LandMark White Limited

ABN 50 102 320 329

Annual financial statements
30 June 2018

ANNUAL FINANCIAL REPORT – 30 JUNE 2018

DIRECTORS' REPORT

The Directors present their report together with the financial report of the Consolidated Entity, being LandMark White Limited ("the Company") and its controlled entities, for the year ended 30 June 2018 and the auditor's report thereon.

Directors

The Directors of the Company in office at any time during or since the end of the financial year are:

Keith Perrett

Independent Director

Chair of the Board
25/5/18 – current

Non-Executive director
1/2/18 - current

Audit & Risk Committee
22/2/18 - current

Nominations & Remuneration Committee
22/2/18 - current

Chair of Nominations & Remuneration Committee
25/5/18 - current

Keith Perrett brings to the board strong experience in strategy development, government relations, stakeholder engagement and business development. He also has a strong business and government network, particularly within New South Wales & Queensland.

He is currently Non-Executive Chairman of Silver Mines Ltd (ASX:SVL) and has previously held positions as the Chairman of the Grains Research and Development Corporation (GRDC), the National Rural Advisory Council (NRAC), the Wheat Research Foundation (WRF), and President of the Grains Council of Australia.

Chris Coonan

Executive Director
17/11/16 – current

Chief Executive Officer
17/11/16 - current

In his current role, Chris works with and is responsible to the board for the strategic direction of the Company and the effective implementation of strategic initiatives as well as the operations of the Consolidated Entity for all shareholders.

Chris Coonan has been employed by the Company since 2003 and has been responsible for the significant growth in the very successful residential valuation business.

Chris is an Associate of the Australian Property Institute and has a proven track record with staff management and innovation along with a collaborative leadership style.

During the past 3 years, he has not acted as a director of any other Australian listed public company.

Frank Hardiman

Executive Director
21/3/16 – 21/10/16

Non-Executive Director
22/10/16 – current

Audit & Risk Committee
28/2/17 - current

Frank was Chief Financial Officer of LMW from 28 February 2011 and Company Secretary from 16 March 2011 until his retirement from both positions on 21 October 2017.

Prior to joining the company, Frank was Chief Financial Officer and Company Secretary of publicly listed Konekt Limited for 2 years and prior to that Chief Financial Officer for 16 years of the publicly listed PPK Group Limited (formerly Plaspak Group Limited).

Frank has over 23 years' experience in Chief Financial Officer roles with listed public companies during which time he has been involved in numerous acquisitions and disposals as well as company floats.

Frank has a Bachelor of Business Degree with an accounting major from University of Technology Sydney, is a registered tax agent and a Fellow of CPA Australia.

During the past 3 years, he has not acted as a director of any other Australian listed public company.

Stephen Maitland Independent Director Non-Executive director 1/2/18 - current Audit & Risk Committee 22/2/18 – current Chair of Audit & Risk Committee 25/5/18 - current Nominations & Remuneration Committee 22/2/18 - current	Stephen Maitland OAM RFD has over 45 years' experience in the banking and finance industries and is currently a director QInsure Ltd and several private companies. He is an independent member of several audit and compliance committees and is the principal of Delphin Associates, a business consultancy firm specialising in strategic planning, risk management, corporate governance and business transition. Stephen has a degree in Economics and Masters' degrees in Business and Law. He is a Fellow of the Australian Institute of Company Directors, CPA Australia; the Governance Institute of Australia; and a Senior Fellow of the Financial Services Institute of Australia During the past 3 years, he has been a non-executive director of ASX-listed Centrepoint Alliance Ltd.
Bradley Piltz Non-Executive Director 26/9/02 – current Nominations & Remuneration Committee 26/9/02 – current Audit & Risk Committee 26/9/02 - 25/5/18	Brad has been involved in financial and property markets since 1975 and was a co-founder of LandMark White. In addition to extensive experience with the Commonwealth Bank, Brad has acted for major corporations and government instrumentalities providing advice from portfolio analysis to property acquisition, disposal and tenancy requirements. Brad has acted in court as an expert witness; is highly experienced in rental determinations; prepared educational valuation materials; lectured in valuation; and appeared on Sydney radio and television providing property market commentary. He is a fellow of the Australian Property Institute and a member of the Australian Institute of Company Directors. During the past 3 years, he has not acted as a director of any other Australian listed public company.
Glen White Non-Executive Director 26/9/02 - current Chair of the Board 1/12/16 – 25/5/18 Nominations & Remuneration Committee 26/9/02 - 25/5/18 Audit & Risk Committee 26/9/02 - 25/5/18	A co-founder of LandMark White's practice, Glen was a registered valuer with over 40 years' extensive experience in the real estate industry throughout Queensland and New South Wales. Working in both the public and private sectors, Glen commenced his valuation career in 1968 and gained experience with the Queensland Lands Department, National Mutual Life Association and with a private valuation firm before working in the Queensland practice that has become LandMark White since the 1980s. Prior to retirement, Glen was a fellow of the Australian Property Institute. During the past 3 years, he has not acted as a director of any other Australian listed public company.

Directors Meetings

The number of directors' meetings held and the number of meetings attended by each of the directors (when a director) of the Company during the financial year are:

	Board		Audit & Risk Committee		Nominations & Remuneration Committee	
Director	Held	Attended	Held	Attended	Held	Attended
Glen White	12	11	1	1	1	1
Brad Piltz	12	12	2	2	2	2
Frank Hardiman	12	12	2	2	-	-
Chris Coonan	12	12	-	-	-	-
Stephen Maitland	5	5	1	1	1	1
Keith Perrett	5	5	1	1	1	1

Company particulars

LandMark White Limited is incorporated in Australia.
The address of the registered office is Level 6, 55 Clarence Street, Sydney, NSW 2000.

Corporate Governance Statement

LandMark White Limited and the board are committed to achieving and demonstrating the highest standards of corporate governance. LandMark White Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2018 Corporate Governance Statement is dated as at 30 June 2018 and reflects the corporate governance practices in place at the end of the 2018 financial year. The 2018 Corporate Governance Statement was approved by the board on 23 August 2018 and can be viewed at http://www.lmw.com.au/corporate-governance/w1/i1001782/

Principal activities

The principal activity of the Consolidated Entity during the course of the financial year was property valuation. There were no significant changes in the nature of the activities of the Consolidated Entity during the year.

Review of operations

The board of LandMark White Limited announced a 72% increase in revenues reflecting both the impact of the acquisition of MVS in May 2017 and organic growth in our residential business.

Profit before tax increased 143% - again reflecting the impact of the MVS acquisition together with a full year of synergy savings and improved profits from our residential business.

Dividends

The Board has declared a final fully franked dividend of 2.0 cents per share payable on 19 September 2018. The total dividend for FY18 is 4.6 cents per share compared to 4.5 cents per share for FY17.

LMW has maintained a consistent level of fully franked dividends since listing in 2003. With a significant surplus of franking credits, dividends should continue to be fully franked for the foreseeable future.

Business Overview

The results for the year demonstrate the successful integration of MVS and LMW continuing to build its market share.

The diversification of revenue sources to include statutory services and insurance valuations, in addition to our traditional mortgage valuations, will provide LMW with more stable revenues through the property cycles.

LMW delivered on expected synergy savings through FY18 and continues to invest in our people, infrastructure and software which will continue to provide efficiencies in the future.

Outlook

LMW is well placed for improved profitability for FY19. We have successfully integrated the acquired MVS business and realised anticipated synergy savings. We continue to grow market share and expand our services in the non-mortgage sector and are actively looking for acquisitions in both the valuation and adjacent property services business lines.

Dividends

Dividends paid and payable by the Company since the end of the previous financial year were:

Type	Cents per share	Total Amount $	Franked/Unfranked	Date of payment
Declared and paid during the year:	2.25	$1,708,445	Franked at tax rate of 30%	3 October 2017
	2.6	$1,978,858	Franked at tax rate of 30%	5 April 2018
Declared after end of year:	2.0	$1,522,199	Franked at tax rate of 30%	19 September 2018

The financial effect of the dividend declared after year end has not been brought to account in the financial statements for the year ended 30 June 2018.

Events subsequent to the end of the reporting period

A fully franked dividend of 2.0 cents per share was declared by Directors on 13 August 2018, to be paid on 19 September 2018. There have been no other events subsequent to the end of the reporting period which affect the results contained in the financial statements or the continuing operations of the Consolidated Entity.

State of affairs

There have been no significant changes in the state of affairs of the Consolidated Entity that occurred during the year under review.

Likely Developments

Refer to the Outlook included in this Directors Report above.

Environmental regulation

The operations of the Consolidated Entity are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Nominations & Remuneration Committee

A major role of the Nominations & Remuneration Committee is to ensure that the remuneration policies and outcomes achieve an appropriate balance between the interests of LandMark White shareholders and rewarding and motivating executives and employees in order to achieve their long-term commitment to the Consolidated Entity. The committee meets as required.

The members of the Nominations & Remuneration Committee during the year were:

Name	Changes during year	Independent	Non-executive
Current members			
Keith Perrett	Member from 22 February 2018 Chair from 25 May 2018	Y	Y
Stephen Maitland	Member from 22 February 2018	Y	Y
Brad Piltz		N	Y
Past members			
Glen White	Chair and member until 20 June 2018	N	Y
Frank Hardiman	Member until 25 May 2018	N	Y

Remuneration policies

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced directors and senior executives. Remuneration packages of executives and the Chief Executive Officer include a mix of fixed remuneration and performance-based remuneration. The executive remuneration structures set out below are designed to reward increases in the Consolidated Entity's net profit and earnings per share.

The remuneration of the Consolidated Entity's senior executives includes a mix of fixed and performance-based incentives. The fixed component consists of base remuneration, allowances and superannuation. The performance-based component is a cash bonus based on a share of a fixed percentage of the level of profit of the executives' operational division(s). The performance-based component of the remuneration of the Chief Executive Officer is based on a fixed percentage of the increase in the level of profit after tax of the Consolidated Entity. The board considers that the performance-linked incentive is appropriate as it directly aligns the individuals reward with the Consolidated Entity's performance.

In considering the Consolidated Entity's performance, the board has regard to the following indices in respect of the current financial year and previous years.

	2018 $000	2017 $000	2016 $000	2015 $000	2014 $000
Services revenue	43,157	25,068	22,849	19,731	18,279
Net profit to equity holders of the Company	4,140	1,626	1,659	779	1,167
The factors that are considered to affect total shareholders return are summarised below:					
Dividends declared (per share)	$0.046	$0.045	$0.045	$0.0375	$0.0350
Share price at the end of the period	$0.555	$0.625	$0.52	$0.50	$0.435
Change in share price	($0.070)	$0.105	$0.02	$0.065	$0.135

Non-executive directors are paid an annual fee for their service on the board and committees which is determined by the Nominations & Remuneration Committee. Total remuneration for all non-executive directors is not to exceed $400,000 per annum as approved by the shareholders. Non-executive directors' total salary & fees for the year were $113,330. These fees include statutory superannuation. Non-executive directors do not receive bonuses nor are they currently entitled to be issued with options on securities in the Consolidated Entity.

Non-executive directors do not receive any retirement benefits other than statutory superannuation payments. Non-executive directors do not receive separate fees for committee memberships.

The Consolidated Entity has a policy that prohibits those that are granted share-based payments as part of their remuneration from being compensated for changes in value of the underlying securities.

Directors' and senior executive officers' remuneration

Details of the nature and amount of each major element of the remuneration of each member of key management personnel are:

		Short term		Post-employment		Long term				
Name	Year	Salary & Fees $	Bonus (b) $	Superannuation benefits $	Termination benefits $	Movement in long term benefits $	Share based payment settled $	Total $	Performance related %	Share based %
Non-executive directors										
G White	2018	36,528	-	3,470	-	-	-	39,998	-	-
	2017	6,666	-	33,332	-	-	-	39,998	-	-
B Piltz	2018	36,528	-	3,470	-	-	-	39,998	-	-
	2017	36,528	-	3,470	-	-	-	39,998	-	-
F Hardiman[1]	2018	-	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	35,616	35,616	100%	100%
S Maitland[5]	2018	16,667	-	-	-	-	-	16,667	-	-
	2017	-	-	-	-	-	-	-	-	-
K Perrett[5]	2018	16,667	-	-	-	-	-	16,667	-	-
	2017	-	-	-	-	-	-	-	-	-
Executive directors										
C Coonan[2]	2018	228,311	56,235	22,760	-	4,370	-	311,676	18%	-
	2017	228,311	26,350	26,633	-	12,748	46,143	340,185	21%	14%
F Hardiman[3]	2018	-	-	-	-	-	-	-	-	-
	2017	36,871	-	34,538	-	-	10,527	81,936	13%	13%
Other key management personnel										
J Wise[4]	2018	182,641	22,831	19,520	-	561	-	225,553	10%	+
	2017	140,493	-	13,347	-	402	-	154,242	-	-

1. From 22 October 2016. FY18 remuneration was prepaid due to the early vesting of performance rights with the acquisition of MVS
2. CEO from 12 April 2016 and director from 17 November 2016
3. Director from 21 March 2016, CFO & Company Secretary until 21 October 2016.
4. CFO & Company Secretary from 26 September 2016
5. Appointed 1 February 2018

Notes in relation to the table of directors' and executive officers' remuneration

(a) Analysis of options included in remuneration

Option & Performance Rights - Share Based Payments

The directors at their discretion allocate share options or performance rights that entitle key management personnel and senior employees to purchase shares in the entity. The terms of the options including vesting conditions and performance criteria vary depending upon the incentive arrangements appropriate for key management personnel and senior employees and are a part of an approved Employee Share Acquisition Scheme, which was approved by shareholders at the 2016 Annual General Meeting.

Options

There were no options outstanding at the dated of this report (2017: nill).

Performance Rights

Performance rights may be granted under the LMW Group Performance Rights and Option Plan which was approved by shareholders at the 2016 Annual General Meeting. The Plan allows the Company to grant options or rights to selected key employees to acquire ordinary shares in the Company. Participants are required to satisfy performance and service conditions at the time of the offer. The exercise price for performance rights is nil. Rights cannot be transferred and are not quoted on the ASX.

No performance rights were granted during the year and no performance rights exist as at 30 June 2018.

Vesting and exercise of performance rights issued during prior years

Effective 30 June 2017, 132,000 performance rights held by Chris Coonan and 150,000 performance rights held by John Wise were cancelled as the rights did not vest due to the non-achievement of performance hurdles in the year ended 30 June 2017.

(b) Analysis of bonuses included in remuneration

Short-term incentive cash bonuses were awarded to the CEO Chris Coonan and CFO John Wise.

The remuneration of the Chief Executive Officer includes a mix of fixed and performance-based incentives. The fixed component consists of base remuneration, allowances and superannuation. The performance-based component is a cash bonus based on a fixed percentage of the increase in the level of profit after tax of the Consolidated Entity. The board considers that the performance-linked incentive is appropriate as it directly aligns the individual's reward with the Consolidated Entity's performance.

Due to the nature of the performance-based component of the Chief Executive Officer's remuneration estimates of the minimum and maximum total value of the cash bonus in future financial years is unable to be determined. There have been no alterations of the terms and conditions of the Chief Executive Officer's cash bonus since grant date.

The remuneration of the Chief Financial Officer includes a mix of fixed and performance-based incentives. The fixed component consists of base remuneration, allowances and superannuation. The performance-based component is a cash bonus based on non-financial KPI's and qualitative assessment of performance. The performance-based incentives are not tied to the financial performance of the consolidated entity.

Director / Key Management Personnel	Vesting date	Cash Bonus Paid / Payable	Cash Bonus Forfeited	Financial Year the cash bonus was paid / is payable
Chris Coonan	30 June 2018	100%	-	2018
John Wise	30 June 2018	100%	-	2018

Contracted Commitment

Chris Coonan (CEO) and John Wise (CFO) are employed by the Company under ongoing employment contracts. The notice periods and termination payments provided for under these contracts are as follows:

Director / Key Management Personnel	Notice Period Months	Termination Payment $
Chris Coonan	6	125,000
John Wise	1	16,667

The termination payments are not provided for in the financial statements.

Beneficial interest of directors in shares & options

Movement in shares

The movement during the reporting period in the number of ordinary shares in the Company held directly, indirectly, or beneficially by each key management personnel including their personally related entities is as follows:

2018	Held at 1 July 2017	Purchases	Vesting & exercise of Performance Rights	Exercise of options	Sales	Held at 30 June 2018
Directors						
Glen White	10,720,134	150,000	-	-	-	10,870,134
Brad Piltz	4,047,414	453,870	-	-	-	4,501,284
Frank Hardiman	374,949	-	-	-	-	374,949
Chris Coonan	325,000	-	-	-	-	325,000
Stephen Maitland	-	91,298[1]	-	-	-	91,298
Keith Perrett	-	-	-	-	-	-

1. Held on 1 February 2018 when Stephen Maitland was appointed a director of the Company

2017	Held at 1 July 2016	Purchases	Vesting & exercise of Performance Rights	Exercise of options	Sales	Held at 30 June 2017
Directors						
Glen White	9,470,134	1,250,000	-	-	-	10,720,134
Brad Piltz	3,252,444	794,970	-	-	-	4,047,414
Frank Hardiman	31,218	93,731	250,000	-	-	374,949
Chris Coonan	-	75,000	250,000	-	-	325,000

The executive officers named are those who are directly accountable and responsible for the strategic direction and operational management of the Consolidated Entity. The Directors are of the opinion that only the executive officers detailed above meet the definition of key management personnel as set out in AASB 124 Related Party Disclosures.

Director Related Entity

The Consolidated Entity did not enter into any transactions with a director related entity in either of the years ended 30 June 2018 or 30 June 2017.

END OF REMUNERATION REPORT

Proceedings on behalf of the consolidated entity

During the financial year and in the interval between the end of the financial year and the date of this report the Consolidated Entity has made no application for leave under Section 237 of the *Corporations Act 2001*.

No person has applied for leave of court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceeding to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of these proceedings. The Consolidated Entity was not a party to any such proceedings during the year.

Directors' Interests

The relevant interest of each director in the shares issued by the Company as notified by the Directors to the Australian Securities Exchange in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

	Ordinary Shares	Performance Rights over Ordinary Shares
Glen White	10,870,134	-
Brad Piltz	4,501,284	-
Frank Hardiman	374,949	-
Chris Coonan	325,000	-
Stephen Maitland	91,298	-
Keith Perrett	-	-

Share Options

Shares under option

There were no unissued ordinary shares of LandMark White Limited under option on the date of the report (2017: Nil).

Shares issued on exercise of options

There were no options exercised during the year (2017: 1,000,000 options exercised).

Indemnification and Insurance of officers and auditors

Officers

The Consolidated Entity has agreed to indemnify all current Directors of LandMark White Limited to the maximum extent permitted by law against any liability incurred by them by virtue of their holding office as an officer of the Consolidated Entity other than:

- a liability owed to the Consolidated Entity or a related body corporate of the Company;
- a liability for a pecuniary penalty order under section 1317G of the Law or a compensation order under section 1317H of the Law; or
- a liability owed to a person other than the Consolidated Entity that did not arise out of conduct in good faith.

Since the end of the previous financial year, the Consolidated Entity has paid premiums in respect of Directors and Officers liability insurance, for all past, present, or future directors, secretaries, officers or employees of the Consolidated Entity. Conditions of the Insurance policy restrict disclosure of the premium amount.

The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Further details of insurance policies have not been disclosed as the policies prohibit such disclosure.

Auditors

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 third-party liability incurred by the auditor.

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

Rounding of Amounts

The Consolidated Entity has applied the relief available under ASIC Instrument 2016/191 and accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

The auditor's independence declaration is set out on page 12 and forms part of the Directors' Report for the financial year ended 30 June 2018.

Non-audit services

During the year, William Buck, the Company's auditor, has performed certain other services in addition to their statutory duties.

The board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit & Risk Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Consolidated Entity and have been reviewed by the Audit & Risk Committee to ensure that they do not impact the integrity and objectivity of the auditors; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Consolidated Entity, acting as an advocate for the Consolidated Entity or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Consolidated Entity, William Buck, and its related practices for audit and non-audit services provided during the year are set out below:

	2018 $	2017 $
Statutory audit	120,870	98,500
Service other than statutory audit		
Preparation & lodgement of taxation returns	10,000	9,535
Due diligence for acquisition of associated entity	12,000	-
Completion accounts review for acquired entities	2,000	23,875
	22,000	33,410

This report is made in accordance with a resolution of the directors.

Keith Perrett
Director

Dated at Sydney this 23rd day of August 2018

LandMark White Limited

Auditor's independence declaration under section 307c of the Corporations Act 2001

I declare that, to the best of my knowledge and belief during the year ended 30 June 2018 there have been:

— No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— No contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck
Chartered Accountants
ABN 16 021 300 521

Leo Tutt

L E. Tutt
Partner

Sydney, 23 August 2018

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2018 $000	2017 $000
Revenue from rendering of services	1	42,452	24,472
Other income	3(a)	705	596
		43,157	25,068
Expenses from operating activities:			
Employee expenses		30,204	17,318
Report presentation expenses		1,800	1,200
Marketing expenses		413	355
Communications expenses		382	263
Insurance expenses		1,133	915
Administration expenses		424	625
Occupancy expenses		1,256	1,022
Depreciation and amortisation expenses		792	313
Impairment of intangible assets	6(b)	8,700	-
Reversal of deferred consideration payable	6(b)	(8,700)	-
Other expenses from operating activities		1,100	681
		37,504	22,692
Results from operating activities		5,653	2,376
Finance income	3(b)	62	15
Finance expense	3(b)	(14)	(3)
Finance income - net		48	12
Share of net profit of associates accounted for using the equity method		106	-
Profit before tax		5,807	2,388
Income tax expense	4	(1,667)	(762)
Profit for the year attributable to owners of the parent		4,140	1,626
Total other comprehensive income (net of tax)		-	-
Total comprehensive income for the year attributable to owners of the parent		4,140	1,626
Basic earnings per share	21(a)	$0.054	$0.050
Diluted earnings per share	21(b)	$0.054	$0.050

The above statement of profit or loss and other consolidated income should be read in conjunction with the accompanying notes.

Assets	Note	2018 $000	2017 $000
Cash and cash equivalents	5(a)	2,772	5,745
Term deposits	5(b)	108	2,592
Trade and other receivables	5(c)	5,306	5,294
Work in progress	6(d)	97	53
Other current assets	6(e)	556	650
Total current assets		8,839	14,334
Deferred tax assets	6(c)	984	1,279
Term deposits	5(b)	608	322
Plant and equipment	6(a)	693	626
Intangible assets	6(b)	28,220	36,991
Investments accounted for using the equity method	13(b)	1,417	-
AFS financial assets	5(d)	-	715
Total non-current assets		31,922	39,933
Total assets		40,761	54,267
Liabilities			
Trade and other payables	5(e)	1,946	2,979
Borrowings	5(f)	58	154
Deferred consideration	5(g)	-	2,037
Current tax liabilities	5(h)	110	1,367
Employee benefits	6(f)	2,555	3,441
Provisions	6(g)	-	60
Total current liabilities		4,669	10,038
Borrowings	5(f)	61	114
Deferred tax liabilities	5(c)	29	16
Deferred consideration	5(g)	-	8,700
Employee benefits	6(f)	205	224
Provisions	6(g)	172	123
Total noncurrent liabilities		467	9,177
Total liabilities		5,136	19,215
Net assets		35,625	35,052
Equity			
Issued capital	7	33,893	33,773
Retained earnings		1,732	1,279
Reserves		-	-
Total equity	7	35,625	35,052

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital $000	Share Option Reserve $000	Retained Earnings $000	Total Equity $000
Balance at 1 July 2016	6,050	322	1,229	7,601
Total comprehensive income	-	-	1,626	1,626
Shares issued	28,729	(507)	-	28,222
Issue costs (net of tax)	(1,006)	-	-	(1,006)
Dividends to shareholders	-	-	(1,576)	(1,576)
Net share-based compensation benefit	-	185	-	185
Balance at 30 June 2017	33,773	-	1,279	35,052
Balance at 1 July 2017	33,773	-	1,279	35,052
Total comprehensive income	-	-	4,140	4,140
Shares issued	120	-	-	120
Issue costs (net of tax)	-	-	-	-
Dividends to shareholders	-	-	(3,687)	(3,687)
Net share-based compensation benefit	-	-	-	-
Balance at 30 June 2018	33,893	-	1,732	35,625

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows from operating activities	Note	2018 $000	2017 $000
Cash receipts in the course of operations		47,307	29,615
Cash payments in the course of operations		(42,825)	(24,211)
Interest received		62	15
Interest paid		(14)	(3)
Dividends received		125	72
(Increase) / Decrease in security deposits		(302)	51
Income tax paid		(2,616)	(822)
Net cash provided by operating activities	8(a)	1,737	4,717
Cash flows from investing activities			
Payments for plant and equipment	6(a)	(346)	(140)
Payments for intangible assets	6(b)	(448)	(536)
Purchase of investments			
- Deferred consideration paid	12(a)	(2,037)	(14,215)
- Acquisition of associated entity	13(b)	(663)	-
Decrease / (Increase) in surplus cash on term deposit		2,500	(2,500)
Net cash used in investing activities		(994)	(17,391)
Cash flows from financing activities			
Shares issued		-	18,669
Repayment of borrowings		(149)	(7)
Dividends paid	11(a)	(3,567)	(1,343)
Net cash (used) / provided from in financing activities		(3,716)	17,319
Net (decrease) / increase in cash and cash equivalents held		(2,973)	4,645
Cash and cash equivalents at beginning of the year		5,745	1,100
Cash and cash equivalents at the end of the year	5(a)	2,772	5,745

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

HOW NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the entity, including:

a) accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction
b) analysis and sub-totals, including segment information
c) information about estimates and judgements made in relation to particular items.

1 Revenue

	2018 $000	2017 $000
Revenue from rendering of services	41,705	23,619
Recovery of disbursements	193	293
Recharge of shared services to licensees	554	560
	42,452	24,472

(a) Measurement of revenue

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

During the year, the Consolidated Entity recognised revenue from the rendering of services using the percentage of completion method. In determining the amount of revenue to be recognised, the Directors of the Consolidated Entity are required to exercise judgement in determining the percentage of completion of relevant contracts.

(b) Timing of recognition

Revenue from the rendering of services is recognised in the period in which the services are provided:

- where it is probable that the compensation will flow to the entity;
- the amount to be received can be reliably measured; and
- the stage of completion of the contract can be reliably measured.

2 Material profit or loss items

The Consolidated Entity has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Consolidated Entity.

	Notes	2018 $000	2017 $000
Impairment of intangible assets	2(a)	8,700	-
Reversal of deferred consideration	2(b)	(8,700)	-
		-	-

(a) Revision of deferred consideration

The provisional amounts recognised in the 30 June 2017 financial statements on the acquisition of MVS National included estimated deferred contingent consideration of $8,700,000. The deferred consideration was contingent upon the performance of the acquired business over the period from 1 January 2017 through to 30 June 2020 with the maximum deferred consideration calculated based on the performance for the calendar year ended 31 December 2017. The actual performance of the acquired business for the calendar year 31 December

2017 was lower than initially estimated and as a result the deferred consideration will no longer be payable and accordingly has been released to the Statement of Profit or Loss and Other Comprehensive Income.

(b) Impairment of intangible assets

As a result of the reduced performance of the acquired business for the calendar year ended 31 December 2017 the carrying value of Goodwill and Customer Relationships relating to the acquisition of MVS National has been tested as at 31 December 2017.

Based upon the estimated recoverable amount of the cash generating unit associated with the Government Services goodwill, an impairment charge of $8,700,000 has been recognised through the Statement of Profit or loss and Other Comprehensive Income.

3 Other income and expense items

This note provides a breakdown of the items included in 'other income' and 'finance income and expenses'. Information about specific profit and loss items (such as gains and losses in relation to the sale of plant & equipment) is disclosed in the related balance sheet notes.

(a) Other income

	2018 $000	2017 $000
Licence fee income	610	513
Dividends received	58	72
Sundry income	37	11
	705	596

Licence fee income represents fees charged to non-controlled entities which have been licenced to use the LMW brand and systems. Licence fees are charged as a percentage of revenue earned by the licensee.

Licence fee income is recognised when the right to receive the income has been established.

Dividend income is recognised when the right to receive the dividend has been declared by the entity in which the Consolidated Entity has an investment.

(b) Finance income and expenses

	2018 $000	2017 $000
Interest income	62	15
Interest expense	(14)	(3)
	48	12

Finance income comprises interest income on funds invested.

Interest income is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Interest income is recognised as it accrues in the Statement of Profit & Loss and Other Comprehensive Income, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognised on financial assets. All borrowing costs are recognised in the Statement of Profit & Loss and Other Comprehensive Income using the effective interest method.

4 Income tax expense

This note provides an analysis of the Consolidated Entity's income tax expense, shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Consolidated Entity's tax position.

(a) Income tax expense

	2018 $000	2017 $000
Current tax		
Current year	1,412	702
Adjustments for prior years	(53)	-
Total current tax expense	1,359	702
Deferred income tax		
Decrease in deferred tax assets (note 6(c))	295	90
Increase / (decrease) in deferred tax liabilities (note 6(c))	13	(30)
Total deferred tax expense	308	60
Income tax expenses	1,667	762

(b) Reconciliation of income tax expense to prima facie tax payable

	2018 $000	2017 $000
Profit from continuing operations before tax	5,807	2,388
Prima facie income tax expense calculated at 30% on profit (2017: 30%)	1,742	716
Increase/(decrease) in income tax expense due to:		
Non-deductible entertainment	27	25
Non-deductible acquisition costs	-	118
Deduction for share based cost charged to reserves	-	(75)
Share of profit of associate	(32)	-
Fully franked dividend	(17)	(22)
	1,720	762
Adjustments for prior years	(53)	-
Income tax expense	1,667	762

(c) Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:

	2018 $000	2017 $000
Deferred tax arising from share issue costs	-	(431)
	-	(431)

5 Financial assets and financial liabilities

This note provides information about the Consolidated Entity's financial instruments, including:

- an overview of all financial instruments held by the Consolidated Entity
- specific information about each type of financial instrument
- accounting policies
- information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

The Consolidated Entity holds the following financial instruments:

	Note	2018 $000	2017 $000
Financial assets at amortised cost			
Cash and cash equivalents	5(a)	2,772	5,745
Term deposits	5(b)	108	2,592
Trade and other receivables	5(c)	5,306	5,294
AFS financial assets	5(d)	-	715
		8,186	14,346

	Note	2018 $000	2017 $000
Financial liabilities at amortised cost			
Trade and other payables	5(e)	1,946	2,979
Borrowings	5(f)	119	154
Deferred consideration	5(g)	-	2,037
		2,065	5,170

(a) Cash and cash equivalents

	2018 $000	2017 $000
Cash at bank and on hand	2,772	5,745
Cash and cash equivalents in the Statement of Cash Flows	2,772	5,745
Access was available at the reporting date to the following lines of credit:		
Available:		
Bank overdraft	1,200	1,200
	1,200	1,200
Unused at reporting date:		
Bank overdraft	1,200	1,200
	1,200	1,200

The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice. It is secured via fixed and floating charges over the assets and business of the Consolidated Entity.

(b) Term deposits

Term deposits that have a maturity of three months or less from the date of acquisition, which do not provide security for long term commitments (for example property lease guarantees) and are repayable with 24 hours' notice with no loss of interest are included in cash and cash equivalents.

Term deposits that do not satisfy these requirements are recorded as separate financial assets.

(c) Trade and other receivables

	2018 $000	2017 $000
Trade receivables	5,331	5,368
Less: provision for impairment	(113)	(88)
Other receivables	88	14
	5,306	5,294

(i) Classification as trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. The Consolidated Entity's impairment and other accounting policies for trade and other receivables are outlined in notes 10(a) and 23(k) respectively.

(ii) Fair values of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(iii) Impairment and risk exposure

Information about the impairment of trade and other receivables, their credit quality and the Consolidated Entity's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 10.

(d) Available for sale financial assets

	2018 $000	2017 $000
Investment in unlisted entity	-	715
	-	715

The 2017 investment represented a 12.5% equity interest in an unlisted company, LMW (WA) Holdings Pty Ltd *(formerly Forrest Street Pty Ltd).*

LMW (WA) Holdings Pty Ltd is a small private company whose equity instruments are not traded in an active market and whose stand-alone financial statements are not subject to a statutory audit resulting in the inability to reliably measure the fair value of the Consolidated Entity's investment using present value techniques due to the unavailability of reliable data. Therefore, the investment in LMW (WA) Holdings Pty Ltd was stated at cost less impairment charges.

Effective 1 January 2018, the Company increased its investment to 25% and from this date the investment has been accounted for as an associate in accordance with Australian Accounting Standard AASB 128. Details of the investment are disclosed in note 13(b).

(e) Trade and other payables

	2018 $000	2017 $000
Current		
Trade payables	981	1,523
Other payables and accrued expenses	965	1,456
	1,946	2,979

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

(f) Borrowings

	2018 $000	2017 $000
Current		
Short term loan	-	99
Lease liabilities	58	55
	58	154
Non-Current		
Lease liabilities	61	114
	61	114

Secured liabilities

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

Finance lease commitments	2018 $000	2017 $000
Within one year	64	64
One year or later and no later than five years	62	121
Later than five years	-	-
	126	185
Future finance charges	(7)	(16)
Recognised as a liability	119	169
Current	58	55
Non-current	61	114
	119	169

(g) Deferred consideration

	2018 $000	2017 $000
Current		
Deferred consideration	-	2,037
Non-current		
Deferred consideration	-	8,700

The deferred consideration related to the acquisition of MVS National effective 31 May 2017. The current portion was paid during the current financial year and the non-current portion released to the Statement of Profit or Loss and Other Comprehensive Income during the current financial year. See note 2.

(h) Current tax liabilities

	2018 $000	2017 $000
Current		
Tax liability	110	1,367

The current tax liability for the Consolidated Entity of $110,000 (2017: $1,367,000) represents the amount of income taxes payable in respect of current and prior financial periods. In accordance with the tax consolidation legislation, LandMark White Limited as the head entity of the Australian tax-consolidated group has assumed responsibility for the current tax asset/liability initially recognised by the members in the tax-consolidated group.

Income tax on the Statement of Profit & Loss and Other Comprehensive Income for the year comprises current and deferred tax. Income tax is recognised in the Statement of Profit & Loss and Other Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is LandMark White Limited.

(i) Tax consolidation

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the group allocation approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the tax losses can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability are recognised by the head entity only.

(ii) Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability (asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable (payable) equal in amount to the tax liability (asset) assumed. Any such inter-entity receivables (payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any such amounts under the tax sharing agreement is considered remote.

6 Non-financial assets and liabilities

This note provides information about the Consolidated Entity's non-financial assets and liabilities, including:

- specific information about each type of non-financial asset and non-financial liability
  - plant and equipment (note 6(a))
  - intangible assets (note 6(b))
  - deferred tax balances (note 6(c))
  - work in progress (note 6(d))
  - employee benefit obligations (note 6(f))
  - provisions (note 6(g))
- accounting policies
- information about determining the fair value of the assets and liabilities, including judgements and estimation uncertainty involved.

(a) Plant & equipment

	Office Equipment $000	Furniture and Fittings $000	Leasehold Improvements $000	Total $000
Cost				
Balance at 1 July 2016	2,762	233	945	3,940
Acquisition of controlled entities	101	25	207	333
Additions	134	6	-	140
Disposals	(2,369)	(216)	(685)	(3,270)
Balance at 30 June 2017	628	48	467	1,143
Balance at 1 July 2017	628	48	467	1,143
Additions	253	10	83	346
Disposals	(13)	-	-	(13)
Balance at 30 June 2018	868	58	550	1,476
Accumulated Depreciation				
Balance at 1 July 2016	2,516	219	808	3,543
Acquisition of controlled entities	31	8	38	77
Depreciation charge for the year	125	3	36	164
Disposals	(2,368)	(216)	(683)	(3,267)
Balance at 30 June 2017	304	14	199	517
Balance at 1 July 2017	304	14	199	517
Depreciation charge for the year	186	10	77	273
Disposals	(7)	-	-	(7)
Balance at 30 June 2018	483	24	276	783
Carrying Amounts				
1 July 2016	246	14	137	397
30 June 2017	324	34	268	626
1 July 2017	324	34	268	626
30 June 2018	385	34	274	693

(i) Recognition and measurement

Items of plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy Note 23(n)).

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "other income" in the Statement of Profit & Loss and Other Comprehensive Income.

(ii) Depreciation

Depreciation is charged to the Statement of Profit & Loss and Other Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Consolidated Entity will obtain ownership by the end of the lease term.

The estimated useful lives in the current and comparative periods are as follows:

- office equipment 2-5 years
- furniture and fittings 4-5 years
- leasehold improvements life of the lease or 10 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

(b) Intangible assets

	Notes	2018 $000	2017 $000
Goodwill	(i) – (v)	17,205	32,405
Customer relationships	(i) – (v)	10,000	3,500
Computer software	(vi)	973	1,044
Trademarks	(vii)	42	42
		28,220	36,991

Customer relationships relate to an assessment of the value of contractual and other relationships within acquired businesses. These assets have an indefinite useful life as it is not possible to forecast if, or when, these relationships will end. Accordingly, the value of customer relationships is not amortised, however it is tested for impairment annually.

(i) Goodwill & customer relationships

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Consolidated Entity.

Where the acquired subsidiary has significant long-term contracts or other customer relationships the future value of these relationships is assessed and is included as an asset in the fair value above of assets transferred.

Goodwill on the acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

(ii) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(iii) Impairment tests for goodwill & customer relationships

Goodwill & customer relationships have infinite useful lives and are not amortised. The goodwill & customer relationships amounts are tested for impairment annually by estimating the recoverable amount of the cash generating units based on value in use.

The following cash generating units have significant carrying amounts for goodwill & customer relationships:

	2018 $000	2017 $000
Goodwill		
Commercial valuations	1,833	1,833
Residential valuations	7,074	7,074
Government Services	8,298	23,498
	17,205	32,405
Customer relationships		
Government Services	10,000	3,500
	10,000	3,500
Movement in Goodwill		
Balance at 1 July	32,405	4,918
Acquisition of controlled entity	-	27,487
Adjustment to provisional amounts recognised on the acquisition of MVS National on 31 May 2017	(6,500)	-
Impairment charge	(8,700)	-
Balance at 30 June	17,205	32,405
Movement in customer relationships		
Balance at 1 July	3,500	-
Acquisition of controlled entity	-	3,500
Adjustment to provisional amounts recognised on the acquisition of MVS National on 31 May 2017	6,500	-
Balance at 30 June	10,000	3,500

(iv) Revision of provisional amounts recognised

The provisional amounts recognised in the 30 June 2017 financial statements on the acquisition of MVS National included estimated deferred contingent consideration of $8,700,000. The deferred consideration was contingent upon the performance of the acquired business over the period from 1 January 2017 through to 30 June 2020 with the maximum deferred consideration calculated based on the performance for the calendar year ended 31 December 2017. The actual performance of the acquired business for the calendar year 31 December 2017 was lower than initially estimated and as a result the deferred consideration will no longer be payable and accordingly has been released to the Statement of Profit or Loss and Other Comprehensive Income.

(v) Impairment charge

As a result of the reduced performance of the acquired business for the calendar year ended 31 December 2017 the carrying value of Goodwill & Customer Relationships relating to the acquisition of MVS National was tested for impairment as at 31 December 2017. Based upon the estimated recoverable amount of the cash generating unit associated with the Government Services goodwill, an impairment charge of $8,700,000 has been recognised through the Statement of Profit or Loss and Other Comprehensive Income.

The key assumptions and the approach to determining the value in use when estimating the recoverable amount of a cash generating unit are:

Assumption	How determined
Cash flows	The forecast 5-year cash flows are based on forecast results for the year ended 30 June 2018. The 2018 forecast forms the basis of cash flows in subsequent financial years adjusted based on the following assumptions determined on management's past experience: • no increase in revenues and overheads expenses in the first year and 3% increase in the years after • increase in employee expense calculated as 50%-60% of the increase in revenue since the prior year • terminal value at the end of year 5 based on year 5 cash flows.
Discount rate	The discount rate adopted was a pre-tax rate of 12% (2017: 12%) and was based on the current risk-free interest rate, industry and business specific risk factors, market borrowing rates and investor expected returns. On forecast 5-year cash flows, there would not be any impairment until the discount rate reached 60% for Residential, 37% for Commercial and 13% for Government. In this scenario, all other variables are unchanged.

(vi) Computer software

	2018 $000	2017 $000
Movement in computer software		
Balance at 1 July	1,044	209
Acquisition of controlled entities	-	449
Additions	448	535
Amortisation	(519)	(149)
Balance at 30 June	973	1,044

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project.

Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 5 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the entity has an intention and ability to use the asset.

(vii) Trademarks

	2018 $000	2017 $000
Balance at 1 July	42	41
Additions	-	1
Amortisation	-	-
Balance at 30 June	42	42

(c) Deferred tax balances

Deferred tax assets and liabilities are attributable to the following:

	2018 $000	2017 $000
Recognised deferred tax assets		
Employee provisions	606	739
Doubtful debts provision	34	26
Accruals	30	24
Operating lease provisions	25	18
Make good provisions	26	36
Performance rights	–	-
S40-880 "black hole" expenditure	259	345
Provision for restructuring	-	86
Other	4	5
	984	1,279
Recognised deferred tax liabilities		
Work in progress	(29)	(16)
	(29)	(16)

Movement in temporary differences during the year

	Balance 1 July 17 $000	Recognised in Profit & Loss $000	Acquisitions $000	Recognised in Equity $'000	Balance 30 June 18 $000
Deferred tax assets					
Employee provisions	739	(133)	-	-	606
Doubtful debts	26	8	-	-	34
Accruals	24	6	-	-	30
Operating lease provisions	18	7	-	-	25
Make good provisions	36	(10)	-	-	26
S40-880 "black hole" expenditure	345	(86)	-	-	259
Provision for restructuring	86	(86)	-	-	-
Other	5	(1)	-	-	4
	1,279	(295)	-	-	984
Deferred tax liabilities					
Work in progress	(16)	(13)	-	-	(29)

	Balance 1 July 16 $000	Recognised in Profit & Loss $000	Acquisitions $000	Recognised in Equity $'000	Balance 30 June 17 $000
Deferred tax assets					
Employee provisions	427	42	270	-	739
Doubtful debts	4	14	8	-	26
Accruals	18	6	-	-	24
Operating lease provisions	1	17	-	-	18
Make good provisions	24	-	12	-	36
Performance rights	75	(75)	-	-	-
S40-880 "black hole" expenditure	-	(86)	-	431	345
Provision for restructuring	-	-	86	-	86
Other	13	(8)	-	-	5
	562	(90)	376	431	1,279
Deferred tax liabilities					
Work in progress	(46)	30	-	-	(16)

(d) Work in progress

	2018 $000	2017 $000
Work in progress	97	53

(e) Other current assets

	2018 $000	2017 $000
Prepaid expenses	556	650

(f) Employee benefit obligations

	2018 $000	2017 $000
Current		
Annual leave	1,063	1,137
Long service leave	752	881
Restructuring provision	-	286
Bonus	740	1,137
	2,555	3,441
Non-current		
Long service leave	205	224

(g) Provisions

	2018 $000	2017 $000
Current		
Make good	-	60
Non-Current		
Operating lease	84	62
Make Good	88	61
	172	123

	Operating Lease $000	Make Good $000	Total $000
Balance at 1 July 2016	4	79	83
Acquisition of controlled entity	-	42	42
Reversal during year	(4)	-	(4)
Increase during year	62	-	62
Balance at 30 June 2017	62	121	183
Balance at 1 July 2017	62	121	183
Utilised during year	-	(88)	(88)
Reversal during year	-	(11)	(11)
Increase during year	22	66	88
Balance at 30 June 2018	84	88	172

(i) Operating lease

Provisions are made in order to straight line the minimum lease payments for the rental of office space over the total lease periods.

(ii) Make good

The provision has not been discounted to its present value as the effect is not material. It is expected that the expense will be incurred in a 5-year period.

7 Equity

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share on a poll at meetings of the Company. On a show of hands, every shareholder present at a meeting or by proxy is entitled to one vote. There are currently 76,109,944 ordinary fully paid shares on issue (2017: 75,930,855). Shares have no par value, and the Company does not have a limited amount of capital.

Share Capital	Number	$000
Balance at 1 July 2016	27,669,201	6,050
Issued via Dividend Reinvestment Plan	378,125	233
Exercise of options	1,000,000	460
Exercise of performance rights	1,000,000	507
Issued during year in relation to the acquisition of MVS Valuers		
Issued to vendors	12,166,670	7,300
Rights issue	6,131,497	3,679
Capital raising	26,614,529	15,967
To advisors	970,833	583
Transaction costs arising on share issues	-	(1,437)
Deferred tax credit recognised directly in equity	-	431
Balance as 30 June 2017	75,930,855	33,773
Issued via Dividend Reinvestment Plan	179,089	120
Balance at 30 June 2018	76,109,944	33,893

8 Cash flow information

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

	Note	2018 $000	2017 $000
Profit for the period after tax		4,140	1,626
Adjustments for the period			
Depreciation & amortisation		792	309
Options / perf rights expense		-	185
Share of profits of associates not received as dividends		(39)	-
Doubtful debts		46	15
(Profit) / Loss on disposal of fixed assets		6	6
		4,945	2,141
Changes in assets & liabilities during the period net of amounts relating to acquisition of controlled entities			
(Increase)/decrease in security deposits		(302)	51
(Increase)/decrease in receivables		(58)	2,021
(Increase)/decrease in work in progress	6(d)	(44)	99
(Increase)/decrease in deferred tax assets	6(c)	295	115
(Increase)/decrease in other assets		94	(39)
Increase/(decrease) in payables	5(e)	(1,033)	598
Increase/(decrease) in provision for income tax	5(h)	(1,257)	(122)
Increase/(decrease) in deferred tax liabilities	6(c)	13	(30)
Increase/(decrease) in employee provisions	6(f)	(905)	(175)
Increase/(decrease) in other provisions	6(g)	(11)	58
Net cash from operating activities		1,737	4,717

RISK

This section of the notes discusses the Consolidated Entity's exposure to various risks and shows how these could affect the Consolidated Entity's financial position and performance.

9 Significant estimates & judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Consolidated Entity's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in notes 1 to 0 together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving significant estimates or judgements are:

- Impairment of goodwill (note 6(b))
- Provisions (note 6(g))
- Recognition of revenue (note 1)

10 Financial risk management

This note explains the Consolidated Entity's exposure to financial risks and how these risks could affect the Consolidated Entity's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and held-to-maturity investments	Ageing analysis Credit ratings	Diversification of bank deposits Credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of borrowing facilities
Interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Chief Executive Officer and Chief Financial Officer are responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Consolidated Entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Consolidated Entity's activities. The Consolidated Entity, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Consolidated Entity's Audit Committee oversees how management monitors compliance with the Consolidated Entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Consolidated Entity.

(a) Credit Risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Consolidated Entity's receivables from wholesale and retail clients.

Trade and other receivables

The Consolidated Entity's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Consolidated Entity's customer base, including the default risk of the industry and country, in which clients operate, has less of an influence on credit risk. However, geographically there is no concentration of credit risk within Australia.

The Consolidated Entity has established a credit policy under which each new customer is analysed individually for creditworthiness before the Consolidated Entity's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer, these limits are reviewed regularly. Clients which fail to meet the Consolidated Entity's benchmark creditworthiness are placed on a restricted customer list and may transact with the Consolidated Entity only on a prepayment basis.

In monitoring customer credit risk, clients are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, ageing profile, maturity and existence of previous financial difficulties. The Consolidated Entity's trade and other receivables relate mainly to the Consolidated Entity's retail clients. The Consolidated Entity does not require collateral in respect of trade and other receivables.

The Consolidated Entity has established an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables and investments.

Exposure to credit risk

The carrying amount of the Consolidated Entity's financial assets represents the maximum credit risk exposure.

The Consolidated Entity's maximum exposure to credit risk at the end of the reporting period was:

	2018 $000	2017 $000
Trade and other receivables	5,306	5,294
Cash and cash equivalents	2,772	5,745
Term deposits & other	716	2,914
	8,794	13,953
The Consolidated Entity's maximum exposure to credit risk for trade and other receivables before impairment losses at the end of the reporting period by type of customer was:		
Financial clients	2,404	3,256
Non-financial clients	662	1,228
Government non-financial clients	2,265	884
	5,331	5,368
The Consolidated Entity's most significant clients included the following amounts within trade and other receivables carrying amounts:		
An Australian financial client	257	711
An Australian Government non-financial client	2,109	730

Impairment Losses

The aging of the Consolidated Entity's trade and other receivables at the end of the reporting period was:

	Gross 2018 $000	Impairment 2018 $000	Gross 2017 $000	Impairment 2017 $000
Not past due	3,821	-	4,629	-
Past due 0-30 days	1,298	-	372	-
Past due 31-120 days	88	-	244	-
Past due 121-365 days	124	113	123	88
	5,331	113	5,368	88

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2018 $000	2017 $000
Balance at 1 July	88	12
Acquisition of controlled entities	-	28
Increase in provision	25	48
Balance at 30 June	113	88

Based on historic default rates, the Consolidated Entity believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 120 days. The Consolidated Entity's policy is to enforce upfront payment from clients who do not have a good credit history or from those who are relatively unknown. Accordingly, the trade receivables balance is comprised of clients that have no previous history of poor credit with the Consolidated Entity.

(b) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation.

Typically, the Consolidated Entity ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 45 to 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

Non-derivative financial liabilities	Carrying amount $000	Contractual cash flows $000	6 months or less $000
30 June 2018			
Trade and other payables	1,946	1,946	1,946
Bonus liability	740	740	740
Borrowings	119	119	119
Deferred consideration	-	-	-
	2,805	2,805	2,805
30 June 2017			
Trade and other payables	2,979	2,979	2,979
Bonus liability	1,137	1,137	1,137
Borrowings	268	268	127
Deferred consideration	2,037	2,037	2,037
	6,421	6,421	6,280

(c) Interest risk

Interest rate risk is the risk that changes in interest rates will affect the Consolidated Entity's income or the value of its holdings of financial instruments. The objective of interest rate risk management is to manage and control interest rate risk exposures within acceptable parameters, while optimising the return.

Interest rate risk is managed by seeking to maximise the yield achieved on cash held at bank.

At the end of the reporting period the interest rate profile of the Consolidated Entity's interest-bearing financial instruments was:

	2018 $000	2017 $000
Variable rate instruments		
Financial assets (carrying amount)	2,772	5,745

(d) Cash flow sensitivity analysis for rate instruments

The impact of interest rate changes on the profitability of the Consolidated Entity is likely to be immaterial.

(e) Fair values

The Directors consider that the fair value of financial assets and financial liabilities of the Consolidated Entity approximate their carrying amount.

11 Capital management

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Consolidated Entity defines as net operating income divided by total shareholders' equity. The board compares this to general relevant returns that would be available to alternate use of funds such as property and general stock market returns available at the time but does not specifically benchmark them. The Board of Directors also monitors the dividend yield to ordinary shareholders and compares them to general ASX listed returns at the time but does not specifically benchmark them.

There were no changes in the Consolidated Entity's approach to capital management during the year. The Consolidated Entity is not subject to externally imposed capital requirements given the absence of borrowings.

(a) Dividends

(i) Ordinary shares

Dividends recognised in the current and prior years by the Company are:

	Cents per share	Total amount $000	Franked/ unfranked	Date of Payment
2018				
Final 2017 ordinary	2.25	1,708	Franked	3 October 2017
Interim 2018 ordinary	2.60	1,979	Franked	5 April 2018
		3,687		
2017				
Final 2016 ordinary	3.25	916	Franked	4 October 2016
Interim 2017 ordinary	2.25	661	Franked	6 April 2017
		1,577		

(ii) Franked dividends

Dividends declared or paid during the year were fully franked at the tax rate of 30%. (2017: 30%)

After the end of the reporting period, the directors have declared a final dividend of 2.00 cents per share, representing $1,522,199 fully franked and payable on 19 September 2018. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2018. The declaration and subsequent payment of dividends has no income tax consequences.

Dividend franking account	Company 2018 $000	Company 2017 $000
30% franking credits available to shareholders of LandMark White Limited for subsequent financial years	2,299	1,838

The above available amounts are based on the balance of the dividend franking account at the end of the reporting period adjusted for:

(a) franking credits that will arise from the payment of the current tax liabilities;
(b) franking debits that will arise from the payment of dividends recognised as a liability at the year-end; and
(c) franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year-end.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. The impact on the dividend franking account of dividends proposed after the end of the reporting period but not recognised as a liability is to reduce it by $652,000 (2017: $732,000).

GROUP STRUCTURE

This section provides information which will help users understand how the group structure affects the financial position and performance of the Consolidated Entity as a whole. In particular, there is information about:

- changes to the structure that occurred during the year as a result of business combinations and the disposal of a discontinued operation
- transactions with non-controlling interests, and
- interests in joint operations.

A list of significant subsidiaries is provided in note 13. This note also discloses details about the Consolidated Entity's equity accounted investments.

12 Business combinations

(a) Summary of acquisition

On 31 May 2017 the parent entity acquired 100% of the issued share capital of MVS Australia Pty Ltd, Metropolitan Valuations Management Pty Ltd and MVS National Pty Ltd (collectively "MVS"). The values identified below in relation to the acquisition of MVS are as re-measured and reflected in the half year financials as at 31 December 2017. Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

	2017 $000
Purchase consideration:	
Cash paid	16,000
Ordinary shares issued	7,300
	23,300
Additional amount payable based on cash position of MVS on completion	2,037
	25,337

The cash payable represented a purchase price adjustment based upon the net debt and working capital acquired and was paid on 17 August 2017.

The assets and liabilities recognised as a result of the acquisition were as follows:

	2017 $000
Cash and cash equivalents	1,785
Term deposits	203
Trade and other receivables	4,881
Other current assets	207
Deferred tax assets	401
Plant and equipment	256
Intangible assets – Software	449
Intangible assets – Customer Relationships	10,000
Trade and other payables	(2,165)
Employee benefits	(1,371)
Tax liability	(1,093)
Provisions	(328)
Borrowings	(175)
Net identifiable assets acquired	13,050
Goodwill	12,287
	25,337

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

Contingent consideration

In the event that certain pre-determined profits were achieved from the acquired business for the 3 years ending 30 June 2020, contingent consideration between $Nil and $11,700,000 would be payable in September 2020. The contingent consideration would be made via issue of ordinary shares based on an agreed value of $0.60 per share. Based upon forecasts current at 30 June 2017 the contingent consideration provided was assessed as $8,700,000.

The actual profits achieved for the calendar year ended 31 December 2017 resulted in the contingent consideration being $Nil and accordingly the $8,700,000 was released and recognised as a credit in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018.

13 Interests in other entities

(a) Subsidiaries

The Consolidated Entity's subsidiaries at 30 June 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Consolidated Entity, and the proportion of ownership interests held equals the voting rights held by the Consolidated Entity. All entities are incorporated and operate in Australia only.

Name of entity	Ownership interest held by the Consolidated Entity 2018 %	2017 %	Ownership interest held by non-controlling interests 2018 %	2017 %	Principal activities
LMW (Gold Coast) Pty Ltd *Formerly LandMark White (Gold Coast) Pty Ltd*	100	100	-	-	Commercial valuations
LMW (Brisbane) Pty Ltd *Formerly LandMark White (Brisbane) Pty Ltd*	100	100	-	-	Commercial valuations
LMW (Residential) Pty Ltd *Formerly LMW Residential Pty Ltd*	100	100	-	-	Residential valuations
LMW Group Pty Ltd	100	100	-	-	Franchisor
LMW (Employee Benefits) Pty Ltd *Formerly LMW Business Advisory Pty Ltd*	100	100	-	-	Non-trading
LMW (Melbourne) Pty Ltd *Formerly LandMark White (Melbourne) Pty Ltd*	100	100	-	-	Commercial valuations
LMW Advisory Pty Ltd	100	100	-	-	Non-trading
LMW Hegney Pty Ltd	50	50	50	50	Holder of intellectual property
LMW Australia Pty Ltd	50	50	50	50	National valuation contracting entity
LMW (Statutory Services) Pty Ltd *Formerly MVS Australia Pty Ltd*	100	100	-	-	Government valuations
LMW (Management) Pty Ltd *Formerly Metropolitan Valuations Management Pty Ltd*	100	100	-	-	Non-trading
MVS National Pty Ltd	100	100	-	-	Non-trading

(b) Interests in associates

The Consolidated Entity's interests in associates at 30 June 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Consolidated Entity, and the proportion of ownership interests held equals the voting rights held by the Consolidated Entity. All entities are incorporated and operate in Australia only.

Name of entity	2018 %	2017 %	2018 $000	2017 $000	Principal activities
LMW (WA) Holdings Pty Ltd *Formerly Forrest Street Pty Ltd*	25	12.5	1,417	715	WA valuations

Effective 1 January 2018, LandMark White Limited acquired an additional 12.5% interest in the share capital of LMW (WA) Holdings Pty Ltd for cash consideration of $662,875. Prior to this date, the investment was categorised as an available for sale financial asset (see note 5(d)).

(i) Summarised financial information for associates

The tables below provide summarised consolidated financial information for LMW (WA) Holdings Pty Ltd and its wholly owned group. The information disclosed reflects the amounts presented in its financial statements and not LandMark White Limited's share of these amounts. They have been amended to reflect adjustments made by the entity when using the equity method including fair value adjustments and modifications for differences in accounting policy.

	30 Jun 2018 $000	31 Dec 2017 $000
Summarised balance sheet		
Current assets		
Cash and cash equivalents	1,191	777
Other current assets	1,156	1,339
Total current assets	2,347	2,116
Non-current assets	4,600	4,604
Current liabilities		
Financial liabilities (excluding trade payables)	114	258
Other current liabilities	1,389	1,178
Total current liabilities	1,503	1,436
Non-current liabilities		
Financial liabilities (excluding trade payables)	166	166
Other non-current liabilities	129	123
Total non-current liabilities	295	289
Net assets	5,149	4,995
Reconciliation to carrying amounts		
Opening net assets 1 January 2017	4,995	
Profit for the period	423	
Other comprehensive income	-	
Dividends paid	(270)	
Closing net assets 30 June 2018	5,149	
Consolidated Entity's share of closing net assets in %	25%	
Consolidated Entity's share of closing net assets in $	1,287	
Unrecognised goodwill included in the carrying amount	130	
Carrying amount of interest in associate	1,417	

	6 months to 30 Jun 2018 $000
Summarised statement of comprehensive income	
Revenue	4,585
Interest income	3
Depreciation and amortisation	(45)
Interest expense	(5)
Other expenses	(3,936)
Profit from continuing operations before tax	602
Income tax expense	(178)
Profit from continuing operations after tax	423
Other comprehensive income	-
Total comprehensive income	423
Dividends received from associates	67

UNRECOGNISED ITEMS

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

In addition to the items and transactions disclosed below, there are also:

a) Unrecognised tax amounts – see note 4
b) Non-cash investing and financing transactions – see note 0

14 Contingent liabilities

The Consolidated Entity, from time to time, is involved in matters of litigation in the normal course of business in undertaking valuation services. At 30 June 2018 there are no open litigated claims. The Consolidated Entity has professional indemnity insurance, and under the terms of the insurance policy, each claim has an excess which is required to be paid by the Consolidated Entity. It was not practical to estimate the maximum contingent liability arising from litigation; however, in a worst-case situation there could be a material adverse effect on the Consolidated Entity's financial position. In the directors' opinion, disclosures of any further information in relation to litigation would be prejudicial to the interests of the Consolidated Entity.

15 Commitments

Capital expenditure

The Consolidated Entity does not have any capital expenditure commitments at the end of the reporting period.

Operating lease commitments	2018 $000	2017 $000
Within one year	2,381	1,704
One year or later and no later than five years	6,584	3,117
Later than five years	1,075	102
	10,040	4,923

The Consolidated Entity leases property and equipment under non-cancellable operating leases expiring from one to five years. Leases of property generally provide the Consolidated Entity with a right of renewal at which time all terms are renegotiated. Lease payments may be increased to reflect market rates or changes in the Consumer Price Index.

16 Guarantees

LandMark White Limited has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

17 Events occurring after the reporting period

Refer to note 11(a) for the final dividend recommended by the directors, to be paid on 19 September 2018.

OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

18 Related party transactions

(a) Subsidiaries

Interests in subsidiaries are set out in note 13(a).

(b) Key management personnel compensation

	2018 $	2017 $
Short term employee benefits	596,408	457,219
Post-employment benefits	49,220	111,320
Long-term benefits	4,931	13,150
Share-based payments	-	92,286
	650,559	691,975

Detailed remuneration disclosures are provided in the remuneration report on pages 6 to 9.

(c) Transactions with other related parties

The following transactions occurred with related parties:

	2018 $	2017 $
Dividends received from associate	67	-
Group management fee income from associates & franchisees	554	560

19 Share-based payments

(a) Employee option & performance rights plans

The directors at their discretion allocate share options or performance rights that entitle key management personnel and senior employees to purchase shares in the entity. The terms of the options including vesting conditions and performance criteria vary depending upon the incentive arrangements appropriate for key management personnel and senior employees and are a part of an approved Employee Share Acquisition Scheme, which was approved by shareholders at the 2016 Annual General Meeting.

Movements in options during the period were as follows:

	2018 Average Exercise Price	2018 Number of Options	2017 Average Exercise Price	2017 Number of Options
As at 1 July	-	-	$0.46	1,000,000
Exercised during the year	-	-	$0.46	(1,000,000)
As at 30 June	-	-	-	-

Performance rights were granted under the LMW Group Performance Rights and Option Plan which was approved by shareholders at the 2016 Annual General Meeting. The Plan allows the Company to grant options or rights to selected key employees to acquire ordinary shares in the Company. Participants are required to satisfy performance and service conditions at the time of the offer. The exercise price for performance rights is nil. Rights cannot be transferred and are not quoted on the ASX.

Movements in performance rights during the period were as follows:

	2018 Number of Rights	2017 Number of Rights
As at 1 July	-	1,000,000
Vested and exercised during the year	-	(1,000,000)
As at 30 June	-	-

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2018 $	2017 $
Options	-	-
Performance rights	-	184,573
	-	184,573

20 Remuneration of auditors

	2018 $000	2017 $000
Audit services		
Auditor of the Consolidated Entity – William Buck		
Audit and review of the financial reports	121	99
Other services		
Auditor of the Consolidated Entity – William Buck		
Taxation and other services	22	33
Total audit services	143	132

21 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share at 30 June 2018 was based on the profit attributable to ordinary shareholders of $4,140,000 (2017: $1,626,000) and the weighted average number of ordinary shares outstanding during the financial year ended 30 June 2018 of 76,063,822 (2017: 32,696,665) calculated as follows:

	2018 $000	2017 $000
Profit attributable to ordinary shareholders	4,140	1,626
Weighted average number of ordinary shares	Number	Number
Issued Ordinary Shares at 1 July	75,930,855	27,669,201
Weighted average number of ordinary shares at 30 June	76,063,822	32,696,665

(b) Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2018 was based on the profit attributable to ordinary shareholders of $4,140,000 (2017: Profit of $1,626,000) and the weighted average number of ordinary shares outstanding during the financial year ended 30 June 2018 of 76,063,822 (2017: 32,696,665) calculated as follows:

	2018 $000	2017 $000
Profit attributable to ordinary shareholders	4,140	1,626
Weighted average number of ordinary shares	Number	Number
Issued Ordinary Shares at 1 July	75,930,855	27,669,201
Weighted average number of ordinary shares at 30 June	76,063,822	32,696,665

1,000,000 options were granted to an employee via the Employee Share Ownership Plan (ESOP) during the year ended 30 June 2014. These options were exercised during the year ended 30 June 2017. As at the date of this report, there are Nil (2017: Nil) options over unissued ordinary shares in LandMark White Limited.

282,000 performance rights were granted to 2 employees via the Employee Share Ownership Plan (ESOP) during the year ended 30 June 2017. The performance hurdle associated with these performance rights was not achieved and accordingly the performance rights did not vest.

As at the date of this report, there are no performance rights over unissued ordinary shares in LandMark White Limited.

22 Parent entity financial information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with the accounting standards.

(a) Statement of financial position

	2018 $000	2017 $000
Assets		
Current assets	15,591	6,523
Non-current assets	33,305	40,985
Total assets	48,896	47,508
Liabilities		
Current liabilities	13,58	3,896
Non-current liabilities	112	8,774
Total liabilities	13,670	12,670
Net assets	35,226	34,838
Equity		
Issued capital	33,893	33,773
Retained earnings	1,333	1,065
Total equity	35,226	34,848

(b) Statement of profit & loss and other comprehensive income

	2018 $000	2017 $000
Total profit	3,955	2,124
Total comprehensive income	3,955	2,124

23 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Consolidated Entity consisting of LandMark White Limited and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001.* LandMark White Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- available-for-sale financial assets, financial assets and liabilities (including derivative instruments) certain classes of plant and equipment and investment property – measured at fair value
- assets held for sale – measured at fair value less cost of disposal, and
- defined benefit pension plans – plan assets measured at fair value.

(iii) New and amended standards adopted by the Consolidated Entity

During the current year, the Consolidated Entity adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has had no impact on the recognition, measurement and disclosure of certain transactions.

(iv) New standards and interpretations not yet adopted

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the Consolidated Entity has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:

AASB 9 Financial Instruments (December 2014) and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) (applicable for annual reporting periods commencing on or after 1 January 2018)

AASB 9 includes requirements for the classification and measurement of financial assets, the accounting requirements for financial liabilities, impairment testing requirements and hedge accounting requirements.

The changes made to accounting requirements by these standards include:

- Simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value and an allowance for debt instruments to be carried at fair value through other comprehensive income in certain circumstances
- Simplifying the requirements for embedded derivatives
- Allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
- Financial assets will need to be reclassified where there is a change in an entity's business model as they are initially classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows
- Amending the rules for financial liabilities that the entity elects to measure at fair value, requiring changes in fair value attributed to the entity's won credit risk to be presented in other comprehensive income
- Introducing new general hedge accounting requirements intended to more closely align hedge accounting with risk management activities as well as the addition of new disclosure requirements
- Requirements for impairment of financial assets

The application of this standard is not expected to have a material impact on the carrying values of financial instruments held by the Company.

AASB 15 Revenue from Contracts with Clients (applicable for annual reporting periods commencing on or after 1 January 2018)

AASB 15 establishes a single, comprehensive framework for revenue recognition, and replaces the previous revenue Standards.

AASB 15 introduces a five-step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to clients in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

Application of this standard will result in de-recognition of work in progress and will have a minor impact on the timing of reported profits. The Company will apply the modified retrospective approach on initial application of this standard.

AASB 16 Leases (applicable for annual reporting periods commencing on or after 1 January 2019)

AASB 16 introduces a single lessee accounting model that requires all leases to be accounted for on balance sheet. A lessee will be required to recognise an asset representing the right to use the underlying asset during the lease term (i.e. right-of-use asset) and a liability to make lease payments (i.e. lease liability). Two exemptions are available for leases with a term less than 12 months or if the underlying asset is of low value.

The lessor accounting requirements are substantially the same as in AASB 117. Lessors will therefore continue to classify leases as either operating or finance leases.

AASB 16 will replace AASB 117 Leases, Interpretation 4 Determining Whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation 127 Evaluating the substance of Transactions Involving the Legal Form of a Lease.

The Company is currently assessing the impact of this standard and it is likely to result in a material increase to total assets and total liabilities recorded in the statement of financial position.

The Company does not anticipate early adoption of any of the above Australian Accounting Standards or Interpretations.

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity (refer to note 23(h)).

Intercompany transactions, balances and unrealised gains on transactions between companies within the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) *Associates*

Associates are all entities over which the Consolidated Entity has significant influence but not control or joint control. This is generally the case where the Consolidated Entity holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Consolidated Entity's share of the post-acquisition profits or losses of the investee in profit or loss, and the Consolidated Entity's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Consolidated Entity's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Consolidated Entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Consolidated Entity and its associates and joint ventures are eliminated to the extent of the Consolidated Entity's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 23(m).

(iv) Changes in ownership interests

The Consolidated Entity treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Consolidated Entity. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of LandMark White Limited.

When the Consolidated Entity ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Consolidated Entity had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars which is the Company's functional currency and the functional currency of all entities within the Consolidated Entity.

(d) Segment reporting

The Consolidated Entity's operations and clients are located entirely in Australia.

The Consolidated Entity's operating segments have been identified based on the segments analysed within management reports. Based on these criteria, it has been determined that the Consolidated Entity only operates in the Valuation segment, which provides valuation, research and advice services in relation to property and businesses.

Accordingly, no separate segment reporting is required.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Consolidated Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Consolidated Entity's activities as described below. The Consolidated Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The specific accounting policies for the Consolidated Entity's main types of revenue are explained in note 1.

(f) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Leases

Leases of plant and equipment where the Consolidated Entity, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases (note 6(a)). Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Consolidated Entity will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Consolidated Entity as lessee are classified as operating leases (note 15). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(h) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred

- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Consolidated Entity
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Consolidated Entity recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See note 5(c) for further information about the

Consolidated Entity's accounting for trade receivables and note 10(a) for a description of the Consolidated Entity's impairment policies.

(l) Work in progress

Client engagements in progress at the end of the reporting period are recorded in the Balance Sheet as an asset and revenue in the Statement of Profit & Loss and Other Comprehensive Income, based on the stage of completion of the engagement. The stage of completion of an engagement is determined through the use of internally developed measures that assess the progress of engagements from commencement to completion. Payments in advance are recognised as unearned income until the services are provided.

(m) Investments and other financial assets

(i) Classification

The Consolidated Entity classifies its financial assets in the following categories:

- loans and receivables, and
- available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition. See note 5 for details about each type of financial asset.

(ii) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date, the date on which the Consolidated Entity commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

(iii) Measurement

At initial recognition, the Consolidated Entity measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

- for other monetary and non-monetary securities classified as available-for-sale – in other comprehensive income.

Dividends on available-for-sale equity instruments are recognised in profit or loss as part of revenue from continuing operations when the Consolidated Entity's right to receive payments is established.

Interest income from loans and receivables calculated using the effective interest method is recognised in the statement of profit or loss as part of revenue from continuing operations.

Details on how the fair value of financial instruments is determined are disclosed in note 5(d).

(iv) Impairment

The Consolidated Entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Assets classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

(v) Income recognition

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Consolidated Entity reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence, refer note 23(m)(iv).

(n) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation methods and periods used by the Consolidated Entity are disclosed in note 6(a).

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 23(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Consolidated Entity policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(o) Intangible assets

(i) Goodwill

Goodwill is measured as described in note 6(b). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(ii) Trademarks, licences and customer contracts

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. Where they are assessed as having a finite useful life they are subsequently carried at cost less accumulated amortisation and impairment losses.

(iii) Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Consolidated Entity are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(iv) Amortisation methods and periods

Refer to note 6(b) for details about amortisation methods and periods used by the Consolidated Entity for intangible assets.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Consolidated Entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(r) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

(s) Provisions

Provisions for legal claims and make good obligations are recognised when the Consolidated Entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(t) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Consolidated Entity operates various defined contribution pension plans.

Pension obligations

For defined contribution plans, the Consolidated Entity pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Consolidated Entity has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the LandMark White Employee Option & Performance Rights Plan and an employee share scheme. Information relating to these schemes is set out in note 19.

Employee options and performance rights

The fair value of options and performance rights granted under the LandMark White Limited Employee Option and Performance Rights Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options and performance rights granted:

- including any market performance conditions (eg the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (eg profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (eg the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options and performance rights that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Social security contributions payable in connection with an option or performance rights grant are considered an integral part of the grant itself and the charges are treated as cash-settled transactions.

The Employee Option and Performance Rights Plan is administered by the LMW Employee Share Trust, which is not consolidated. When the options or performance rights are exercised, the trust transfers the appropriate number of shares to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

(v) Profit-sharing and bonus plans

The Consolidated Entity recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Consolidated Entity recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(vi) Termination benefits

Termination benefits are payable when employment is terminated by the Consolidated Entity before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Consolidated Entity recognises termination benefits at the earlier of the following dates: (a) when the Consolidated Entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of AASB 137 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(u) Contributed equity

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.

(v) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(w) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(x) Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

(y) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

24 Changes to accounting policies

There have been no changes to accounting policies during the financial year ended 30 June 2018.

DIRECTORS DECLARATION

1 In the opinion of the directors of LandMark White Limited ('the Company'):

(a) the financial statements and notes set out on pages 13 to 55 and the remuneration disclosures of the Remuneration report in the Directors' report, set out on pages 5 to 9, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the Company and the Consolidated Entity as at 30 June 2018 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial report also complies with International Financial Reporting Standards as discussed in Note 23(a);

(c) 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 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2018.

Dated at Sydney this 23 August 2018

Signed in accordance with a resolution of the directors:

Keith Perrett
Director

LandMark White Limited

Independent Auditor's Report to Members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of LandMark White Limited (the Company) and its subsidiaries (the Consolidated Entity), which comprises the consolidated balance sheet as at 30 June 2018, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards 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 Consolidated Entity 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* (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 Consolidated Entity, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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ADJUSTMENTS TO PROVISIONAL GOODWILL AND CUSTOMER RELATIONSHIPS INTANGIBLE RECOGNISED ON MVS ACQUISTION	
Area of focus **Refer also to notes 6(b) and 12(a)**	**How our audit addressed it**
As disclosed in the financial statements, the parent entity acquired 100% of the issued share capital of MVS Australia Pty Ltd, Metropolitan Valuations Management Pty Ltd and MVS National Pty Ltd (collectively "MVS") on 31 May 2017. In the 30 June 2017 financial statements, accounting for this acquisition was identified as provisional and assets included goodwill of $27.5 million and customer relationships of $3.5 million. In accordance with accounting standards, the Consolidated Entity had a measurement period of a maximum of 12 months from the date of the transaction to finalise the accounting. In the current financial year, further analysis of the MVS acquisition identified the acquisition date fair value of the customer relationships should be $10 million and the $6.5 million adjustment was recognised as a reduction in goodwill.	Our audit procedures included: — Review of the relevant agreements and relationships with customers to understand key terms and conditions; — A detailed assessment of the valuation methodology applied by management and the directors to calculate the value assigned to the customer relationships intangible; — A detailed evaluation of the Consolidated Entity's budgeting procedures in relation to customer relationships, reviewing forecasts and testing the principles and integrity of the discounted future cash flow models; — Testing the accuracy of the calculation and assessing the key inputs in the calculations such as director approved revenue and expense forecasts, discount rates, discounts for uncertainty relating to retention of the relationship and our own views; — Engaging our own valuation specialists to consider the appropriateness of the valuation methodology applied and key inputs to the valuation calculation; and — Considered the adequacy of the financial statement disclosures in relation to the customer relationship intangible.

CONTINGENT CONSIDERATION	
Area of focus **Refer also to Note 6(b)(iv) and 12(a)**	**How our audit addressed it**
The MVS consideration recognised at 30 June 2017 included a contingent consideration component of $8.7 million. Payment of this deferred consideration was contingent upon the performance of the acquired business over the period from 1 January 2017 through to 30 June 2020 with the maximum deferred consideration calculated based on the performance for the calendar year ended 31 December 2017. As the actual performance of the acquired business for the calendar year 31 December 2017 was lower than initially estimated, the deferred consideration was not payable and accordingly has been	Our audit procedures included: — Review of the sale and purchase agreement and supporting legal documentation to understand the key terms and conditions of the acquisition; — Review financial results of the acquired business during the 12 month period ended 31 December 2017 to determine whether the key performance targets (as outlined in the sale and purchase agreement) were achieved;

released to the Statement of Profit or Loss and Other Comprehensive Income.	— Obtaining written acknowledgement from the vendors of MVS confirming the performance targets associated with the contingent consideration were not achieved at 31 December 2017; — Review of the journal entries posted by management to record the reversal of the contingent consideration; and — Considered the adequacy of the disclosures in the financial statements in relation to the reversal of the contingent consideration.
ASSESSMENT OF CARRYING VALUE OF GOODWILL AND CUSTOMER RELATIONSHIPS	
Area of focus **Refer also to note 6(b)(iii – v)**	**How our audit addressed it**
The Consolidated Entity's net assets include a significant amount of goodwill and customer relationship intangible assets. 2018: $27.2 million (2017: $35.9 million). In accordance with accounting standards, goodwill and customer relationships are subject to annual impairment testing, and for these purposes they are allocated to the appropriate cash generating units ('CGU'). There is a risk that if the CGUs do not trade in line with expectations and forecasts, their carrying value could exceed their recoverable amount and therefore require impairment. The recoverable amount attributable to the CGUs which existed at 30 June 2018, has been calculated based on value-in-use. These recoverable amounts use discounted cash flow forecasts in which the directors make judgements over certain key inputs, for example but not limited to, revenue growth, discount rates applied, long term growth rates and inflation rates. Due to the elevated level of judgement and the significant carrying amounts involved, we have determined this to be a key judgement area which our audit concentrated on.	Our audit procedures included: — Evaluation of the director's assertion that the customer relationship intangible had an indeterminate useful life at 30 June 2018; — A detailed evaluation of the Consolidated Entity's budgeting procedures, reviewing forecasts and testing the principles and integrity of the discounted future cash flow models; — Testing the accuracy of the calculation derived from the forecast model and assessing the key inputs in the calculations such as revenue growth, director approved forecasts and our own views; — Engaging our own valuation specialists to consider the appropriateness of the discount rates and the long-term growth rates; — Reviewing the historical accuracy of forecasts by comparing actual results with the original forecasts; and — Considered the adequacy of the Consolidated Entity's disclosures in relation to goodwill and the customer relationship intangible.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Consolidated Entity's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Consolidated Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the 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 ability of the Consolidated Entity 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 Group or to cease operations, or has no realistic alternative but to do so.

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 the 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 this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 9 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of LandMark White Limited for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Consolidated Entity 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.

Yours faithfully,

William Buck

William Buck
Chartered Accountants
ABN: 16 021 300 521

Leo Tutt

L E. Tutt
Partner

Sydney, 23 August 2018

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The Company was admitted to the Australian Stock Exchange under rule 1.3.2(b).

Shareholdings (as at 20 August 2018)

Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	Number of Ordinary Shares	Percentage
Microequities Asset Management Pty Ltd	11,532,984	15.15%
White Valuations Pty Ltd <Glen White Super Fund>	10,870,134	14.28%
Mr Brad Piltz	4,501,284	5.91%

Voting rights

Ordinary shares	Holders of ordinary shares are entitled to one vote per share at shareholder meetings.
Options	There are no voting rights attached to options

Distribution of equity security holders

Category	Number of Shareholders	Number of shares
1 – 1,000	62	32,509
1,001 – 5,000	296	1,011,722
5,001 – 10,000	171	1,357,902
10,001 – 50,000	270	6,656,991
50,001 – 100,000	57	4,105,050
100,001 and over	70	62,945,770
Total	926	76,109,944

On-market buy back	There is no current on-market buy back.
Marketable Parcels	The number of shareholders holding less than a marketable parcel of 833 shares (based on closing price of $0.595 on 20 August 2018) is 40 and they hold 11,085 securities.

Twenty largest shareholders Name	Number of Ordinary Shares	Percentage
JP Morgan Nominees Australia Limited	11,662,643	15.32%
White Valuations Pty Ltd <Glen White Super Fund A/C>	10,720,134	14.09%
Mr Tony Gandel & Mrs Helen Gandel	3,194,105	4.20%
Mr Brad Piltz <Super Fund Account>	2,498,438	3.28%
Ms Lynette Jane Ellis & Mr Jeffrey George Keane <KEL Developments Super Fund A/C>	2,433,334	3.20%
Arkmist Pty Ltd <G Boulougouris Family A/C>	2,433,212	3.20%
Continuum Property Consultancy Pty Ltd <Aurora Family A/C>	2,433,212	3.20%
Ian D Bolewski Pty Ltd <Bolewski Family A/C>	2,433,212	3.20%
Raptis Property Consultants Pty Ltd <Raptis Super A/C>	2,433,212	3.20%
Gogorm Super Pty Ltd <Gogorm Super Fund>	1,932,494	2.54%
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail client DRP>	1,531,680	2.01%
Kiut Investments Pty Ltd < Keppel Investments Unit A/C>	1,467,817	1.93%
McMullin Nominees Pty Ltd	1,380,000	1.81%
Enable Investment Manager Pty Ltd <Enable Capital Fund A/C>	779,166	1.02%
Mr Riccardo Pisaturo <Richard Vincent Pisaturo A/C>	763,133	1.00%
Ms Chen Zhang	713,531	0.94%
Kevin King Pty Ltd	670,832	0.88%
Coad and Pratt Superfund Pty Ltd	600,000	0.79%
Mr Hamid Roboubi & Mrs Jillian Anne Roboubi	579,457	0.76%
HSBC Custody Nominees (Australia) Limited	560,000	0.74%
	51,219,612	67.31%

Company secretary

John Wise

Principal registered office

Level 6, 55 Clarence Street
Sydney NSW 2000

Telephone 02 8823 6300
Facsimile 02 8823 6399
Website www.lmw.com.au

Location of share registry

Automic Registry Services

PO Box 2226
Strawberry Hills NSW 2012

Telephone 1300 288 664 (toll free within Australia)
+61 2 9698 5414 (outside Australia)
Email hello@automic.com.au

Stock exchange

The company is listed on the Australian Stock Exchange ("LMW")

Other information

LandMark White Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.