Axe Group Pty Limited

ABN 62 095 107 814

Financial Report - 30 June 2024

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2024.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Martin John Stewart
Kimberley Ann Lathe

Principal activities

During the financial year the principal continuing activities of the company consisted of providing insurance software solutions and related services to insurance businesses.

Dividends

Dividends paid during the financial year were as follows:

	2024 $	2023 $
Dividends paid	7,000,000	2,500,000

Review of operations

The profit for the company after providing for income tax amounted to $3,706,829 (30 June 2023: $3,775,487).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

Martin John Stewart
Director

Kimberley Ann Lathe
Director

16 December 2024

LBW & Partners
Chartered Accountants & Business Advisors
ABN 80 618 803443

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Partners
Elias Y Bader
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George P Rochios
Mark W Willock

Axe Group Pty Limited
ABN: 62 095 107 814

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Axe Group Pty Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Dharmasiri

Rupaninga Dharmasiri
Partner

LBW & Partners
Chartered Accountants
Level 3, 845 Pacific Highway
CHATSWOOD NSW 2067

Date: 16 December 2024

Axe Group Pty Limited
Statement of income and retained earnings
For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue	3	25,252,946	24,039,839
Other income		86,709	169,088
Expenses			
Employee benefits expenses		(15,163,479)	(14,121,922)
Consulting and service provider costs		(3,638,376)	(2,982,501)
Administrative expenses		(1,269,749)	(1,622,350)
Other expenses		(317,389)	(448,584)
Total expenses		(20,388,993)	(19,175,357)
Profit before income tax expense		4,950,662	5,033,570
Income tax expense	6	(1,243,833)	(1,258,083)
Profit after income tax expense for the year		3,706,829	3,775,487
Retained profits at the beginning of the financial year		7,634,531	6,359,044
Dividends paid	15	(7,000,000)	(2,500,000)
Retained profits at the end of the financial year		4,341,360	7,634,531

The above statement of income and retained earnings should be read in conjunction with the accompanying notes

Axe Group Pty Limited
Statement of financial position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	7	8,138,434	11,305,565
Trade and other receivables	8	1,199,121	850,930
Contract assets	9	1,300,609	1,354,278
Other assets		28,509	17,427
Total current assets		10,666,673	13,528,200
Non-current assets			
Property, plant and equipment	10	151,160	3,193
Right-of-use assets		-	7,986
Deferred tax	6	655,522	662,692
Total non-current assets		806,682	673,871
Total assets		11,473,355	14,202,071
Liabilities			
Current liabilities			
Trade and other payables	11	1,632,486	1,595,902
Contract liabilities	12	3,698,863	3,060,947
Lease liabilities		-	9,309
Income tax	6	152,436	306,330
Employee benefits	13	1,220,626	1,246,490
Total current liabilities		6,704,411	6,218,978
Non-current liabilities			
Employee benefits	13	420,984	341,962
Total non-current liabilities		420,984	341,962
Total liabilities		7,125,395	6,560,940
Net assets		4,347,960	7,641,131
Equity			
Issued capital	14	6,600	6,600
Retained profits		4,341,360	7,634,531
Total equity		4,347,960	7,641,131

The above statement of financial position should be read in conjunction with the accompanying notes

Axe Group Pty Limited
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		28,067,319	28,006,222
Payments to suppliers and employees (inclusive of GST)		(22,737,042)	(20,704,203)
		5,330,277	7,302,019
Interest received		92,161	72,373
Interest on lease liablity		-	(4,334)
Income taxes paid		(1,390,557)	(1,305,027)
Net cash from operating activities		4,031,881	6,065,031
Cash flows from investing activities			
Payments for property, plant and equipment	10	(184,010)	(106,646)
Net cash used in investing activities		(184,010)	(106,646)
Cash flows from financing activities			
Dividends paid	15	(7,000,000)	(2,500,000)
Repayment of lease liabilities		(9,309)	(212,420)
Net cash used in financing activities		(7,009,309)	(2,712,420)
Net increase/(decrease) in cash and cash equivalents		(3,161,438)	3,245,965
Cash and cash equivalents at the beginning of the financial year		11,305,565	7,976,511
Effects of exchange rate changes on cash and cash equivalents		(5,693)	83,089
Cash and cash equivalents at the end of the financial year	7	8,138,434	11,305,565

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Axe Group Pty Limited as an individual entity. The financial statements are presented in Australian dollars, which is Axe Group Pty Limited's functional and presentation currency.

Axe Group Pty Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

The Commons
388 George Street
Sydney NSW 2000

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 December 2024.

Note 2. Material accounting policy information

The accounting policies that are material to the company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following amendments to Accounting Standards are most relevant to the company:

The company has adopted the amendments to AASB 101 *Presentation of Financial Statements* which require only the disclosure of material accounting policy information rather than significant accounting policies and therefore policy information which does not satisfy one of the following requirements has been removed from these financial statements:

- Relates to change in accounting policy
- Policy has been developed in the absence of an explicit accounting standard requirement
- Documents an accounting policy choice
- Relates to an area of significant judgement or assumption
- Relates to a complex transaction and is required to explain the treatment to the user

Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Australian Accounting Standards - Simplified Disclosures* issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention and on an accruals basis.

Note 2. Material accounting policy information (continued)

Critical accounting judgements, estimates and assumptions
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal to related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year have been described in relevant notes.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Axe Group Pty Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Comparative figures
Comparative figures have been reclassified, wherever necessary, to be in line with the current year presentation.

Note 3. Revenue

	2024 $	2023 $
Revenue from contracts with customers		
Configuration service fees	15,435,865	13,917,933
Subscription fees	4,539,921	4,488,825
Managed cloud service fees	3,051,399	2,663,709
Support pack fees	2,225,761	2,969,372
Revenue	25,252,946	24,039,839

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	2024 $	2023 $
Timing of revenue recognition		
Services transferred over time	25,252,946	24,039,839

Note 3. Revenue (continued)

Accounting policy for revenue recognition
The company's principal source of revenue is through sales of subscriptions of its Axelerator insurance software platforms and providing configuration and support services in relation to such subscriptions.

Revenue from the provision of these services is recognised over the period in which the services are rendered. Contracts for services are either fixed price contracts or contracts charged at hourly rates.

For fixed price contracts, which generally relate to the support services, the contracts do not include an enforceable right for the company to receive payment for work performed to date based on the percentage of time spent and therefore the criteria for recognition of revenue over time is met. The company recognises revenue based on the time lapsed to the end of the reporting period as a proportion of the total contract period where no specific deliverables or number of hours are defined in the contract as this is deemed to provide the most faithful depiction of the provision of the services.

The terms of the company's fixed price contracts either require that the customer pays the fixed amount in instalments over the contract duration or in some cases the company requires payment in full upfront. Where payment is required upfront, a contract liability is recognised on receipt of the payment and recognised as revenue as the services are provided. Where payment is required in instalments, at the end of the reporting period, if the services rendered by the company exceed the payments received, a contract asset is recognised. If the payments received exceed the services rendered, the company recognises a contract liability.

For hourly rate contracts, which generally related to the configuration and support services, the company recognises revenue only to the extent that they have a right to invoice. Hourly rate contracts are invoiced fortnightly or monthly at the agreed rates and actual hours worked by the various level of resources involved in the service delivery. Revenue is recognised as the invoice is raised.

Some contracts combine more than one form of services with a single transaction price. In these cases, performance obligations are identified and transaction price is allocated across the individual performance obligations based on stand alone selling prices. Revenue recognition is then based on fulfilment of each of the performance obligations.

Note 4. Other income

	2024 $	2023 $
Net foreign exchange (loss)/gain	(9,232)	96,715
Interest income	92,161	72,373
Miscellaneous income	3,780	-
Other income	86,709	169,088

Note 5. Expenses

	2024 $	2023 $
Profit before income tax includes the following specific expenses:		
Depreciation and amortisation		
Depreciation on property, plant and equipment	36,043	108,820
Depreciation on right-of-use asset	7,985	191,648
	44,028	300,468
Leases		
Short-term lease payments	158,162	29,110
Superannuation expense		
Defined contribution superannuation expense	1,505,510	1,352,032
Allowance for expected credit losses	-	266,405

Note 6. Income tax

	2024 $	2023 $
Income tax expense		
Current tax	1,236,663	1,359,223
Deferred tax - origination and reversal of temporary differences	7,170	(101,140)
Aggregate income tax expense	1,243,833	1,258,083
Deferred tax included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	7,170	(101,140)
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	4,950,662	5,033,570
Tax at the statutory tax rate of 25%	1,237,666	1,258,393
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	6,167	4,690
Small business technology boost	-	(5,000)
Income tax expense	1,243,833	1,258,083

Note 6. Income tax (continued)

	2024 $	2023 $
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Allowance for expected credit losses	-	66,601
Employee benefits	410,402	397,113
Leases	-	330
Accrued expenses	243,697	219,420
Unrealised foreign exchange losses (gains)	1,423	(20,772)
Deferred tax asset	655,522	662,692
Movements:		
Opening balance	662,692	561,552
Credited/(charged) to profit or loss	(7,170)	101,140
Closing balance	655,522	662,692

	2024 $	2023 $
Provision for income tax		
Provision for income tax	152,436	306,330

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or 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 nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 6. Income tax (continued)

Key judgements and estimates - provision for income tax
Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company 's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Note 7. Cash and cash equivalents

	2024 $	2023 $
Current assets		
Cash at bank	8,138,434	11,305,565

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions.

Note 8. Trade and other receivables

	2024 $	2023 $
Current assets		
Trade receivables	1,199,121	1,117,335
Less: Allowance for expected credit losses	-	(266,405)
	1,199,121	850,930

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Key judgements and estimates - allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Note 9. Contract assets

	2024 $	2023 $
Current assets		
Contract assets - configuration services & licence fees	1,300,609	1,354,278

Accounting policy for contract assets
Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Note 10. Property, plant and equipment

	2024 $	2023 $
Non-current assets		
Furniture & Fixtures - at cost	-	47,180
Less: Accumulated depreciation	-	(46,272)
	-	908
Computer equipment - at cost	733,459	774,301
Less: Accumulated depreciation	(582,299)	(772,485)
	151,160	1,816
Office equipment - at cost	-	34,618
Less: Accumulated depreciation	-	(34,149)
	-	469
	151,160	3,193

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Furniture & fixtures $	Computer equipment $	Office equipment $	Total $
Balance at 1 July 2023	908	1,816	469	3,193
Additions	-	184,010	-	184,010
Depreciation expense	(908)	(34,666)	(469)	(36,043)
Balance at 30 June 2024	-	151,160	-	151,160

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Furniture & fixtures	1-7 years
Computer equipment	1-5 years
Office equipment	1-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 11. Trade and other payables

	2024 $	2023 $
Current liabilities		
Accrued expenses	974,787	887,911
GST payable	540,660	422,434
Other payables	117,039	285,557
	1,632,486	1,595,902

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 12. Contract liabilities

	2024 $	2023 $
Current liabilities		
Contract liabilities - Subscriptions and support contracts	3,698,863	3,060,947

Accounting policy for contract liabilities
Contract liabilities represent the company's obligation to transfer services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the services to the customer.

Note 13. Employee benefits

	2024 $	2023 $
Current liabilities		
Annual leave	855,474	884,056
Long service leave	365,152	362,434
	1,220,626	1,246,490
Non-current liabilities		
Long service leave	420,984	341,962
	1,641,610	1,588,452

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 13. Employee benefits (continued)

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 14. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	6,600	6,600	6,600	6,600

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Accounting policy for 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.

Note 15. Dividends

Dividends
Dividends paid during the financial year were as follows:

	2024 $	2023 $
Dividends paid	7,000,000	2,500,000

Franking credits

	2024 $	2023 $
Franking credits available for subsequent financial years based on a tax rate of 25%	1,620,668	2,563,445

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Accounting policy for dividends
Dividends are recognised when declared during the financial year.

Note 16. Financial instruments

Financial assets held at amortised cost:		
Cash and cash equivalents	8,138,434	11,305,565
Trade and other receivables	1,199,121	850,930
	9,337,555	12,156,495
Financial liabilities held at amortised cost:		
Trade and other payables	1,632,486	1,595,902
Lease liabilities	-	9,309
	1,632,486	1,605,211

Accounting policy for financial instruments
Financial instruments include the financial assets and financial liabilities of the company. These are recognised initially on the date that the company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial assets
The company's financial assets in the Statement of financial position comprise of cash and cash equivalents and trade and other receivables.

On initial recognition these assets are measured at amortised cost. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Financial liabilities
The company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the company comprise of trade and other payables and lease liabilities.

Impairment of financial assets
Impairment of financial assets is recognised on an expected credit loss (ECL) basis. Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The company has determined the probability of non-payment of the receivables and multiplied this by the amount of the expected loss arising from default.

Note 17. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2024 $	2023 $
Aggregate compensation	1,817,681	1,576,235

Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by LBW & Partners, the auditor of the company:

	2024 $	2023 $
Audit services - LBW & Partners		
Audit of the financial statements	11,750	11,000

Note 19. Contingent liabilities

In the opinion of the directors, the company has no contingent liabilities as at 30 June 2024 (30 June 2023: $161,196).

Note 20. Commitments

In the opinion of the directors, the company had no commitments as at 30 June 2024 (30 June 2023: None).

Note 21. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 17.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 22. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards - Simplified Disclosures, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Martin John Stewart
Director

Kimberley Ann Lathe
Director

16 December 2024

LBW & Partners
Chartered Accountants & Business Advisors
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Mark W Willock

Axe Group Pty Limited
ABN: 62 095 107 814

Independent Auditor's Report to the members of Axe Group Pty Limited

Opinion

We have audited the accompanying financial report of Axe Group Pty Limited (the company), which comprises the statement of financial position as at 30 June 2024, the statement of income and retained earnings and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- complying with Australian *Accounting Standards – Simplified Disclosures,* and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including independence standards) (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Responsibilities of Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Australian Accounting Standards – Simplified Disclosures* and the *Corporations Act 2001*. The directors' responsibility also includes for such internal control as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Axe Group Pty Limited
ABN: 62 095 107 814

Independent Auditor's Report to the members of Axe Group Pty Limited

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dharmasiri

Rupaninga Dharmasiri
Partner

LBW & Partners
Chartered Accountants
Level 3, 845 Pacific Highway
CHATSWOOD NSW 2067

Date: 17 December 2024