise a major shopping centre, consisting of a 5,500 sq.m. Coles supermarket, a 5,400 sq.m. Kmart Discount Department Store, several other mini-major retailers and approx. 60 specialty shops. Additionally, the Centre will incorporate a Coles service station alongside several other pad sites of fast food outlets and other strategic retailing uses. This northern stage is designed to incorporate in excess of 40,000 sqm of quality destination retail.

During the half year the Company continued its pre-leasing strategy, successfully agreeing terms with a number of key anchor tenants and ancillary users.

Also during the half year the Company announced a strategic tie-up with Southern Cross Equity Group Pty Ltd, a syndicate of Adelaide based investors who have purchased a 50% share in the project by providing an equity investment of \$11.25m.

Churchill Centre South

The balance of the developable land at Churchill Centre South comprises approximately 3 hectares of retail zoned land. The Company's vision for this development is for a mixed-use retail and bulky goods centre of approximately 7,500 sq.m. to sit alongside the previously developed (and subsequently sold) Bunnings warehouse. During the half year the Company focused its efforts on securing an appropriate anchor tenant to enable the development to commence. At this stage, no such anchor tenant has been secured, however there are several prospective retailers in early-stage discussions.

DIRECTORS' REPORT (continued)**Gepps Cross Bulky Goods Centre, Gepps Cross SA**

During the half year the Company sold its remaining interest in the Gepps Cross Bulky Goods Centre, the 62,000sq.m. bulky goods homemaker centre in Adelaide's northern suburbs which was developed by the Company on behalf of itself and its Joint Venture partners Charter Hall and Harvey Norman. The Company owned a 50% interest in one of the 2 sites comprising the Centre, having sold its half interest in the other site in December 2010. The sale price was \$30.7m and settled in October 2012.

World Park 01, Keswick SA

Worldpark 01 is a campus-style, green office park on the fringe of the Adelaide CBD with an approval to construct 3 boutique office buildings. The first of these buildings was completed and subsequently sold.

Axiom retains ownership of the balance of the land of approximately 2 hectares and is actively marketing and promoting it to secure a pre-commitment sufficient to commence construction of the next stage of the project.

Port Geographe, Busselton, WA

The Company's subsidiary, Tallwood Nominees Pty Ltd, which owns the 40% interest in the Port Geographe Joint Venture, was placed into Administration in August 2011. During the half year, the Administrator recommended that Tallwood Nominees be placed into liquidation which was approved by stakeholders. As a consequence, Tallwood is currently being liquidated and eventually the subsidiary will be wound up.

Other

The Company is also evaluating a number of other strategic corporate, investment and development opportunities in the property and other sectors.

The Group notes there is significantly more value in the underlying assets of the Group than is reflected in the financial statements.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the half-year there was no significant change in the state of affairs of the Company other than that referred to in this Directors' Report, the condensed financial statements or notes thereto.

ROUNDING OF AMOUNTS

The Company has applied the relief available to it in ASIC Class Order 98/100, and accordingly certain amounts in the interim financial report and the Directors' report have been rounded off to the nearest \$1,000, unless otherwise indicated.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 5 and forms part of this Directors' Report for the half year ended 31 December 2012.

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



Ben Laurance

Managing Director

Dated this 18th day of February 2013

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Axiom Properties Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Axiom Properties Limited.



Perth, Western Australia
18 February 2013

L DI GIALONARDO
Partner, HLB Mann Judd

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Notes	Consolidated	
		31 December 2012	31 December 2011
		\$'000	\$'000
Revenue		4,165	2,052
Other income		56	141
Employee benefits expense		(787)	(844)
Depreciation and amortisation expense		(42)	(43)
Finance costs		(884)	(1,409)
Other expenses		(2,031)	(1,921)
Impairment of other assets		-	(165)
Profit/(Loss) before income tax	2	477	(2,189)
Income tax benefit / (expense)		-	-
Net Profit/(Loss) for the period		477	(2,189)
Total comprehensive income/(loss) for the period		477	(2,189)
Basic earnings / (loss) per share (cents per share)		0.11 cents	(0.51) cents
Diluted earnings / (loss) per share (cents per share)		0.11 cents	-

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

		Consolidated	
	Notes	31 December 2012 \$'000	30 June 2012 \$'000
Assets			
Current Assets			
Cash and cash equivalents		4,669	2,050
Trade and other receivables		167	574
Other assets		130	-
		<u>4,966</u>	<u>2,624</u>
Assets classified as held for sale	5	-	30,700
Total Current Assets		<u>4,966</u>	<u>33,324</u>
Non-Current Assets			
Property, plant and equipment		100	141
Other assets		9,561	8,978
Total Non-Current Assets		<u>9,661</u>	<u>9,119</u>
Total Assets		<u>14,627</u>	<u>42,443</u>
Liabilities			
Current Liabilities			
Trade and other payables		847	458
Provisions		109	-
Borrowings		8	167
Other liabilities		-	17
		<u>964</u>	<u>642</u>
Liabilities directly associated with assets held for sale	5	-	28,592
Total Current Liabilities		<u>964</u>	<u>29,234</u>
Non-Current Liabilities			
Borrowings		27	31
Total Non-Current Liabilities		<u>27</u>	<u>31</u>
Total Liabilities		<u>991</u>	<u>29,265</u>
Net Assets		<u>13,636</u>	<u>13,178</u>
Equity			
Issued capital	3	63,419	63,267
Reserves		59	230
Accumulated losses		(49,847)	(50,324)
Total equity attributable to owners of the parent		<u>13,631</u>	<u>13,173</u>
Non-controlling interest		5	5
Total Equity		<u>13,636</u>	<u>13,178</u>

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	Consolidated				
	Issued Capital	Accumulated Losses	Reserves	Sub-Total	Non-controlling Interests Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2011	63,319	(43,448)	23	19,894	- 19,894
Loss after tax for the period	-	(2,189)	-	(2,189)	- (2,189)
Total comprehensive loss for the period	-	(2,189)	-	(2,189)	- (2,189)
Units issued	-	-	-	-	5 5
Share-based payments expense	-	-	64	64	- 64
Balance at 31 December 2011	63,319	(45,637)	87	17,769	5 17,774
Balance at 1 July 2012	63,267	(50,324)	230	13,173	5 13,178
Profit after tax for the period	-	477	-	477	- 477
Total comprehensive income for the period	-	477	-	477	- 477
Share-based payments expense (net of expired performance rights)	-	-	(19)	(19)	- (19)
Reserve transfer – exercise of performance rights	152	-	(152)	-	- -
Balance at 31 December 2012	63,419	(49,847)	59	13,631	5 13,636

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Consolidated	
	31 December 2012 \$'000	31 December 2011 \$'000
	Inflows/(Outflows)	
Cash flows from operating activities		
Receipts from customers	1,814	1,516
Payments to suppliers and employees	(2,849)	(3,385)
Payment of project development costs	(233)	(11,925)
Interest received	18	68
Finance costs	(444)	(1,460)
Other costs	14	(14)
Proceeds from sale of leasehold interest	1,600	-
Net cash (outflow) from operating activities	(80)	(15,200)
Cash flows from investing activities		
Cash acquired in joint venture operation	1,200	-
Purchase of non-current assets	(5)	(21)
Proceeds from sale of investment property	30,700	-
Net cash inflow/(outflow) from investing activities	31,895	(21)
Cash flows from financing activities		
Proceeds from borrowings	356	13,695
Repayment of borrowings	(29,552)	(299)
Units issued	-	5
Net cash inflow/(outflow) from financing activities	(29,196)	13,401
Net increase/(decrease) in cash held	2,619	(1,820)
Cash and cash equivalents at the beginning of the period	2,050	3,406
Cash and cash equivalents at the end of the period	4,669	1,586

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by Axiom Properties Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

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

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

The Company is of a kind referred to in ASIC Class Order 98/100, and accordingly, amounts in the Directors' Report and the interim financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2012, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2012.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the company and, therefore, no change is necessary to Group accounting policies.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2012. 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 the company and, therefore, no change is necessary to Group accounting policies.

Significant accounting judgments and key estimates

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

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2012.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

Going concern

The Directors have presented the interim report on the basis that the Group will continue as a Going Concern. The Directors have examined significant areas of possible financial risk and have satisfied themselves that the Group has adequate resources to continue in operational existence for the foreseeable future.

Interests in Joint Ventures

The Group's share of the assets, liabilities, revenue and expenses of jointly controlled operations have been included in the appropriate line item of the consolidated financial statements.

The Group's interest in jointly controlled operations is recorded using the proportionate consolidation method in the consolidated financial statements.

Where the Group contributes assets to the joint venture or if the Group purchases assets from the joint venture, only the portion of the gain or loss that is not attributable to the Group's share of the joint venture shall be recognised. The Group recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

NOTE 2: PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE

Consolidated	
31 December 2012 \$'000	31 December 2011 \$'000

The following revenue and expense items are relevant in explaining the financial performance for the half-year:

Net revenue from properties	1,471	2,052
Profit on sale of leasehold interest	996	-
Gains arising from jointly controlled operations	1,698	-
	4,165	2,052

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 3: ISSUED CAPITAL

	Consolidated	
	31 December 2012 \$'000	30 June 2012 \$'000
<i>Ordinary shares</i>		
Issued and fully paid	63,419	63,267

	Dec 2012 No.	Dec 2011 No.	Dec 2012 \$'000	Dec 2011 \$'000
<i>Movements in ordinary shares on issue</i>				
At start of period	434,240,643	433,240,643	63,267	63,319
Issue on exercise of performance rights	4,500,000	-	152	-
At end of period	438,740,643	433,240,643	63,419	63,319

NOTE 4: SEGMENT REPORTING

The following table represents revenue and results from operations on an aggregated basis provided to the chief operating decision maker for the periods ended 31 December 2011 and 31 December 2012. The basis for the segment reporting of the Company is that used by the Managing Director for monthly reporting to the Board.

	Continuing operations			
	Investment Property \$'000	Development \$'000	Corporate \$'000	Consolidated \$'000
31 December 2012				
Segment revenue	1,164	3,029	28	4,221
Segment result	(130)	2,274	(1,667)	477
Results from continuing operations	(130)	2,274	(1,667)	477
Included within segment result:				
Depreciation	(1)	-	(41)	(42)
Interest revenue	1	8	9	18

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 4: SEGMENT REPORTING (continued)

	Continuing operations			
	Investment Property	Development	Corporate	Consolidated
	\$'000	\$'000	\$'000	\$'000
31 December 2012				
Segment assets	76	10,696	3,855	14,627
Segment liabilities	-	594	397	991
	Continuing operations			
	Investment Property	Development	Corporate	Consolidated
	\$'000	\$'000	\$'000	\$'000
31 December 2011				
Segment revenue	1,136	928	129	2,193
Segment result	(368)	65	(1,886)	(2,189)
Results from continuing operations	(368)	65	(1,886)	(2,189)
Included within segment result:				
Depreciation	-	-	(43)	(43)
Interest revenue	9	1	57	67
Impairment	-	(165)	-	(165)
Segment assets	52,942	10,193	2,108	65,243
Segment liabilities	46,739	137	593	47,469

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 5: ASSETS HELD FOR SALE

The major classes of assets and liabilities comprising the operations classified as held for sale at balance date are as follows:

	Consolidated	
	31 December 2012 \$'000	30 June 2012 \$'000
ASSETS		
Investment Properties	-	30,700
	-	30,700
LIABILITIES		
Interest-bearing liabilities	-	24,313
Interest rate derivative contracts	-	620
Other liabilities	-	3,659
	-	28,592
Net assets classified as held for sale	-	2,108

At the half year reporting date there are no separate assets classified as held for sale however the following transaction occurred during the half year:

GEPPS CROSS BULKY GOODS CENTRE, SOUTH AUSTRALIA

The remaining interest in the Gepps Cross Bulky Goods Centre of which Axiom held a 50% interest was disposed of during the half year ended 31 December 2012. The disposal realised proceeds of \$30.7m less selling costs. The carrying value of this asset had been impaired down to this value at 30 June 2012. Proceeds from the sale were used to extinguish liabilities classified as held for sale associated with the investment property.

NOTE 6: PERFORMANCE RIGHTS

Movement in performance rights over ordinary shares on issue:

	31 December 2012 No. (thousands)	31 December 2011 No. (thousands)
At start of period	8,000	8,000
Increase/(decrease) during the period	(6,000)	1,000
At end of period	2,000	9,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 7: JOINTLY CONTROLLED OPERATIONS

The Group has a 50% interest in the Churchill North Pty Ltd Joint Venture which was established during the period to jointly develop and lease the Churchill Centre North site.

The share of assets, liabilities, revenue and expenses of the jointly controlled operations, which are included in the condensed financial statements, are as follows;

	31 December 2012 \$'000
Statement of Financial Position	
ASSETS	
Current Assets	
Cash and cash equivalents	809
Trade and other receivables	78
Other assets	3
Total Current Assets	890
Non Current Assets	
Other assets	1,233
Total Non Current Assets	1,233
Total Assets	2,123
Liabilities	
Current Liabilities	
Trade and other payables	593
Total Current Liabilities	593
Total Liabilities	593
Net Assets	1,530
Statement of Comprehensive Income	
Revenue	1,750
Other expenses	220
Profit before Income Tax	1,530
Income tax expense	-
Net Profit for the period	1,530

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 8: CONTINGENT LIABILITIES

Port Geographe Joint Venture

St George Bank Limited issued certain bank guarantees to third parties pursuant to the requirements of the Shire of Busselton and other parties in relation to Port Geographe which formed part of the total St George facility (refer note 13) which was entered into by the Company, a Group subsidiary and its partners in October 2008. These guarantees amounted to nil at 30 June 2012 (30 June 2011: \$6m). A Group subsidiary (Tallwood Nominees Pty Ltd) is a joint borrower under this facility as to 40%. Tallwood was placed into Voluntary Administration on 4 August 2011 and subsequently placed into Liquidation on 9 August 2012.

Tallwood Nominees Pty Ltd

Under a Deed of Covenant that the Company has entered into with the Western Australian Planning Commission, the Company has guaranteed certain obligations of Tallwood. The Company appointed Voluntary Administrators to Tallwood on 4 August 2011 and was subsequently placed into Liquidation on 9 August 2012. Given the circumstances surrounding the obligations guaranteed by the Company, the Directors are of the opinion that if any claim was made against the Company, the Company would vigorously defend against any such claim. To date, no such claim has been received by the Company.

Islington – Churchill Centre South

The Group may be liable to a third party as part of the development agreement on the Islington Railyards, to pay the third party an amount should certain hurdles identified within the development agreement be satisfied.

NOTE 9: RELATED PARTY TRANSACTIONS

Transactions with Directors

(a) Gilbert & Tobin

Gilbert & Tobin, a firm in which Mr M G Blakiston is a partner, provided legal services to the Company on normal terms and conditions during the reporting period. Total fees charged to the Company to the reporting date were \$330 (2012: \$8,721).

(b) Pivot Group Pty Ltd

Pivot Group Pty Ltd, a Director related entity of Mr B P Laurance, provided the Perth office premises on normal market terms and conditions during the reporting period. The total charged to the Company to the reporting date was \$76,402 (2012: \$89,995)

(c) WA Services Nominees Pty Ltd

WA Services Nominees Pty Ltd, a Director related entity of Mr U B Gianotti, provided legal services on normal terms and conditions to the Company during the reporting period. The total charged to the Company to the reporting date was \$148,500 (2012: \$180,000).

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

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

DIRECTORS' DECLARATION

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

1. The financial statements and notes thereto, as set out on pages 6 to 16, are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year then ended.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Ben Laurance
Managing Director

Dated this 18th day of February 2013

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Axiom Properties Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Axiom Properties Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2012, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Matters relating to the electronic presentation of the reviewed half-year financial report

This review report relates to the half-year financial report of the consolidated entity for the half-year ended 31 December 2012 included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The review report refers only to the half-year financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the half-year financial report. If users of the half-year financial report are concerned with the inherent risks arising from publication on a website they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information contained in this website version of the half-year financial report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Axiom Properties Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



HLB MANN JUDD
Chartered Accountants

Perth, Western Australia
18 February 2013



L DI GIALLONARDO
Partner