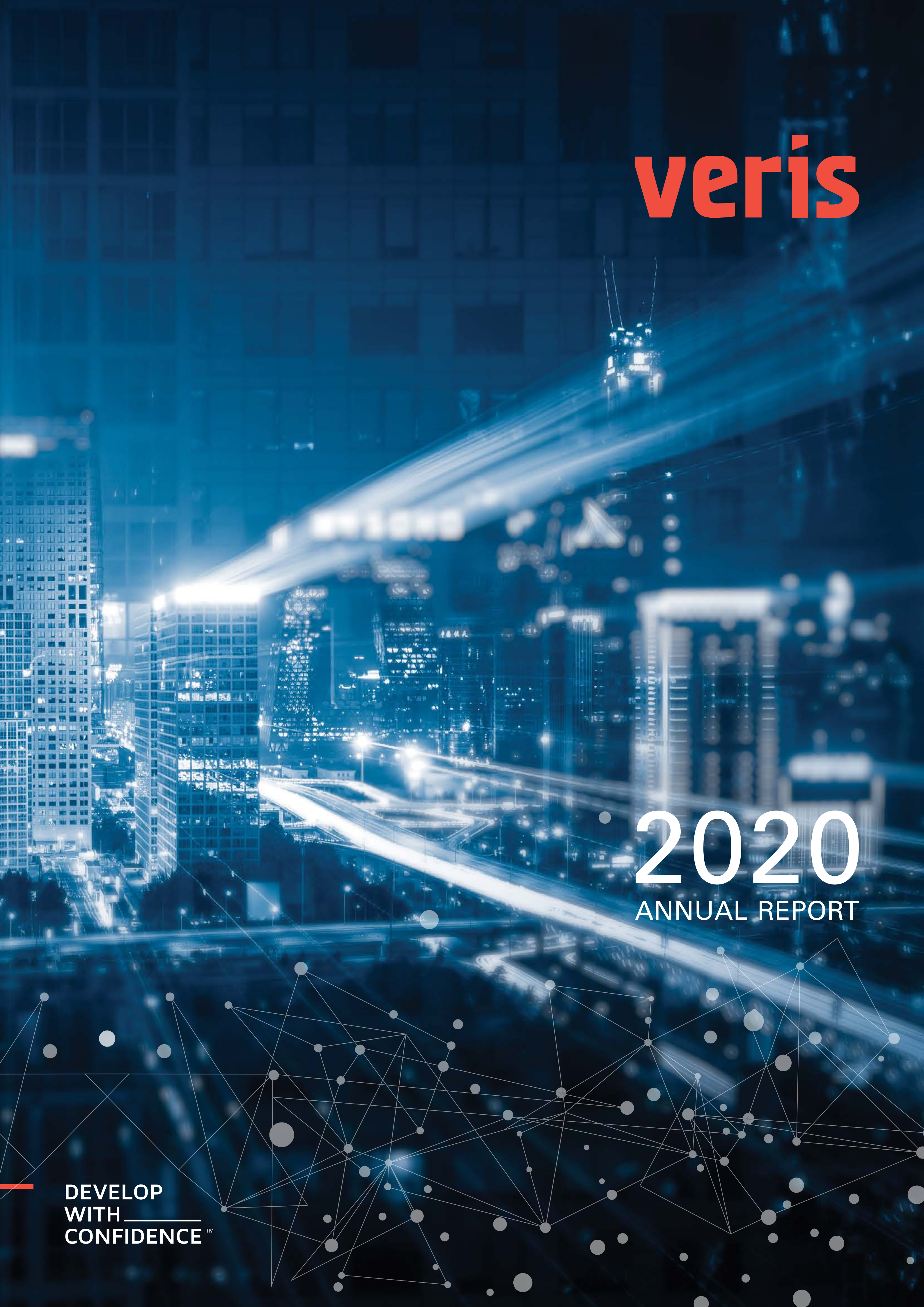

veris

2020
ANNUAL REPORT

DEVELOP
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Contents

Chairman's Report

> Throughout this unprecedented period, the Leadership Team of Veris remained committed to the safety of our people, clients and the communities in which we operate.

Karl Paganin
Non-Executive Chairman

It is with pleasure that I provide shareholders with my first report as Chairman of Veris Limited.

The 2020 financial year has certainly presented some significant challenges for Veris Limited, nonetheless I have been buoyed by the significant progress made by Veris and the commitment of our Leadership Team and staff amidst the unprecedented events of the year to ensure we are well positioned to deliver greater value to shareholders and clients in the coming years.

We could not have predicted the catastrophic bushfires and a global pandemic that would play out in the second half of the year and the impact they have had on our business and business conditions generally in Australia. The bushfires in New South Wales and Victoria had a significant impact on the ability of Veris to carry out its normal business. These events were quickly followed by the impact of the COVID-19 pandemic which required the business to be flexible and adaptive to continue to operate in a constricted business environment.

Veris has demonstrated resilience and a capacity to respond nimbly. The Board and Leadership Team acted prudently to implement a range of structural and operating enhancements across the Group. Some of the key initiatives included:

- a 50% and 25% respective reduction in Board fees and Leadership Team remuneration which commenced at the onset of the COVID-19 pandemic;
- reviewing operating structures and adopting innovative work practices to ensure remote working opportunities were leveraged thereby enabling project work to continue;
- analysis and review of project management practices to enhance WIP management and billing;
- increased focus on the cash management cycle and discretionary expenditures; and
- continued management and strengthening of relationships with key financing stakeholders.

These and other initiatives were designed to reposition the Group with a flatter operating structure and more efficient business support functions and have delivered positive impacts to the operating results of Veris in the fourth quarter.

During the year we have made some key national leadership appointments across the Group. In October, we welcomed Michael Shirley as Veris Australia's new Chief Executive Officer. In addition, Steven Harding was appointed as Chief Financial Officer of Veris Limited, taking over from Lisa Wynne who completed the interim role as Chief Financial Officer and resumed her role as Company Secretary and Head of Commercial. With these and other appointments throughout the business, I am confident we have an experienced Leadership Team required to lead the development and execution of our strategy into the future.

In April, Adam Lamond transitioned out of the role of Managing Director of Veris Limited into a new role as Executive Director – Corporate and Strategy on a part time basis. Adam will continue in this role until November this year when he will transition to a Non-Executive Director on the Veris Board. On behalf of the Board, we would like to sincerely thank Adam for his contribution to Veris in an executive capacity over a long period of time.

We continued our process of Board renewal during the year. I assumed the role of Chairman in November, taking the reins from Derek La Ferla, who retired from the Board after almost a decade of service. During his tenure as Chairman, Derek oversaw the emergence of Veris as a truly national surveying and spatial group. On behalf of the Board I would like to thank Derek for his outstanding contribution over many years. We look to continue this process of board renewal over the coming year and hope to be in a position to announce additional changes to the Board in the coming months.

Another significant outcome during the year was the sale of professional and advisory services business, Elton Consulting. After a strategic review, the Board made the difficult decision to sell the business in a move to strengthen the balance sheet and allow Veris to focus on growth opportunities within core business lines Veris Australia and Aqura Technologies.

Elton Consulting played an important role in the success of the Group, however the timing of the sale was right to drive further focus on our core service offerings. Thanks to Brian Elton and the team at Elton Consulting for their valuable contribution to Veris. Brian remains a Non-Executive Director of Veris Limited.

Throughout this unprecedented period, the Leadership Team of Veris remained committed to the safety of our people, clients and the communities in which we operate. Our people demonstrated an unparalleled commitment to adapt to new ways of remote working and strict hygiene and social distancing protocols on site to ensure we continued delivering our services safely for our clients.

As a listed company, Veris acknowledges that we have a responsibility to our stakeholders to act in a socially and environmentally responsible manner. Following the launch of our Corporate Social Responsibility strategy last year, we continued to progress and deliver on a number of priority areas, albeit in a somewhat restricted capacity as a result of COVID-19.

During the year, Veris also officially marked the launch of its first Reconciliation Action Plan (RAP), Veris Reflect. Veris Reflect was developed in partnership with Reconciliation Australia and provides clear guidance on how Veris can work respectfully with Aboriginal and Torres Strait Islander organisations and people. The Board strongly believes that Veris Reflect is an important initiative for the company.

Although we have been impacted by the challenging operating environment and market conditions as a result of COVID-19, it has been encouraging to see our national footprint, diverse geographic client base, and market sectors, have allowed Veris to manage the impact of market conditions. We believe this has positioned Veris with a solid platform for future growth.

Our sectoral spread across infrastructure, mining, property, defence and utilities sees us well positioned to grow our project pipeline, especially as many of these sectors are vital to Australia's economic recovery.

In addition, as a result of key contract wins during FY20 aligned to strategy, both the Veris Australia and Aqura Technologies business lines have demonstrated capacity to execute on our strategy to grow revenue in the Group profitably in the coming year.

On behalf of the Board, I thank our shareholders, clients, employees, suppliers and the communities in which we operate for their support during an unprecedented and challenging financial year.

Karl Paganin
Non-Executive Chairman

Metro Tunnel Project, Melbourne

Message from the CEO of Veris Australia

"We will partner with our clients, in a relationship based on value, providing positive solutions for their business."

Michael Shirley
Chief Executive Officer- Veris Australia

Viewed through any lens, FY20 has been difficult for Veris Australia with catastrophic bushfires and a global pandemic dominating the year. That being said, I've been extremely proud of the way the business has not only responded to the challenges associated with these unprecedented events, but also pushed on with a number of important structural changes to provide a solid platform for sustainable, profitable growth.

The catastrophic bushfires, which impacted vast areas of the eastern seaboard of Australia in late 2019 and early 2020, meant our capacity to deliver project work in some regions was limited due to issues such as site access and poor air quality. In addition, our Eden office came perilously close to being burnt down as bushfires raged close to that community and many of our staff were forced to evacuate from their homes. Thankfully, all Eden office staff and their families were kept safe during the emergency, however the rebuilding of the community will be ongoing for some time.

Following the bushfires, the COVID-19 pandemic began to present as an issue in Australia in February, and escalated during March resulting in the introduction of border closures along with a range of other social distancing and isolation measures. Our Business Resilience Team (BRT) started formulating the business response to the pandemic early to ensure the sustainability of our operations, implementing a range of safety measures based on the advice of Government and health agencies. Through the leadership of the BRT and the commitment and flexibility of our people, we were able to continue to deliver safely for our clients, although in some pockets of the market, uncertainty and other factors as a result of COVID-19 impacted demand for our services.

During this challenging period, it was extremely pleasing to see Veris Australia demonstrate its resilience as a business. Not only adapting to new ways of working safely, but also demonstrating the benefits of our national footprint and diverse customer base, which contributed to a softening of the effects experienced in some geographic segments of the business.

In addition, in anticipation of the market uncertainty resulting from COVID-19, the Leadership team acted early to implement a prudent plan to ensure financial sustainability, including a number of structural changes within our operating platform and cost base to reposition the business with a more efficient and less costly overhead structure. These changes have already started to have a positive impact on our performance.

Financial Performance

The financial performance delivered by Veris Australia in FY20 can only be described as disappointing. Veris Australia's financial results reflect the severe impact of the catastrophic bushfires and subsequent severe weather events of hail and flooding rainstorms which were quickly followed by the onset of the COVID-19 pandemic.

Message from the CEO of Veris Australia continued

The dramatic impact of these events on the business' revenue base provided the Board and new Leadership Team an opportunity to reassess the operating and management structures within the business, identify areas of weakness and inefficiency, and take swift action to reshape the platform on which our services and expertise are delivered within our regions and markets.

These changes have had immediate impact but will be most evident as FY21 unfolds. They are designed to drive both visibility of, and accountability for, profitable project delivery at our regional and section leadership levels. They are also designed to encourage cross-regional integration and collaboration in the delivery of our projects for our clients in order to harness the true benefits of the national platform that has evolved via the acquisition strategy Veris Limited has undertaken over the last nine years.

Health and Safety

We all want to do our jobs and return home safely at the end of each day. As a business, we are committed to protecting the health and safety of our people, clients, contractors, visitors and the communities that are impacted by our activities. As already mentioned, COVID-19 required the business to adapt to new ways of working safely, and it was pleasing to see a range of measures successfully implemented in the field, as well as the flexibility of people to work remotely to minimise the potential spread of the virus.

Across the year we also implemented a renewed focus on vehicle safety, an area which has been identified as a key risk to many of our employees who are out in the field everyday in company vehicles whilst doing their job. Our In Vehicle Monitoring Systems (IVMS) deployed in our fleet are enabling us to utilise data to track key risk factors such as speed and encourage positive driving behaviours.

People and Culture

Our people are the cornerstone of our organisational success and our ability to attract and retain the best people gives us our leading-edge capability. Within our business we already have some of the pre-eminent professionals within the industry and a highly skilled multi-disciplinary team. By delivering a great employee experience, we retain our best people. In addition, the best talent will aspire to work at Veris as they will be provided with career growth in a supportive, collaborative environment, working on Australia's best projects.

Throughout the year we have been reviewing our people and culture strategy and developing a framework to deliver a great employee experience. The framework includes key initiatives in the areas of attraction and on-boarding, reward and recognition, diversity and inclusion, benefits and working arrangements, communication and engagement, and performance and career management. Many of these strategic initiatives are now being rolled out and I look forward to seeing their impact.

Operating Structure

We also transitioned the business to a new operating structure during the year to focus on the core fundamentals of delivering externally for our clients and simplifying our operations internally. The new structure allows for operations to be managed at the regional level, and technical business lines and service lines developed at the national level.

These business lines and corresponding service lines will be offered across our regions in alignment with our strategy to grow the business nationally and offer multi-disciplinary solutions to our clients. I am confident these changes will enable a more collaborative approach that leverages our strengths and simplifies our operations.

Strategy

The Leadership Team worked diligently during the year to develop a refreshed business strategy which has been approved by the Board. The strategy is focussed on delivering on our purpose of being a national surveying, digital and spatial and planning business, partnering with clients to deliver solutions to our communities.

To do this we will leverage our national brand and geographic footprint across Australia, providing the connection and resources of a national business with significant local client relationships. We will partner with our clients, in a relationship based on value, providing positive solutions for their business.

Outlook

Through the hard work and commitment of our people, the business is in good shape to capitalise on the opportunities presented in FY21 and beyond. We operate in many of the sectors that will be key to economic recovery, and we are already starting to deliver on our strategy and position the business to win.

The infrastructure sector is experiencing record levels of investment in a pipeline of projects across the country, with many fast-tracked as part of the COVID-19 recovery strategy. We are particularly well positioned in this market with a track record of delivery and existing relationships with some of Australia's large engineering and Tier 1 contractors. We intend to ride the wave of investment in the construction sector and secure our share of the significant opportunities coming to the market.

The property sector has been the recipient of targeted Government stimulus which has already had an impact on activity in the sector. Given our strong market position particularly in the large urban centres of Melbourne and Sydney, combined with our relationships with some of Australia's premium property groups, we are well placed to leverage our property survey and planning capabilities to support renewed development activity particularly in the residential market.

We continue to service the resources sector through our national footprint which enables us to have a strong local presence in the Pilbara region of Western Australia and regional Queensland. We see significant opportunities to consolidate and grow our multi-disciplinary service offering to blue chip mining operators and Tier 1 contractors working on significant scopes of work in both states.

The defence sector is also part of our growth strategy as we look to diversify our client base and capture a share of the record $270 billion to be injected by the Australian Government into new and upgraded defence capabilities over the coming decade. We have already demonstrated progress in the execution of this strategy, recently winning a number of defence related projects in three different states. We see our national footprint and diverse geographic locations, particularly our close proximity to defence agencies in Canberra as a key differentiator in this market.

Our digital and spatial business line has significant growth potential to provide our clients with better outcomes, more efficient delivery and additional value. The digital engineering requirements for new construction projects and the thriving digital twin marketplace provide significant opportunities to cross-sell these services as part of the Veris Australia multi-disciplinary servicing offering.

In closing, I would like to thank the Leadership Team and our people for their commitment and hard work over the last 12 months. Although Veris Australia has experienced some unprecedented challenges during the year, we are well positioned to deliver an improved performance in FY21 and create a sustainable and profitable business with strong future growth prospects.

Michael Shirley
Chief Executive Officer - Veris Australia

Message from the CEO of Aqura Technologies

> There is renewed energy within the business that comes from a group of highly motivated people who have supported each other during a time of great challenge.

Travis Young
Chief Executive Officer-
Aqura Technologies

Entering the new financial year with energy, Aqura Technologies was eager to embark upon the next phase of a Board-supported multi-year strategy to become a leading provider of communications solutions for a larger spectrum of organisations looking to leverage technology to drive digital transformation.

The Aqura team moved forward at pace to create the pillars on which the future growth of the business would be based. These pillars focussed on geographical expansion, expanding customer diversity, developing product capability, enhanced financial governance, and growing and developing our people to be best equipped to capitalise upon new revenue and market opportunities.

The year commenced with many achievements. Operationally, we successfully closed out the significant multi-year, content access upgrade for BHP's accommodation villages and finalised the sixth major private LTE network to deliver autonomous haulage and drilling programs for another major Tier 1 miner in the Pilbara region.

The response of the Aqura team to the devastating effects of COVID-19 in the second half of the financial year saw many challenges overcome to provide minimal operational impact. Even with the great challenges presented, the focus of the business on the safety of each team member and preservation of the long-term viability of Aqura is commended.

A platform for growth

The first half of the year saw the Executive Leadership Team make an active transition from day-to-day operations to focussing on the strategic deliverables of the three-year growth program. The wider organisation was restructured to create clear accountabilities across each business unit to ensure continued customer focus and excellence in delivery.

Aqura established two new east-coast offices in Melbourne and Brisbane to support expansion of services and products to new customer segments. The investment in these new locations rapidly delivered a number of new customer signings and sizable pipelines developed within a short space of time. The quality of new prospects being generated from our east-coast operations will be further bolstered and broadened with new products geared to markets such as aged care and utilities.

Growing our breadth of offering

Aqura's product development capacity was bolstered with a new Products Team to further drive the development of our new product suites. This capability leverages our traditional project delivery approach and augments it with new offerings to create long-term annuity revenue opportunities across a range of markets.

Whilst Aqura continued with the successful delivery of many programs of work in its traditional project delivery business, the organisation has scoped and delivered a number of supporting elements which will support the delivery of OPEX driven, as-a-service products in FY21.

Message from the CEO of Aqura Technologies continued

The transition to this model of commercial acquisition is a key aspect of Aqura's growth strategy. The addition of annuity revenue to our traditional capital project approach will enable smaller operations that do not have capital to more easily access and consume our solutions.

Innovation in our DNA

Aqura continued to deliver commercial innovation with a focus on developing value creation solutions to overcome customer's challenges.

Recognition of this approach was realised when our integrated LTE and Satellite Autonomous Rapid Communications (ARC) platform was recognised with national Incite Technology Innovation and Australian Computer Society Disruptor Awards.

The team has since gone on to finalise a number of innovations which include the full validation of Mission-Critical Push to Talk (MCPTT), a next generation radio communications platform that fully leverages the performance and reach of our private LTE networks.

Additionally, the team has completed what we believe to be the first integration of NB-IOT devices across private LTE in Australia. Narrow-Band IoT presents a significant market opportunity as it leverages LTE networks to deliver one of the lowest costs to connect the myriad of industrial sensors which are utilised by industry to enable real-time performance analysis and decision-making.

Adapting to the unknown

With the impact of the global COVID-19 pandemic starting to realise early in the second half, Aqura's focus shifted to immediately managing the personal safety of all staff and adapting to the changes that presented each day.

Site teams were demobilised across the country and each staff member moved to remote working, enabling an earlier investment in upgrading Aqura's information technology platforms to cloud first with collaboration tools company-wide. Thanks to the commitment and perseverance of the Aqura team, the business was able to regroup and refocus their activity to identify areas where value could be provided to customers which in turn led to revenue being sustained and costs managed. The Executive and Senior Leadership Teams took salary reductions, with the wider Aqura business committing to a salary reduction in working hours to further contribute to the resilience of the business.

Our broader engineering and project management teams geared activity to support our customers with desktop design, engineering and remote support in preparation for fast-ramp ups when site restrictions started to lift.

Adapting to a 'new normal'

Like all businesses, the effects of COVID-19 saw dramatic and immediate effects on Aqura. However, prudent and decisive financial restraint, along with a pivot to remote working, minimised the impact on supporting customers and the Aqura business.

Even with a large volume of field work suspended and major projects deferred, Aqura was able to still deliver a large volume of work and adapt to regional travel restrictions. One highlight was a site inspection carried out on a customer site in Queensland via video link to engineers in Western Australia.

A number of large projects were deferred with the onset of COVID-19, however with site access slowly re-opened in early FY21, site operations and engineering teams were prepared to re-mobilise to complete the large volume of deferred works.

During the second half of the financial year, our Solution Architect and Sales Teams responded to a large volume of requests for proposals and tenders from existing customers, and new prospects despite the impacts of COVID-19. This has created a very robust pipeline which positions the business well in FY21. Of note was the successful signing of Cubic, a Queensland-based leader in training for defence organisations. Not only is this the first customer in the defence segment, it is also Aqura's first delivery of a private LTE, 5G enabled solution which will commence as 4G and then be upgraded to 5G once spectrum is made available.

Aqura's strategy to augment traditional capital projects with recurring revenue customers received a positive start with a number of new customer additions including ATCO Gas who signed a multi-year agreement for Aqura's Unified Communications solution to support their important work in the community.

As Aqura broadens its depth of solutions, the organisation is also growing a network of partner organisations to support new business introductions. Positive engagements with a number of telco partners have resulted in sizeable opportunities being presented. Our engagement with vendor partners is also expanding in line with the broadening of our solution offerings. Whilst these relationships are still in the formative stages, they have already resulted in opportunities in new market segments. Our market reach was also extended with a partnership formalised with Comms International /TecWise as their partner for LTE design and consulting in the Latin American region.

Executing well and at pace

Safety remains a primary tenet for all Aqura employees and our track record is a point of differentiation in the market. The business closed the year with an outstanding safety record which is extraordinary and must be recognised, particularly in the context of many works being undertaken in high-risk areas of customer operations. Our safety record remains enviable and one which we protect with vigour.

Aqura remains well positioned with solutions which are sought after by the mining sector on both the east and west coasts of Australia. These solutions also have relevance in the defence sector, which is looking to implement secure, high-performance networks to support their activity.

Our Content Access solutions are also fit for purpose to support the aged care sector which is undergoing its own digital transformation to support the delivery of enhanced care standards. Development of our Industrial IoT solutions continues to generate interest in the oil and gas and utilities sectors as operators look to exploit the performance insights their connected operations can bring them.

Whilst the effects of COVID-19 still continue to create unknowns in the wider global context, Aqura approaches FY21 with a level of optimism. It is an optimism not just based on knowing our strategy is appropriate to meet the demands of our customers. There is renewed energy within the business that comes from a group of highly motivated people who have supported each other during a time of great challenge. These shared experiences have created a culture of absolute commitment to realise the potential of our strategy and vision.

Travis Young
Chief Executive Officer - Aqura Technologies

Health, Safety, Environment and Quality

> Our company culture is continuously being evaluated and initiatives put in place to assist in strengthening our approach to HSEQ at all levels of Veris.

Health, Safety, Environment and Quality (HSEQ) are essential components of how we operate at Veris. We want our people to embrace a culture of HSEQ as an everyday part of how we work. Our company culture is continuously being evaluated and initiatives put in place to assist in strengthening our approach to HSEQ at all levels of Veris

The COVID-19 pandemic in the second half of the year saw us focus on the health and wellbeing of our people and the clients and communities we interact with. Response plans were developed and implemented across the business with all staff provided various opportunities to contribute and provide feedback. This contributed to no incidents of Veris employees contracting the virus during the financial year, whilst at the same time still being able to deliver a high level of service safely to our clients.

Whilst reviewing how we operate due to the challenging environment presented by COVID-19, we took the opportunity to focus on streamlining our internal HSEQ systems to allow for more clarity of what is required by our people and allow for better employee engagement going forward.

The Veris Access Portal (VAP) which is a digital platform, is now fully embedded within Veris operations and the information that is being collected from the platform is the focus of HSEQ reporting back to the business. The reporting has been key in allowing all employees to be part of the decision-making process and will allow for better employee engagement going forward.

Driving remains one of the highest health and safety risks to Veris. A concerted effort to move the vehicle fleet across to newer vehicles, which have higher safety standards and capability, has meant that the average age of the fleet is now below three years. All new vehicles are configured with inbuilt vehicle monitoring systems to assist the way we operate by increasing awareness of driving habits across Veris. The intended effect will be to reduce the number of vehicle incidents that are occurring in the day to day operations.

HSEQ Performance

- 1.1 million hours completed lost time injury free in FY20.
- FY20 Total Recordable Injury Frequency Rate (TRIFR) –7.31.
- FY20 All Injury Frequency Rate (AIFR) – 25.60.

Continuous Improvement Initiatives

- Online tool boxes.
- Process Improvement Working Group.
- Weekly reporting of VAP statistics to the business.
- Online feedback initiatives.

Certifications

Accreditation to the following standards:

- ISO 9001:2015.
- ISO14001:2015.
- AS/NZS 4801:2001.
- ISO 45001:2018.

Financial Reports

Directors Report

For the year ended 30 June 2020

Your Directors present their report together with the consolidated financial statements of Veris Limited ABN 80 122 958 178 ("the Company" or "Veris") and the entities it controlled (together referred to as "the Group") at the end of, or during, the year ended 30 June 2020.

Information on Directors

Directors of the Company during the financial year ended 30 June 2020 and up to the date of this report are as follows:

Name	Period of Directorship
Karl Paganin Independent Non-Executive Chairman Independent Non-Executive Director	 Appointed 25 November 2019 Appointed 19 October 2015
Derek La Ferla Independent Non-Executive Chairman	 Retired 25 November 2019
Tom Lawrence Independent Non-Executive Director	 Appointed 13 October 2011
Brian Elton Executive Director Non-Executive Director	 Appointed 29 March 2018 (Ceased 21 November 2019) Appointed 21 November 2019
Adam Lamond Executive Director	 Appointed 13 October 2011 (Managing Director from 29 March 2017 to 2 April 2020)

The experience, other directorships or special responsibilities of the directors in office at the date of this report are as follows:

Karl Paganin - Independent Non-Executive Chairman

Experience

Mr Karl Paganin has over 15 years senior experience in investment banking, specialising in transaction structuring, equity capital markets, mergers and acquisitions and strategic management advice to listed companies.

Mr Paganin practised with major national law firms and was then appointed as Senior Legal Counsel at the newly formed family company of the Holmes a Court family, Heytesbury Holdings, where he spent 11 years. His roles varied from Senior Legal Counsel to Director of Major Projects, a role which involved having conduct of all major transactions within the Group.

Subsequent to Heytesbury, Mr Paganin spent 15 years as a senior investment banker in Perth. In 2002, he joined the Perth based Euroz Securities and established its Corporate Finance department. Then, in 2010, he established and was Managing Director of GMP Australia Pty Ltd, an affiliate of a Canadian resource specialist investment bank.

Mr Paganin is currently Non-Executive Director of ASX listed Southern Cross Electrical Engineering Limited.

Mr Paganin holds degrees in Law (B.Juris, LLB) and Arts (BA) from the University of Western Australia.

Special Responsibilities

Chairman of the Remuneration and Nomination Committee (until 24 June 2020).
Member of the Audit and Risk Committee.

Other Listed Company Directorships in last 3 years

Southern Cross Electrical Engineering Ltd (June 2015 – Current).
Poseidon Nickel Limited (1 October 2018 – 30 June 2020).

Interests in Shares of Veris

13,189,350 fully paid ordinary shares.

Directors Report

For the year ended 30 June 2020

Information on Directors (continued)

Tom Lawrence - Independent Non-Executive Director

Experience

Mr Tom Lawrence holds a Bachelor of Laws, Bachelor of Business (Accounting and Information Systems) and a Masters Degree in Taxation. Mr Lawrence was a principal and founder of Lawrence Business Management, providing tax and management advice to a large range of businesses across a diverse range of industries including professional services, hospitality, marine, construction, property and mining services. Over his 15 years' working in Lawrence Business Management, Mr Lawrence gained a wealth of knowledge as he grew the business via acquisition and organic growth and provided sound forward-thinking strategies.

In 2010, Mr Lawrence sold Lawrence Business Management and went on to secure his current position with Capital Legal. As Director of Capital Legal, Mr Lawrence advises clients on a broad range of business related transactions, including business sales and acquisitions, commercial litigation, dispute resolution and a variety of other commercial matters.

Special Responsibilities

Chairman of the Audit and Risk Committee.
Member of the Nomination and Remuneration Committee.

Interests in Shares of Veris

13,136,093 fully paid ordinary shares.

Brian Elton – Non-Executive Director

Experience

Mr Brian Elton is the founder of Elton Consulting, and joined the Veris Board as Executive Director in March 2018 when this business was acquired by Veris. Subsequent to the sale of Elton Consulting in November 2019, Mr Elton became a Non-Executive Director. He has extensive experience in growing a highly commercially successful professional services business, and in-depth knowledge of east coast development and infrastructure sectors. He has an extensive network of contacts and clients in government, the not-for-profit sector and Tier 1 private sector organisations, and is well regarded and trusted by clients.

Mr Elton has over 40 years of experience in urban and regional planning in the UK and Australia focusing on urban strategy, urban policy and governance and the delivery of major projects. He founded Elton Consulting 30 years ago, maintaining a profitable and growing business every year since.

Mr Elton is a Fellow of the Planning Institute of Australia and a Member of the Australian Institute of Company Directors. His affiliations include the International Association of Public Participation, Green Building Council of Australia and the Urban Development Institute of Australia.

Special Responsibilities

Chairman of the Remuneration and Nomination Committee (appointed 24 June 2020).
Member of the Audit and Risk Committee.
Member of the HSEQ Committee.

Interests in Shares of Veris

33,308,150 fully paid ordinary shares.

Directors Report

For the year ended 30 June 2020

Information on Directors (continued)

Adam Lamond - Executive Director

Experience

Adam Lamond has over 20 years' commercial experience with particular expertise in construction and infrastructure activities across Australia.

Mr Lamond founded Ocean to Outback Electrical (OTOE) in 2003, a WA-based contracting business servicing the mining industry and the forerunner to Veris Limited. Mr Lamond engineered a reverse takeover of ASX listed company Emerson Stewart Group in 2011 resulting in the listing of Ocean to Outback Contracting (OTOC) Limited.

Mr Lamond held the position of Chief Executive Officer of OTOC Limited from 2011 to 2014. Mr Lamond then held the position of Executive Director- Business Development from 2014 to 2017, after which time he was appointed Managing Director of the newly branded Veris Limited.

Mr Lamond has overseen the implementation of a national operating model which has involved transitioning and integrating all businesses into one entity and continues to build a cohesive brand and culture.

Special Responsibilities

Member of the HSEQ Committee.

Interests in Shares of Veris

48,591,815 fully paid ordinary shares.

Derek La Ferla - Independent Non-Executive Chairman – Retired 25th November 2019

Experience

Mr Derek La Ferla has 30 years' experience as a corporate lawyer and company director. In addition to his role as Non-Executive Chairman of Veris, he is currently chairman of ASX listed companies Sandfire Resources NL and Threat Protect Australia Limited, and deputy chairman of BNK Banking Corporation Limited. Mr La Ferla is also a member of the WA Council for the Australian Institute of Company Directors and a member of its National Board. Mr La Ferla has held senior positions with some of Australia's leading law firms, and is currently a partner with Western Australian firm, Lavan, in the firm's Corporate Services Group.

Special Responsibilities

Member of the Remuneration and Nomination Committee.
Member of the Audit and Risk Committee.

Other Listed Company Directorships in last 3 years

Sandfire Resources Limited (May 2010 – Current).
Threat Protect Australia Limited (September 2015 – Current).
BNK Banking Corporation Limited (November 2015 – August 2019).
Poseidon Nickel Limited (December 2019 – Current).

Interests in Shares of Veris

598,417 fully paid ordinary shares (at date of retirement).

Directors Report

For the year ended 30 June 2020

Information on Company Secretary

Lisa Wynne - Company Secretary

Experience

Ms Lisa Wynne is a Chartered Accountant and Chartered Secretary with significant experience across the commercial sector with particular experience in the finance, accounting, corporate services, urban planning and resources industries across ASX and TSX listed companies. Former owner of a consulting company for 11 years, Ms Wynne provided corporate and financial services to public companies and held the role of Company Secretary and Chief Financial Officer of a number of ASX listed companies. Ms Wynne held the role of Interim Chief Financial Officer of Veris Limited from 26 June 2019 to 2 April 2020.

Directors Meetings

The number of directors meetings and number of meetings attended by each of the directors of the Group during the financial year are:

Director	Board Meetings		Audit & Risk Committee		Remuneration & Nomination Committee		Health, Safety, Environment & Quality Committee	
	A	B	A	B	A	B	A	B
Derek La Ferla	8	9	1	1	-	-	*	*
Adam Lamond	23	23	*	*	*	*	1	1
Tom Lawrence	23	23	2	2	1	1	*	*
Karl Paganin	23	23	2	2	1	1	*	*
Brian Elton	21	23	2	2	1	1	1	1

A = Number of Meetings attended
B = Number of meetings held during the time the director held office during the year
* = Not a member of the relevant committee.

Dividends

There were no dividends paid or declared by the Company during the financial year.

Principal Activities

Veris is a professional services business delivering surveying, digital and spatial, planning and technology services to the following sectors throughout Australia:

- infrastructure;
- land and property;
- energy;
- mining and resources;
- defence;
- utilities; and
- government.

Veris Limited had three operating segments in the 2020 financial year namely Veris Australia, Elton Consulting and Aqura Technologies. Veris Limited disposed of Elton Consulting part way through the 2020 financial year. Veris Limited is the Group's holding Company that is listed on the ASX under the code VRS.

Directors Report

For the year ended 30 June 2020

Principal Activities (continued)

Veris Australia

Veris Australia is a professional surveying business that covers a broad spectrum of service lines including cadastral, civil and construction, and engineering surveying along with 3D spatial services such as lidar, 3D laser scanning, ground penetrating radar, mobile laser scanning and hydrographic surveys. It also provides town planning and urban design services. Veris Australia's markets include infrastructure, land and property, resources and defence.

Aqura Technologies

Aqura Technologies complements the accomplished existing spatial solution capabilities of the Veris Australia segment with highly specialised ICT and communications services, offering industry-leading technology solutions to the industrial communications sector.

Elton Consulting

Elton Consulting professional and advisory services include urban and regional planning, communications and engagement, strategy and policy, social sustainability, bid strategy and preparation and a design studio. It provides expert advice to businesses, governments and not-for-profit organisations across infrastructure, property, housing, resources, energy, public policy and human services. Elton Consulting was divested in November 2019.

Significant Changes

The following significant changes in the nature of the activities of the Group occurred during the year:

- Appointment of Dr Michael Shirley in November 2019 as Chief Executive Officer of Veris Australia.
- Appointment of Mr Steven Harding as Chief Financial Officer in April 2020.
- Continued support for the Group from our primary lender, Commonwealth Bank of Australia. CBA demonstrated strong support for the Group during the onset of the COVID-19 pandemic and subsequent to 30 June 2020 have provided Veris with a credit approved terms sheet to extend Veris' existing banking facilities through to 30 September 2021.
- Securing and continuing to work on long term east coast projects such as Melbourne Metro, Westgate Tunnel, North Connex, Inland Rail, M4 Smart Motorway Project, Sydney Metro, and West Connect. Significant project works were also performed for major resource sector clients in the Western Australian market (including BHP and Rio Tinto).
- Continued growth of Aqura Technologies' service offering and revenue base, delivering high impact projects for its Tier 1 client base such as BHP, Rio Tinto, Oz Minerals, Bunnings and ATCO.
- A non-cash impairment charge of $3.1 million to the carrying value of customer related intangibles of the Veris Australia segment was recognised during the year.
- A $2.1 million expense in Veris Australia associated with the acceleration of depreciation associated with certain items of Property, Plant and Equipment.
- $1.0 million of additional provisions in Veris Australia recognised against the WIP and debtors' balances.
- Sale of 100% interest in Elton Consulting in November 2019 for $13 million, with proceeds utilised to reduce long term debt. The sale resulted in a recognised loss on disposal of $3.6 million.

Organisational Review and Restructure

FY20 saw Veris Australia continue to refine the process of operating as one Company and enhancing the integration of its regional presence to solidify our national platform.

Veris Australia continued to leverage its national presence and broad service offerings to strengthen relationships with large national and multi-national customers across a range of sectors including the major engineering contractors, Tier 1 property developers (both broadacre greenfield developers and built form constructors), key resources companies, and various Commonwealth, State and local government bodies.

Directors Report

For the year ended 30 June 2020

Organisational Review and Restructure (continued)

The impact to the Veris Australia financial results from the bushfires and subsequent extreme weather events across the nation in the November 2019 to February 2020 period followed by the onset of the COVID-19 pandemic has had a significant impact on revenue during the financial year. This was compounded by the identification of poor project management practices within a number of legacy projects in New South Wales. The New South Wales operations have now been restructured to address this issue.

Following the appointment of Dr Michael Shirley as Chief Executive Officer of Veris Australia in November 2019, and based on a combination of these events, management undertook an overall review of Veris Australia's business operating model. The new management team, with the support of the Board, implemented a range of measures to refine Veris Australia's operating structure and model to ensure the business is optimally positioned to withstand the continued impact of a softened economic environment induced by the COVID-19 pandemic and then provide leverage to a post-pandemic recovery. A significant number of measures have been undertaken to increase efficiency and improve margins, particularly across the Veris Australia business.

The review focussed on the restructure of the internal operating model of Veris Australia, the rationalisation and streamlining of the historic corporate structure and a review of existing project and client relationships. The review has resulted in:

- Streamlining of the management structure to foster greater cross-regional collaboration and service delivery. This has resulted in a reduction in middle management roles from over 45 to 24 Section Leaders and given a strong focus to local delivery within the context of a renewed national collaboration. Against this backdrop, a focus on clients and markets has added new key clients nationally to further build larger project work and deliver work across multiple states.
- Operational savings have been identified at both local regional levels and at the central functional level. At the regional level, cost savings have focussed on operating costs associated with recruitment, internal management, vehicles, leases and support staff. At a Group functional level, cost savings have been targeted at achieving a 20% minimum saving across functional teams.
- Enhancing visibility of operational and financial results derived from our internal management reporting processes across the Group. The management reporting systems and formats have been revised to provide clarity and hence accountability for overhead expenditure and project performance at a regional level.
- Enhanced project management systems and process to ensure more timely management of revenue recognition, work in progress management and project performance. Operational teams are now more able to link project performance with financial metrics used to monitor the business.

Operating and Financial Review

Veris Australia's range of services and the markets in which it operates are expected to be particularly leveraged to a post-COVID-19 pandemic recovery as governments at both Commonwealth and State levels have indicated their willingness to stimulate economic activity via infrastructure and property related project expenditure. Similarly, the continued strength in the commodity markets underpins the ongoing level of capital and maintenance activity by key resources sector customers.

The Veris Australia strategy is now focussed on consolidating our position in the property and engineering survey sectors where we are strong across Australia. The post COVID-19 economic recovery will be focussed in these infrastructure sectors and Veris Australia is positioned for this investment. Increased effort will continue to build the relationships and revenue with the key clients nationally. The digital and spatial growth will be leveraged from the strong survey basis of the business. Moving Veris Australia to a more digital and data driven organisation is a key strategic initiative for the business over the coming year. This will increase the value creation and revenue generating capacity of the business.

Continued investment in both key personnel and procuring key technical equipment will further underpin the growth of our presence in the geospatial market in FY21.

Directors Report

For the year ended 30 June 2020

Operating and Financial Review (continued)

Aqura continued its growth in 2020, delivering revenue growth of 32%. This growth was driven by the continued expansion in the delivery of services to key Tier 1 clients in the resources, utilities, defence, industrial and commercial sectors. Revenue growth was underpinned by the award of new works packages totalling in excess of $13 million across its key service lines, Industrial Wireless, Content Access Networks and Unified Communications. These awards with clients such as BHP, Rio Tinto, ATCO, Bunnings, and Cubic signify the demand for Aqura's diverse range of service capabilities across Australia and New Zealand. Aqura has invested internally in the ongoing development of a number of internally generated technology products designed to transition Aqura's earnings base to capture a more recurring revenue model to complement Aqura's traditional project based income. These products are expected to be released to market throughout the course of FY21.

For the year ended 30 June 2020 the Group reported a profit of earnings before interest, tax, depreciation and amortisation (EBITDA) of $1,860,000 - down from $4,100,000 in 2019 (2019 numbers restated due to Discontinued Operation).

Key points to assist in understanding Veris' results are as below:

Key Item	FY2020 $000	FY2019 $000	Comments
Revenue (iii)	94,105	107,558	Veris recorded a decline in revenue recognised from continuing operations in the Group during the year to $94.1m (FY2019: $107.6m). Whilst Aqura Technologies achieved strong revenue growth of 32% to $19.3 million, this was offset by a decline in revenue within Veris Australia, decreasing 20% to $74.8 million. Revenue in Veris Australia impacted by the catastrophic bushfires and severe weather events on the eastern seaboard and subsequently the economic slowdown caused by the onset of the COVID-19 pandemic.
EBITDA (i) (iii)	1,860	4,100	EBITDA from continuing operations decreased year on year primarily as a result of the following impacts arising in the Veris Australia segment: ▪ decline in project-related work resulting from the bushfires occurring from November 2019 to January 2020; ▪ subsequent extreme weather events (rain floods and hail); ▪ onset of the COVID-19 pandemic and the resultant period of widespread economic slowdown and subsequent impacts to work practices; ▪ significant losses arising from poor project management practices within legacy projects (these have now been written off at 30 June 2020); ▪ operational costs incurred as a result of the review and realignment of Veris' operating model; and ▪ Aqura Technologies also suffered a decline in EBITDA margins as a result of Veris' decision to invest in the ongoing development of Aqura's internally generated product suite. This required additional personnel and expenditure to be incurred in FY20.
Restructuring Costs	1,323	3,294	In FY19 Veris Australia incurred significant restructuring costs associated with an operational review.
Impairment of Goodwill and Intangibles	3,133	34,431	Impairment of the intangible assets connected with customer relationships in Veris Australia, refer Note 15 Intangible Assets.

Directors Report

For the year ended 30 June 2020

Operating and Financial Review (continued)

Key Item	FY2020 $000	FY2019 $000	Comments
Net Assets	1,256	27,094	Net assets decreased on prior year as a result of the impact of the sale of the Elton Consulting business resulting in reduction of net assets of $19.8 million (see Note 2), the non-cash impairment of customer relationships intangibles balance of $3.1 million, and the net operating loss generated from continuing operations.
Working Capital (ii)	(10,709)	5,483	The decline in working capital from FY19 resulted from: ▪ reduction in working capital balances associated with the sale of the Elton Consulting business (see Note 2); ▪ introduction of AASB16 and the recognition of current liabilities associated with right of use assets; and ▪ reduction in other working capital balances resulting from the lower level of general activity in the Group's continuing operations as noted above.

Key points to assist in understanding Veris' results are as below:

(i) EBITDA is defined as earnings before depreciation, amortisation, interest, tax, impairment, restructuring, share-based payments and acquisition costs and is an unaudited non-IFRS measure.

(ii) Working capital is defined as current assets less current liabilities.

(iii) Comparative information has been restated due to Discontinued Operation with the exception of Net Assets and Working Capital.

EBIT and EBITDA is a non-IFRS measure that in the opinion of Veris provides useful information to assess the financial performance of the Group. A reconciliation between statutory results and underlying results is provided below. The non-IFRS measure is unaudited:

	FY2020 $000	FY2019 $000 Restated*
Statutory loss after tax	(26,493)	(40,089)
Add back:		
Tax expense / (benefit)	4,587	(2,797)
Net finance expense	2,072	1,324
Restructuring costs	1,323	3,294
Share-based payment	113	586
Impairment of Goodwill and Intangibles	3,133	34,431
EBIT loss	(15,410)	(3,251)
Depreciation and amortisation	13,842	7,905
Discontinued operations	3,286	(554)
EBITDA	**1,860**	**4,100**

* Comparative information has been restated due to Discontinued Operation.

The Veris financial results reflect the impact to the Group of several significant events that occurred during FY20, namely:

- the sale of the Elton Consulting business in November 2019 and the resulting loss on sale (Note 2);
- impact to the activity levels and consequently the financial results of Veris Australia arising from the severe impact of the catastrophic bushfires and subsequent severe weather events of hail and flooding rainstorms which were quickly followed by the onset of the COVID-19 pandemic; and
- the continued investment in the growth of the Aqura Technologies business to position it to leverage larger project opportunities with its Tier 1 client base and transition its revenue mix through the development of a product offering that will generate recurring revenue streams to complement the existing project-driven earnings model.

Directors Report

For the year ended 30 June 2020

Operating and Financial Review (continued)

The dramatic impact of these events on the business' revenue base provided the Board and Veris Australia's new management team an opportunity to reassess the operating and management structures within the business, identify areas of weakness and inefficiency, and take swift action to reshape the platform on which Veris' services and expertise are delivered within our regions and key markets.

These changes will be most evident as FY21 unfolds. They are designed to drive both visibility of, and accountability for, profitable project delivery at regional and section leadership levels. They are also designed to encourage cross-regional integration and collaboration in the delivery of projects for clients in order to harness the true benefits of the national platform that has evolved via the acquisition strategy Veris Limited has undertaken over the last nine years.

Impact to the Group from the COVID-19 pandemic

Veris, via both Veris Australia and Aqura Technologies, provides essential infrastructure services to the engineering construction, property development, resources, infrastructure and utilities sectors. To date, these industries have in the large part been allowed to continue operations under various lock-down and social distancing restrictions imposed to manage the pandemic.

Although there have been a range of negative impacts to the Group's operations from the pandemic, demand for Veris' services has continued, albeit at a more subdued level than prior to the onset of the pandemic.

To date, within Veris Australia, restrictions on people movement has had some small impact on the Group's field-based operations, management oversight and executing project work. The Group has implemented appropriate safety and hygiene protocols and procedures designed to minimise the risk of any spread of the COVID-19 virus. The majority of our office-based staff transitioned to working from home arrangements effectively with the Group's IT infrastructure and other support networks capable of supporting these arrangements. Within Aqura Technologies, the Group has experienced some mobility issues with its workforce, in particular labour moving between South Australia and Western Australia. In a small number of cases, the Company has asked employees and subcontractors to remain in the State that they work, at additional cost to the Company, due to the COVID-19 quarantine restrictions that have been in place.

The Group's balance sheet, cash flow and liquidity have been carefully monitored during the pandemic. The business has continued to pay suppliers and contractors as and when due, and has not entered into any factoring arrangement of its working capital. The nature of the Group's customers, which includes government enterprises and large private sector corporations, is such that the risk of default of receivables is considered low. Veris has heightened the focus on managing its collections cycle during the pandemic. Due to the uncertainty at the time, Veris did seek payment deferral on a number of leasehold rental agreements at the onset of the pandemic with some of the concessions expected to be remedied by 31 December 2020. The Group also sought and received deferral of a $1.0 million amount of GST payable from the Australian Taxation Office as part of its initial response to managing potential risks from the COVID-19 pandemic. This amount is progressively being paid to the ATO with the total liability expected to be extinguished in the year ended 30 June 2021.

The impacts to earnings to date are described below:

- increased costs to support specific safety-related protocols across business operations. This includes additional expenditure on protective equipment and hygiene;
- the participation of both Veris Australia and Aqura Technologies in the Commonwealth Government's JobKeeper Program. The Group recognised $3.03 million of JobKeeper payments in the period to 30 June 2020;
- reduced residential land development activity (new housing estates) across the eastern states;
- deferral of some projects due to travel and access restrictions across remote locations;
- delays in projects due to availability of client-supplied free-issue materials; and
- deferral of proactive maintenance activities by asset owners.

Directors Report

For the year ended 30 June 2020

Risks

There are specific risks associated with the activities of the Group and general risks, some within and some beyond the control of the Company and the Directors. The most significant risks identified that may have a material impact on the future financial performance of the Company and the market price of the Group's shares are:

COVID-19 Pandemic

The COVID-19 pandemic has created an unprecedented level of uncertainty. Although impact to the Group's operations to date have been varied, the evolution of the pandemic and any escalation of the government's response, including but not limited to, increased restriction of workforce movements, increased safety protocols, and reduction in demand from the Group's customers may further negatively impact the Group's operations.

Project Delivery Risk

Execution of projects involves professional judgment regarding scheduling, development and delivery. Failure to meet scheduled milestones could result in professional product liability, warranty or other claims against the Company. The Company maintains a range of review processes, insurance policies and risk mitigation programs designed to closely monitor progress and services and outputs delivered.

Working with Potential Safety Hazards Risk

In undertaking work and delivering projects for its customers, Veris Limited's employees and subcontractors can operate in potential hazardous environments and perform potentially hazardous tasks.

Management and the Board remain alert to the safety risks posed to employees and subcontractors, devote significant time to monitoring the effectiveness of the Group's safety framework, and have implemented a wide range of controls and proactive programs to increase awareness of significant hazards and prevent injuries to employees and subcontractors.

During the year, the Group maintained its Lost Time Injury Frequency Rate (LTIFR) and Total Reportable Incident Frequency Rate (TRIFR) within target levels.

Legal and Contractual Risk

Errors, omissions or incorrect rates and quantities mean the Group may not achieve full benefits of project deliverables and may lead to a negative impact on financial performance. Additionally, accepting unfavourable and/or failing to understand contractual terms can lead to disputes with third parties and litigation. The Company seeks to mitigate these risks by defining the Company's commercial appetite for contractual and financial risk, following a tendering process and estimation program and using the knowledge and experience of staff for pricing, contract reviews and screening.

Political Risk

Major infrastructure and civil work may depend on government approval and funding. Project timing may vary when government approval and funding is either delayed and/or withheld due to reasons such as political, economic and environmental changes. The Group has diversified its revenue base across multiple sectors, suppliers and states to mitigate and reduce potential impact to results.

Integration Risk

In the last four years Veris has integrated nine companies as part of its strategy to create a national professional services surveying business. A key focus is embedding a "one business" culture and approach, including clear articulation of our 'one business' vision across the business and standardisation of systems and processes. This ensures acquired businesses are integrated so that synergies and economies of scale can continue to be achieved, along with offering a better service to our growing national customer base. This will mitigate against companies operating in silos with increased costs and risks to the Group.

Directors Report

For the year ended 30 June 2020

Risks (continued)

Retention of Key Personnel and Sourcing of Subcontractors Risk

The talents of a growing, yet relatively small number of key personnel contribute significantly to the Group's operational effectiveness. Management and the Board have implemented strategies to retain those personnel, including participation in appropriate incentive arrangements and participation in the Group's employee development and succession programs.

Access to an appropriately skilled and resourced pool of employees and subcontractors across Australia is also critical to Group's ability to successfully secure and complete field-based work for its customers.

Growth Risk

The ability to fund growth opportunities may be compromised if the Group does not meet covenant requirements within external financing facilities, internally established performance targets or adequately manage market expectations. Veris has a defined strategy which is supported by the Board and senior management as well as external financiers and a comprehensive internal and external communications plan ensures transparency with the market and alignment with the workforce.

Competition Risk

There is potential for changes in the market, whereby a competitor's product or technology may lead to loss of competitive advantage of the Group, or a competitor may become more aggressive in response to our strategy which may compromise our ability to achieve growth targets. The business has a process in place to monitor competitor behaviour, both in response to Veris' strategy, as well as changing market conditions, business environment and innovations.

Technology Risk

Information technology and data are critical to Veris' value creating activities and lost access to its IT systems and data would have a major impact on the business. An IT security audit has been completed to understand our control environment in relation to information technology and data, and during the year, the Group completed a project to address shortfalls in legacy systems and processes. This project was designed to ensure appropriate cyber security and risk mitigation protocols are in place, facilitate organisational efficiency, improve disaster recovery protocols and ensure secure business continuity protocols are in place.

Business Integrity and Reputation Risk

As a listed Company with a national presence, the Group is subject to numerous rapidly evolving and complex laws and regulations. Stakeholder trust is directly tied to ethical behaviour, compliance with applicable rules and regulations and internal policies and procedures. The Group has commenced an operation and enterprise risk assessment during the year to clearly identify and manage potential risks.

JobKeeper Payment

As part of its response to the COVID-19 pandemic, in March 2020 the Australian Government announced various stimulus measures resulting from the economic fallout from the coronavirus lockdown. One such stimulus measure was the payment of subsidies to qualifying employers under the JobKeeper Payment Scheme ("JobKeeper"). The initial JobKeeper payments were a wage subsidy whereby employers who qualify for the stimulus receive $1,500 per fortnight for each eligible employee who was employed by the Company during the period April 2020 to September 2020.

The Group determined that it was eligible to receive the initial JobKeeper payments, which totalled $3.03 million in the period to 30 June 2020.

On 21 July 2020 the Australian Government announced an extension of the JobKeeper Payment Scheme to 28 March 2021 at lower rates. Qualification for the extension scheme is dependent on future events, therefore the Group is unable to determine whether it will qualify for any or all of the payments beyond 27 September 2020.

Directors Report

For the year ended 30 June 2020

Significant Changes in State of Affairs

The operations of the Group have been impacted, and continue to be impacted by the COVID-19 pandemic. The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The responses of governments (both the Commonwealth Government and various State Governments) have impacted business activity levels in markets where the Group operates. The Group took actions to minimise the negative impacts on its operations and financial position including:

- 50% and 25% respective reduction in Board and Leadership Team fees and remuneration which commenced at the onset of the COVID-19 pandemic;
- review and rationalisation of under-utilised fleet of equipment and vehicles;
- review of operating structures and adoption of innovative work practices to ensure remote working opportunities were leveraged thereby enabling project work to continue;
- analysis and review of project management practices to enhance Work in Progress management and revenue recognition;
- increased focus on the cash management cycle and discretionary expenditure;
- continued management and strengthening of relationships with key financing stakeholders;
- implementation of a targeted, national approach to project opportunity identification and client management initiatives; and
- implementation of a Group-wide employee engagement program to enhance the Veris employee experience to ensure the business attracts and retains the highest calibre people.

In preparing the consolidated financial statements in conformity with Australian Accounting Standards, due consideration has been given to the judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The ongoing COVID-19 pandemic has increased estimation uncertainty in the preparation of the consolidated financial statements. At 30 June 2020, the Group has reassessed all significant judgements, assumptions and critical estimates included in the consolidated financial statements, including but not limited to, provisions against trade debtors and work in progress and impairment of non-current assets. Actual results may differ from these estimates and are subject to achievement of forecasts and the extension of the Group's existing financing facilities. Details of the main judgements, estimates and assumptions applied are set out in the notes to the consolidated financial statements. For the period to 30 June 2020, the most material impacts to the financial position of the Group arising from the significant judgement assumptions include:

- $3.1 million impairment of intangibles associated with customer relationships in Veris Australia;
- $2.1 million expense associated with the acceleration of depreciation associated with certain items of Property, Plant and Equipment; and
- $1.0 million of additional provisions recognised against the WIP and debtors' balances.

Significant Events After Period End

The Company continues to monitor issues related to COVID-19 pandemic. Changes have been made to operations across the Company in order to minimise the spread including following advice on social distancing. As the pandemic develops we will continue to monitor operations and activities to ensure we remain as vigilant as possible.

On 28 August 2020, the Company received a credit approved term sheet from CBA in relation to the extension of the Group's existing financing facilities extending the term through to 30 September 2021. The extension of the facilities will require the Group to amortise a minimum of $2.3 million of the outstanding Term Loan by 30 June 2021. Veris expects that the documentation pertaining to these extensions will be executed in September 2020.

Directors Report

For the year ended 30 June 2020

Likely Developments

Whist the Board and management remain vigilant in monitoring the evolution of the COVID-19 pandemic and its impact on the core markets in which Veris operates, we expect opportunities to continue to present themselves over FY21 and beyond via the significant capital and infrastructure related works programs flagged by Commonwealth and State Governments across Australia to support economic activity and lay a platform for recovery. Whilst the Victorian market remains challenging due to the impacts and restrictions imposed in response to recent outbreaks of COVID-19, Veris Australia is well positioned to benefit from any increased or accelerated infrastructure spend and enters FY21 with approximately $30 million of work in hand and a strong tender pipeline. Similarly, Aqura Technologies is well positioned to leverage the continued opportunities arising from the COVID-19 pandemic within its target market as large customers within the resources, industrials, utilities and defence sectors seek to continue expanding their usage and reliance on communications networks. This is expected to continue as the accelerated adoption of remote working practices and coupled with smart devices with embedded Internet of Things functionalities becomes more widespread.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Remuneration Report – Audited

The Directors are pleased to present the Company's 2020 Remuneration Report which sets out the remuneration information for Veris Limited's Non-Executive Directors, Executive Directors and other Key Management Personnel. The information provided in this Remuneration Report has been audited as required by section 308(3C) of the Corporations Act 2001. This Remuneration Report forms part of the Directors' Report. For the purposes of this report 'Key Management Personnel' (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly.

The report contains the following sections:

(a) Directors and Executive Disclosures
(b) Remuneration Policy
(c) Remuneration Advice
(d) Performance Linked Compensation
(e) Details of Share-based Compensation and Bonuses
(f) Voting and Comments made at the Company's 2019 Annual General Meeting
(g) Contractual Arrangements
(h) Details of Remuneration
(i) Analysis of Bonuses Included in Remuneration
(j) Equity Instrument Disclosure Relating to Key Management Personnel
(k) Other Transactions with Key Management Personnel

Remuneration Report – Audited (continued)

a) Director and Executive Disclosures

The details of Directors and key management personnel disclosed in this report are outlined below.

Non-Executive Directors		
Karl Paganin	Chairman	(Independent)
Tom Lawrence	Non-Executive Director	(Independent)
Derek La Ferla	Non-Executive Director	(Independent, retired 25 November 2019)
Brian Elton	Non-Executive Director	(Non-Independent, appointed 21 November 2019)
Executive KMP		
Adam Lamond	Executive Director	(Managing Director – until 2 April 2020)
Brian Elton	Executive Director	(Ceased as Executive Director 21 November 2019)
Michael Shirley	Chief Executive Officer – Veris Australia	(Appointed 29 October 2019)
Travis Young	Chief Executive Officer – Aqura Technologies	(Appointed 1 July 2019)
Steven Harding	Chief Financial Officer	(Appointed CFO 2 April 2020)
Lisa Wynne	Company Secretary and Interim Chief Financial Officer	(Interim CFO 21 June 2019 - 2 April 2020)

b) Remuneration Policy

The Group has high expectations of its personnel and its executive leadership team. The Group aligns the performance outcomes of its executives with its own corporate outcomes and as such remuneration will be based on merit, performance and responsibilities assigned and undertaken.

Remuneration & Nomination Committee

The Group has a Remuneration and Nomination Committee, which is responsible for:

- assessing appropriate remuneration policies, levels and packages for Board members, the CEO, and (in consultation with the CEO) other senior executive officers;
- monitoring the implementation by the Group of such remuneration policies; and
- recommending the Group's remuneration policy so as to:
  - motivate directors and management to pursue the long-term growth and success of the Group within an appropriate control framework; and
  - demonstrate a clear relationship between key executive performance and remuneration.

Non-Executive Director Remuneration Policy

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time-to-time by a general meeting. The Constitution was amended by special resolution of the members on 23 November 2016 with the aggregate remuneration increasing from $250,000 to $500,000 per annum, which is to be apportioned amongst Non-Executive Directors.

The Company has entered into service agreements with its current Non-Executive Directors; refer details of the contractual arrangements on page 34 of this remuneration report. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations Act 2001 at the time of the Director's retirement or termination. Non-Executive Directors' remuneration may include an incentive portion consisting of bonuses and/or options, as considered appropriate by the Board, which may be subject to shareholder approval in accordance with the ASX Listing Rules.

Directors Report

For the year ended 30 June 2020

Remuneration Report – Audited (continued)

Executive Remuneration Policy

The Company's remuneration policy is to ensure the remuneration package appropriately reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Company aims to reward executives with a level of remuneration commensurate with their position and responsibilities within the Company so as to attract and retain Executives of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The overall Executive Team and remuneration framework has been overhauled and a revised remuneration structure has been designed post the reporting period to link reward more directly to the strategy and drivers of Veris creating long term shareholder value. Previously Veris had a combined LTI and STI structure whereby the STI was an annual cash payment and the LTI was the issue of performance rights with TSR and EPS vesting hurdles over a three year period. Veris has now simplified its incentive structures so that the Incentive Plan is fit for purpose for the phase of the Company's life cycle.

FY2020 Incentive Plan

There was no formal 2020 incentive structure implemented during the reporting period, however there was a discretionary offer post the end of the reporting period of Performance Rights to a number of Key Personnel based on behaviours and the individual's contribution to the FY20 financial year. These Performance Rights were issued post the reporting period. The Performance Rights will vest into fully paid ordinary shares subject to the individuals continued employment as at 30 June 2021 (one year retention).

FY2021 Incentive Plan

Veris has a National footprint and over 550 staff. Veris has implemented a new operating model which is crucial to ensure success of the Company. Post the reporting period, Veris implemented a new Incentive Plan for the period ending 30 June 2021. The primary objectives of the new Incentive Plan are to reflect the new operating model implemented where all personnel are accountable for strategy execution and daily operational performance and improvement and to reward Executives for achievement of the stated objectives in line with the Veris strategy.

The new FY21 Plan allows for a payment equal to up to 30-50% of TEC (Total Employment Cost) based on the achievement of a behavioural element and a minimum performance of budget at the Profit Before Tax line payable in 50% cash and 50% equity. The equity will be issued by way of performance rights, which will vest depending on continued employment for one year post issue.

c) Remuneration Advice

Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. During the year no consulting firms were engaged to provide advice in regards to remuneration.

d) Performance Linked Compensation

The following table shows key performance indicators for the Group over the last five years.

	Financial Year Ended 30 June	2020	2019 (ii)	2018	2017	2016
LTI	Closing Share Price ($)	0.036	0.047	0.24	0.15	0.023
	EPS (cents)	(6.14)	(11.29)	(0.39)	0.02	7.4
STI	Profit / (Loss) from Continuing Operations ($'000)	(23,210)	(40,643)	(1,056)	48	19,698
	EBITDA	1,860	4,100	11,189	5,704	16,176
	Average % of Maximum STI awarded to Executives (i) (%)	-	-	29%	25%	92%
	Dividends paid ($'000)	-	1,770	1,636	1,368	-

(i) Represents STI payable/paid as a percentage of the maximum STI payable.

(ii) Comparative information has been restated in FY19 due to Discontinued Operation, prior periods not restated.

Directors Report

For the year ended 30 June 2020

Remuneration Report – Audited (continued)

e) Details of Share-Based Compensation and Bonuses

(i) Options

No options were granted to Directors and key management personnel during or since the end of the reporting period.

(ii) Performance Rights Granted as Compensation to Key Management Personnel

1,000,000 Performance Rights were granted to a key management personnel during the reporting period. Subsequent to the reporting period, 941,131 Performance Rights were issued to key management personnel as a discretionary bonus in recognition of their contribution to the ongoing success of the Veris group and in particular their extraordinary personal performance during the reporting period.

(iii) Exercise of Performance Rights Granted as Compensation in Prior Years

During the year, the following shares were issued on the vesting of performance rights previously granted as compensation in previous financial years on cessation of employment of a previous KMP:

Key Management Personnel	Number of Shares	Amount paid $/share
Brian Mangano	1,183,240	-

(iv) Details of Long Term Incentives Affecting Current and Future Remuneration

Key Management Personnel	Instrument	#	Grant date	% vested in year	# vested in year (B)	% forfeited/ lapsed in year	# forfeited /lapsed in year	Financial years in which grant vests	Face value of vested rights
Michael Shirley	Performance rights	1,000,000	29 October 2019	-	-	-	-	2022	-
		323,353	5 August 2020					2021	
Travis Young	Performance rights	307,480	12 April 2020	-	-	-	-	2021	-
		296,407	5 August 2020	-	-	-	-	2021	-
Steven Harding	Performance rights	90,943	5 August 2020	-	-	-	-	2021	-
Lisa Wynne	Performance rights	230,428	5 August 2020	-	-	-	-	2021	-
		2,248,611							

(v) Vesting and Exercise of Performance Rights Granted as Remuneration

FY20 Veris Incentive Plan (VIP) Performance Outcomes

There were no incentives issued under the Veris Incentive Plan during the reporting period, however there was a discretionary offer post the end of the reporting period of Performance Rights to a number of key personnel based on behaviours and the individual's contribution to the FY20 financial year. These Performance Rights were issued post the reporting period. The Performance Rights will vest into fully paid ordinary shares subject to the individuals continued employment as at 30 June 2021 (one year retention).

Directors Report

For the year ended 30 June 2020

Remuneration Report – Audited (continued)

e) Details of share-based compensation and bonuses (continued)

(v) Vesting and Exercise of Performance Rights Granted as Remuneration (continued)

FY19 Veris Incentive Plan (VIP) Performance Outcomes

During the previous period, under the VIP (a four year plan with 50/50 cash/equity split) to be paid/issued at the end of FY19 following the achievement of KPIs outlined in the below balanced scorecard:

	Balanced Scorecard and Weightings			
MD & KMPs	Financial	Market	Individual	Values
	Budgeted EBITDA (14%)	Absolute EPS (19%)	KPI's (20%)	Behaviours (5%)

On the basis that the balanced scorecard was achieved, 50% was to be paid in cash and 50% in equity by way of issue of Performance Rights, of which 60% will vest based on achievement of a three year absolute TSR hurdle and 40% will vest in a future period in time, depending on continued employment for four years post issue (33% year two; 33% year three, 33% year four). The absolute TSR hurdle is outlined in the below table:

	TSR over 3 years	% of Grant to Vest
***Performance Vesting Hurdles:**	< 75%	0%
	>75 % 120%	Pro-rata vesting between 25% & 100%
	>120%	100%

* Safety must be maintained at all times and no LTI's will vest in the instance of a major safety breach such as a serious injury or fatality.

During the reporting period, no Performance Rights were issued to KMPs under the 2019 VIP. With the exception of vesting on cessation of employment of a good leaver, no Performance Rights have vested under the VIP to remaining KMPs.

f) Voting and Comments made at the Company's 2019 Annual General Meeting

The adoption of the Remuneration Report for the financial year ended 30 June 2019 was put to the shareholders of the Company at the Annual General Meeting held 25 November 2019. The Company received 75.12% of votes, of those shareholders who exercised their right to vote, in favour of the remuneration report for the 2019 financial year. The resolution was passed without amendment on a poll.

g) Contractual Arrangements

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of Director.

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of Director.

Directors Report

For the year ended 30 June 2020

Remuneration Report – Audited (continued)

Remuneration and other terms of employment for the Board members, Chief Executive Officer, Chief Financial Officer and other key management personnel are also formalised in service agreements. Major provisions of the agreements relating to remuneration are set out below:

Name	Term of agreement	Base Salary including superannuation	Termination
Derek La Ferla	Mr La Ferla retired on 25 November 2019	$125,744	In accordance with the Company's Constitution and the Corporations Act 2001 (Cth).
Adam Lamond (A) (B) (C) (F) & (I)	Until validly terminated in accordance with the terms of the Agreement.	$222,283	Termination by Company with reason – 1 months' notice Termination by Company without reason – 3 months' notice (or payment of the equivalent of 5 months' salary to dispense of the notice period)
Tom Lawrence (I)	Mr Lawrence will hold office until the next Annual General Meeting of the Company where he may be subject to retirement by rotation under the Company's Constitution.	$77,305	In accordance with the Company's constitution and the Corporations Act 2001 (Cth).
Karl Paganin (I)	Mr Paganin will hold office until the next Annual General Meeting of the Company where he may be subject to retirement by rotation under the Company's Constitution.	$125,744	In accordance with the Company's constitution and the Corporations Act 2001 (Cth).
Brian Elton (I)	Mr Elton will hold office until the next Annual General Meeting of the Company where he may be subject to retirement by rotation under the Company's Constitution.	$77,305	In accordance with the Company's constitution and the Corporations Act 2001 (Cth).
Michael Shirley (A) (B) (C) (G) & (I)	Until validly terminated in accordance with the terms of the Agreement.	$394,200	Termination by Company with reason – 1 months' notice Termination by Company without reason – 3 months' notice.
Steven Harding (A) (B) (C) (H) (I)	Until validly terminated in accordance with the terms of the Agreement.	$295,650	Termination by Company with reason – 1 months' notice Termination by Company without reason – 3 months' notice. In the event of termination of employment occurring within 12 months following a Change of Control event, the employee is entitled to a payment upon termination equal to 12 months base salary plus superannuation.

Directors Report

For the year ended 30 June 2020

Remuneration Report – Audited (continued)

Name	Term of agreement	Base Salary including superannuation	Termination
Travis Young (A) (B) (C) & (I)	Until validly terminated in accordance with the terms of the Agreement.	$240,900	Termination by the Company with reason without notice Termination by the Company without reason – five weeks' notice.
Lisa Wynne (A) (B) (C) (E) & (I)	Until validly terminated in accordance with the terms of the Agreement.	$233,235	Termination by Company with reason – 1 months' notice Termination by Company without reason – 3 months' notice (or payment of the equivalent of 5 months' salary to dispense of the notice period)

(A) Key management personnel are also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

(B) Key management personnel's contracts allow for participation in the Company's Incentive Plan (subject to Board and shareholder approval, if applicable).

(C) These contracts provide for the provision of short-term incentives by way of a cash bonus subject to key performance indicators to be determined by the Remuneration & Nomination Committee annually.

(D) Brian Mangano held the role of Chief Financial Officer until 21 June 2019.

(E) Lisa Wynne assumed the role of Interim Chief Financial Officer from 21 June 2019 to 2 April 2020. Lisa holds the roles of Company Secretary and Head of Commercial, at the date of this report.

(F) Base salary plus super was effective 1 May 2020. Adam Lamond held the role of Managing Director until 2 April 2020 where he received a base salary plus super of $444,567 per annum until 30 April 2020.

(G) Michael Shirley was appointed on 29 October 2019.

(H) Steven Harding was appointed on 2 April 2020.

(I) In April 2020 as a result of COVID-19, all Directors and KMP's agreed to reduce their remuneration by 50% and 25% respectively.

Directors Report

For the year ended 30 June 2020

Remuneration Report – Audited (continued)

h) Remuneration of Directors and Key Management Personnel of the Group for the Current and Previous Financial Year

		Short-term employee benefits			Post-employment benefits	Termination Benefits		Share-based Payments – Accounting Value (at risk)		
		Salary & fees $[A]	Incentive Cash bonus $[B]	Non-monetary $	Super-annuation $	Cash $	Performance Rights $[D]	Performance Rights $[E], [F]	Total $	Proportion of remuneration performance related
Directors										
Non-Executive Directors										
Karl Paganin (Chairperson)	2020	101,131	-	-	-	-	-	-	101,131	-
	2019	77,305	-	-	-	-	-	-	77,305	-
Tom Lawrence	2020	67,671	-	-	-	-	-	-	67,671	-
	2019	77,305	-	-	-	-	-	-	77,305	-
Derek La Ferla (Retired 25 November 2019)	2020	56,101	-	-	-	-	-	-	56,101	-
	2019	125,744	-	-	-	-	-	-	125,744	-
Brian Elton [H]	2020	39,915	-	-	6,706	-	-	-	46,621	-
	2019	-	-	-	-	-	-	-	-	-
Executive Directors										
Adam Lamond Exec Director	2020	419,013	-	-	21,002	-	-	-	440,015	-
	2019	415,286	-	-	20,531	-	-	-	435,817	-
Brian Elton [H]	2020	107,033			10,168	162,247			279,448	
	2019	319,638			30,365				350,003	
Total Directors' Remuneration	**2020**	**790,864**	**-**	**-**	**37,876**	**162,247**	**-**	**-**	**990,987**	**-**
	2019	1,015,278	-	-	50,896	-	-	-	1,066,174	-

Directors Report

For the year ended 30 June 2020

Remuneration Report – Audited (continued)

h) Remuneration of Directors and Key Management Personnel of the Group for the Current and Previous Financial Year (continued)

		Short-term employee benefits			Post-employment benefits	Termination Benefits		Share-based Payments Accounting Value (at risk)		
		Salary & fees $ (A)	Incentive Cash bonus $ (B)	Non-monetary $	Superannuation $	Cash $	Performance Rights $ (D)	Performance Rights $ (E), (F)	Total $	Proportion of remuneration performance related
Other Executives										
Michael Shirley (CEO – Veris Australia) (G) (J)	2020	201,670	-	-	14,592	-	-	29,119	245,381	12%
	2019	-	-	-	-	-	-	-	-	-
Travis Young (CEO – Aqura Technologies) (I)	2020	205,113	-	-	24,204	-	-	12,848	242,165	5%
	2019	-	-	-	-	-	-	-	-	-
Steven Harding (CFO) (K)	2020	44,366	-	-	4,215	-	-	673	49,254	1%
	2019	-	-	-	-	-	-	-	-	-
Brian Mangano (CFO – ceased 1 July 2019)	2020	-	-	-	-	-	-	-	-	-
	2019	311,640	-	-	32,629	363,385	18,874	-	726,528	-
Lisa Wynne (Company Secretary) (C)	2020	246,254	-	-	19,771	-	-	4,263	270,288	2%
	2019	158,322	-	-	16,225	-	-	2,377	176,924	1%
Total Executives' Remuneration	**2020**	**697,403**	**-**	**-**	**62,782**	**-**	**-**	**46,903**	**807,088**	**6%**
	2019	469,962	-	-	48,854	363,385	18,874	2,377	903,452	-
Total Directors' and Executives' Remuneration	**2020**	**1,488,267**	**-**	**-**	**100,658**	**162,247**	**-**	**46,903**	**1,798,075**	**3%**
	2019	1,485,240	-	-	99,750	363,385	18,874	2,377	1,969,626	-

Notes in relation to the table of Directors' and Executive Officers' remuneration:

(A) Salary and Fees includes annual leave and long service leave.

(B) Short-term incentive bonus is for the achievement of KPIs within their individual roles for the financial year ended 30 June 2020. The performance evaluation in respect of the year ended 30 June 2020 has taken place and no short-term incentive bonuses will be paid.

(C) Based on full time equivalent annual salary of $213,786.

(D) The value of the Performance Rights granted in the prior year is the fair value of the rights calculated at grant date. This amount is allocated to remuneration over the vesting periods for the FY17 Rights Plan (in years 1 July 2016 to 30 June 2019), and over a one year period for the FY19 Rights Plan which were issued to Brian Mangano on cessation of employment. The fair value of the Performance Rights has been measured using Monte Carlo simulation model.

(E) 941,131 Performance Rights were granted post period end, however the pro-rata valuation over the vesting period has been accrued in this reporting period. The value of the Performance Rights is calculated at grant date (effective grant date – letter of offer) based on the share price at grant date.

(F) The value of the Performance Rights granted in the prior year is the fair value of the rights calculated at grant date that had not yet fully vested at the commencement of the financial year. This amount is allocated to remuneration over the vesting periods (in years 1 July 2019 to 30 June 2022).The fair value of the Performance Rights has been measured using Monte Carlo simulation model. This value includes an assumption that the instruments will vest at the end of the vesting period unless forfeited during the financial year, which they did.

(G) 1,000,000 Performance Rights were granted during the period. The value of the Performance Rights is calculated at grant date (effective grant date – letter of offer) based on the share price at grant date.

(H) Brian Elton was appointed Executive Director on 29 March 2019. He held this role until 20 November 2019, at which time he became a Non-Executive Director.

(I) Travis Young was appointed as CEO on 1 July 2019, therefore remuneration paid in the prior year is not disclosed in this note.

(J) Michael Shirley was appointed on 29 October 2019.

(K) Steven Harding was appointed on 2 April 2020.

Remuneration Report – Audited (continued)

i) Analysis of Bonuses Included in Remuneration

No short-term or long term incentives were awarded as remuneration to key management personnel during the period. Subsequent to the period end, there was an issue of 941,131 Performance Rights to KMPs as a discretionary bonus, based on behaviours and the individual's contribution to the FY20.

j) Equity Instrument Disclosure Relating to Key Management Personnel

Analysis of movements in Performance Rights issued, held and transacted by directors and key management personnel

KMP	# Held 1 July 2019	Granted in year (C)	Grant Value	Grant Face Value	Number Vested in year	Number forfeited / lapsed in year	Number held at 30 June 2020
Adam Lamond	-	-	-	-	-	-	-
Michael Shirley (A)	-	1,323,353	$48,964	$48,964	-	-	1,323,353
Steven Harding	-	90,943	$3,365	$3,365	-	-	90,943
Travis Young	307,480	296,407	$10,967	$10,967	-	-	603,887
Lisa Wynne	-	230,428	$8,526	$8,526	-	-	230,428
Brian Mangano (B)	1,183,240	-	$12,876	$43,780	1,183,240	-	-

(A) 1,000,000 Performance Rights were issued during the period on commencement of employment.

(B) 1,183,240 Performance Rights held by former CFO, Brian Mangano vested on cessation of employment on 1 July 2019.

(C) 941,131 Performance Rights were issued to KMP subsequent to the reporting period.

Analysis of movements in Shares Issued, held and transacted by directors and key management personnel

The number of ordinary shares in the Company held during the reporting period by each director and key management personnel of the Group, including their personally related parties are set out below. There were no shares granted as compensation during the reporting period.

	Balance at 30/06/2019	Movement	Balance at 30/06/2020
Directors			
Karl Paganin	8,125,170	5,064,180	13,189,350
Derek La Ferla	598,417	-	598,417 (A)
Adam Lamond	46,041,815	2,550,000	48,591,815
Tom Lawrence	8,136,093	5,000,000	13,136,093
Brian Elton	14,835,733	18,472,417	33,308,150
KMP's			
Michael Shirley	-	2,500,000	2,500,000
Travis Young	12,616,789	1,000,000	13,616,789
Lisa Wynne	856,857	(200,000)	656,857
Steven Harding	-	750,000	750,000
Total	**91,210,874**	**35,136,597**	**126,347,471**

(A) KMP shareholding at retirement as Chairman on 25 November 2019.

Directors Report

For the year ended 30 June 2020

Remuneration Report – Audited (continued)

k) Other Transactions with Key Management Personnel

The Company rented office space from Elton Property, a company controlled by Director, Brian Elton. Amounts paid during the year of $104,261.76 are based on market rates and normal commercial terms. This amount has not been included as remuneration in the tables above.

THIS CONCLUDES THE AUDITED REMUNERATION REPORT

Directors Report

For the year ended 30 June 2020

Shares Under Option

As at 30 June 2020 there are no shares under option.

Indemnification and Insurance of Officers

During the financial year the Group paid insurance premiums of $58,500 (2019: $43,500) to insure the Directors, Secretaries and Executive Officers of the Group and its subsidiary companies. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Directors and Officers of Veris Limited and its subsidiary companies, and any other payments arising from liabilities incurred by the Officers in connection with such proceedings, other than where such liabilities arise out of conduct involving wilful breach of duty by the Officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

Non-Audit Services

During the year KPMG, the Group's auditors performed no other services in addition to its statutory duties.

Details for the amounts paid to KPMG, the Group's auditor, and its related practices for audit and non-audit services to the Group provided during the year are set out below:

	Consolidated	
	2020 $000	**2019 $000**
Audit services:		
Audit and review of the financial reports	250	226
Services other than audit services:		
Other services (Integration)	-	9
	250	**235**

Environmental Regulations and Performance

It is the Group's policy to comply with all environmental regulations applicable to it. The Company confirms, for the purposes of section 299(1)(f) of the Corporations Act 2001 that it is not aware of any breaches by the Group of any environmental regulations under the laws of the Commonwealth of Australia, or of a State of Territory of Australia.

In the majority of the Veris' business situations, Veris is not the owner or operator of plant and equipment requiring environmental licences. Veris typically assists its clients with the management of their environmental responsibilities, rather than holding those responsibilities directly.

The Group is not aware of any breaches by Veris of any environmental regulations under the laws of the Commonwealth of Australia, or of a State or Territory.

Proceedings on Behalf of the Group

There are no proceedings on behalf of the Group under Section 237 of the Corporations Act 2001 in the financial year or at the date of the report.

Lead auditor’s independence declaration

The lead auditor’s independence declaration is set out on page 90 and forms part of the Directors’ report for the year ended 30 June 2020.

Rounding Off

The Company is of a kind referred to in ASIC Instrument 2016/191 and in accordance with that Instrument, amounts in the condensed consolidated interim financial statements and Directors’ report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Corporate Governance Statement

Veris is committed to implementing sound standards of corporate governance. In determining what those standards should involve, the Group has had regard to the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (3rd Edition) (“ASX Recommendations”). This corporate governance statement outlines the key principles and practices of the Company which in the terms of the Group’s Corporate Governance Charter, define the Group’s system of governance. A copy of the Group’s Corporate Governance Statement has been placed on the Group’s website under the Investors tab in the corporate governance section:

https://www.veris.com.au/media/2893/veris-limited-corporate-governance-charter.pdf

Signed in accordance with a resolution of the Directors:

Karl Paganin
Chairman
Dated at Perth 31 August 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Note	2020 $000	2019 $000 Restated*
CONTINUING OPERATIONS			
Revenue	3	94,105	107,558
Operating expenses		(92,245)	(103,458)
		1,860	**4,100**
Depreciation	13	(11,507)	(4,997)
Amortisation	14	(2,335)	(2,908)
Restructuring costs		(1,323)	(3,294)
Share-based payment		(113)	(586)
Impairment of Intangibles	14	(3,133)	(34,431)
Results from operating activities		(16,551)	(42,116)
Finance costs		(2,072)	(1,324)
Net finance costs		(2,072)	(1,324)
Loss before income tax		**(18,623)**	**(43,440)**
Income tax (expense) / benefit	15	(4,587)	2,797
Loss from continuing operations		(23,210)	(40,643)
DISCONTINUED OPERATION			
Profit / (loss) from discontinued operations, net of tax	2	(3,283)	554
Loss for the period		(26,493)	(40,089)
Total comprehensive loss for the year		(26,493)	(40,089)
Earnings / loss per share			
Basic loss cents per share	4	(7.02)	(11.13)
Diluted loss cents per share	4	(7.02)	(11.13)
Earnings / loss per share – Continuing operations			
Basic loss cents per share	4	(6.14)	(11.29)
Diluted loss cents per share	4	(6.14)	(11.29)

The accompanying notes form an integral part of these consolidated financial statements.
** Comparative information has been re-presented due to Discontinued Operation, refer to Note 2.*

Consolidated Statement of Financial Position

At 30 June 2020

	Note	30 Jun 2020	30 Jun 2019
Assets		**$000**	**$000**
Current assets			
Cash and cash equivalents	17	1,939	3,685
Trade and other receivables	10	13,178	25,864
Contract assets	7	5,836	8,280
Other current assets		4,115	3,039
Total current assets		25,068	40,868
Non-current assets			
Property, plant and equipment	13	25,600	13,551
Intangible assets	14	-	19,190
Deferred tax asset	16	4,481	8,913
Total non-current assets		30,081	41,654
Total assets		55,149	82,522
Liabilities			
Current Liabilities			
Trade and other payables	11	13,835	18,765
Deferred vendor payments	7	-	3,554
Loans and borrowings	19	13,219	3,356
Employee benefits	12	8,189	9,176
Current tax liability		534	534
Total current liabilities		35,777	35,385
Non-current liabilities			
Loans and borrowings	19	16,364	18,403
Employee benefits	12	1,027	1,640
Provisions		725	-
Total non-current liabilities		18,116	20,043
Total liabilities		53,893	55,428
Net assets		1,256	27,094
Equity			
Share capital	20	44,127	43,051
Share based payment reserve	20	2,528	2,949
(Accumulated losses)	20	(45,399)	(18,906)
Total equity		1,256	27,094

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

	Note	Share Capital	Share Based Payment Reserve	Retained Earnings	Total Equity
		$000	$000	$000	$000
Balance at 1 July 2019		43,051	2,949	(18,906)	27,094
Total comprehensive income for the year					
Loss for the year		-	-	(26,493)	(26,493)
Total comprehensive loss for the year		-	-	(26,493)	(26,493)
Transactions with owners of the Company, recognised directly in equity					
Issue of ordinary shares (net of costs)	20	1,076	-	-	1,076
Share-based payment transactions		-	(421)	-	(421)
Total transactions with owners of the Company		1,076	(421)	-	655
Balance at 30 June 2020		44,127	2,528	(45,399)	1,256

	Note	Share Capital	Share Based Payment Reserve	Retained Earnings	Total Equity
Balance at 1 July 2018		40,887	2,349	24,967	68,203
Adjustment on initial application of AASB 9				(721)	(721)
Adjustment on initial application of AASB 15				(1,293)	(1,293)
Adjusted balance at 1 July 2018		40,887	2,349	22,953	66,189
Total comprehensive income for the year					
Loss for the year		-	-	(40,089)	(40,089)
Total comprehensive loss for the year		-	-	(40,089)	(40,089)
Transactions with owners of the Company, recognised directly in equity					
Issue of ordinary shares (net of costs)	20	2,164	-	-	2,164
Dividends paid	20	-	-	(1,770)	(1,770)
Share-based payment transactions		-	600	-	600
Total transactions with owners of the Company		2,164	600	(1,770)	994
Balance at 30 June 2019		43,051	2,949	(18,906)	27,094

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flow

For the year ended 30 June 2020

	Note	2020 $000	2019 $000
Cash flows from operating activities			
Receipts from customers		121,614	143,784
Payments to suppliers and employees		(113,641)	(136,212)
Cash generated from operations		7,973	7,572
Interest paid		(2,072)	(1,330)
Interest received		2	3
Net cash from operating activities	18	5,903	6,245
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		328	1,769
Purchase of property, plant and equipment		(4,928)	(1,858)
Deferred vendor payment		(2,488)	(2,140)
Acquisition of subsidiaries net of cash acquired		-	266
Disposal of subsidiaries net of costs		12,761	-
Net cash (used in) investing activities		5,673	(1,963)
Cash flows from financing activities			
Repayment of borrowings and lease liabilities		(16,064)	(6,185)
Proceeds from loans		2,742	-
Net cash (used in) from financing activities		(13,322)	(6,185)
Net increase/(decrease) in cash and cash equivalents		(1,746)	(1,903)
Cash and cash equivalents at 1 July		3,685	5,588
Cash and cash equivalents at 30 June	17	1,939	3,685

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

BASIS OF PREPARATION

REPORTING ENTITY

Veris Limited (the "Company" or "Veris") is a for-profit Company domiciled in Australia. The Company's registered office is at Level 12, 3 Hasler Road, Osborne Park WA 6017. The consolidated financial statements of the Company as at and for the year ended 30 June 2020 comprises the Company and its subsidiaries (together referred to as the "Group"). The Group is a professional service business delivering surveying, professional and advisory, and geospatial services to the infrastructure; property; energy, mining and resource; defence; agribusiness; tourism; leisure and government sectors throughout Australia.

COVID-19 IMPACT

The social, health and economic consequences of the COVID-19 pandemic continue to evolve and have major impacts across the world. Since its declaration as a pandemic in March 2020, COVID-19 and the associated government, business and consumer response has had a significant impact on the operations and financial performance of the Group.

Despite these challenges, the Group has been focussed on supporting and keeping its employees, clients and the community safe by:

- instituting remote working arrangements for its employees;
- implementing cost-savings initiatives across its businesses;
- staff rotations and shifts to minimise any potential spread of the virus;
- regular communications regarding the latest health advice including personal hygiene, physical distancing, self-isolation and testing; and
- provision of additional hand sanitisers and PPE as required, and additional cleaning of offices and shared services.

STATEMENT OF COMPLIANCE

The consolidated financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

This consolidated annual report was approved by the Board of Directors on 31 August 2020.

Notes to the Consolidated Financial Statements

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Notes to the Consolidated Financial Statements

GROUP PERFORMANCE

1. OPERATING SEGMENTS

The Group had three reportable segments that were being managed separately by the service provided. In 2020 the segments include Veris Australia and Aqura Technologies.

The 2020 reportable segments and the services they provide are:

- Veris Australia – examine and record the features of a piece of land or infrastructure in order to create maps, plans, detailed descriptions and to facilitate construction.
- Aqura Technologies – provides specialised ICT and Communications services.
- Elton Consulting – provide expert advice to businesses, governments and not-for-profit organisations to support them to make considered and informed decisions on policy, strategy, city-making and service delivery. Elton Consulting was disposed of in November 2019.

Information regarding the results of each reporting segment is detailed below for the year ended 30 June 2020.

	Veris Australia		Aqura Technologies		Total*	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Revenues	74,849	93,058	19,336	14,710	94,185	107,768
Inter-segment revenues	(42)	(111)	(38)	(99)	(80)	(210)
External revenues	74,807	92,947	19,298	14,611	94,105	107,558
Costs	(71,102)	(87,279)	(18,294)	(12,846)	(89,396)	(100,125)
Inter-segment costs	42	111	38	99	80	210
External costs	(71,060)	(87,168)	(18,256)	(12,747)	(89,316)	(99,915)
EBITDA**	**3,747**	**5,779**	**1,042**	**1,864**	**4,789**	**7,643**
Depreciation	(10,547)	(4,811)	(295)	(171)	(10,842)	(4,982)
Amortisation	(2,335)	(2,908)	-	-	(2,335)	(2,908)
EBIT*** for reportable segments	(9,135)	(1,940)	747	1,693	(8,388)	(247)
Segment assets	40,823	45,648	5,200	6,605	46,023	52,253
Segment liabilities	(35,437)	(29,093)	(5,118)	(7,380)	(40,555)	(36,473)

* Prior period amounts have been re-presented to exclude discontinued operations, refer note 2

** EBITDA is defined as earnings before depreciation, amortisation, interest, tax, impairment, restructuring, share-based payments and acquisition costs.

*** EBIT is defined as earnings before interest, tax, impairment, restructuring, share-based payments and acquisition costs.

During the year there were no major customers of the Group, individually representing more than 10% of total Group revenue (2019: none).

Notes to the Consolidated Financial Statements

GROUP PERFORMANCE (continued)

1. OPERATING SEGMENTS (continued)

RECONCILIATIONS OF REPORTABLE SEGMENT REVENUES, PROFIT OR LOSS, ASSETS AND LIABILITIES

	2020 $000	2019 $000 Restated*
Revenues		
Total revenue for reportable segments	94,185	107,768
Elimination of inter-segment revenue	(80)	(210)
Consolidated revenue	94,105	107,558
Expenses		
Total expenses for reportable segments	89,396	100,125
Elimination of inter-segment costs	(80)	(210)
Corporate overheads	2,929	3,543
Consolidated operating expenses	92,245	103,458
Profit (loss)		
EBIT for reportable segments	(8,388)	(247)
Unallocated amounts (including corporate overheads)	(3,707)	(4,129)
Restructuring costs	(1,323)	(3,294)
Impairment of Intangibles** (Note 14)	(3,133)	(34,431)
Net finance expense	(2,072)	(1,339)
Consolidated loss before income taxes	(18,623)	(43,440)

	2020 $000	2019 $000
Assets		
Total assets for reportable segments	46,023	52,253
Other unallocated amounts	9,126	9,073
Consolidated total assets	55,149	61,326
Liabilities		
Total liabilities for reportable segments	40,555	36,473
Other unallocated amounts	13,338	16,620
Consolidated total liabilities	53,893	53,093

* Comparative information has been re-presented due to Discontinued Operation, refer to Note 2.

** Relates to Veris Australia.

GROUP PERFORMANCE (continued)

2. DISCONTINUED OPERATIONS

On 21 November 2019, the Group sold Elton Consulting Pty Ltd for $13,000,000. The business was not previously classified as held-for-sale or as a discontinued operation.

The sale of Elton Consulting resulted in a significant reduction in net debt allowing the Company to focus on growth opportunities within its core business Veris Australia. The sale resulted in a loss of $3,636,000.

	2020 $000	2019 $000
Revenue	7,876	18,396
Expenses	(6,884)	(16,094)
	992	2,302
Depreciation	(37)	(89)
Amortisation	(330)	(990)
Share-based payment	(365)	-
Net finance costs	2	(15)
Profit / (loss) from operating activities	262	1,208
Income tax (expense) / benefit	91	(654)
Profit / (loss) from discontinued operations, net of tax	353	554
Loss on sale of discontinued operation	(3,636)	-
Profit / (loss) from discontinued operations for the period, net of tax	(3,283)	554

Earnings per share

Basic earnings / (loss) cents per share	(0.87)	0.16
Diluted earnings / (loss) cents per share	(0.87)	0.16

Cash flows from (used in) discontinued operations	2020 $000	2019 $000
Net cash flows from (used in) operating activities	515	2,737
Net cash flows from (used in) investing activities	-	(108)
Net cash flows from (used in) financing activities	(1,801)	(1,866)
Results from discontinued operating activities	(1,286)	763

Notes to the Consolidated Financial Statements

GROUP PERFORMANCE (continued)

2. DISCONTINUED OPERATIONS (continued)

Effect of disposal on the financial position of the Group

	2020 $000
Property, plant and equipment	(510)
WIP	(2,190)
Trade and other receivables	(3,682)
Cash and cash equivalents	(24)
Goodwill	(11,172)
Customer relationships	(2,052)
Brands	(168)
Deferred tax liabilities	64
Trade and other payables	1,930
Employee benefits	1,383
Net assets and liabilities	(16,421)
Cash consideration	13,000
Less related costs of sale	(215)
Loss on sale of subsidiary (pre-tax)	(3,636)
Cash consideration	13,000
Cash and cash equivalents disposed of	(24)

3. REVENUE

	2020 $000	2019 $000
Revenue from contracts with customers	94,105	107,558
	94,105	107,558

4. EARNINGS / LOSS PER SHARE

	2020	2019
Earnings / (losses) used to calculate basic EPS ($000)	(26,493)	(40,089)
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS (number of shares)	377,640,126	360,068,213
Basic earnings / (losses) per share (cents per share)	(7.02)	(11.13)

	2020	2019
CONTINUING OPERATIONS		
Earnings / (losses) used to calculate basic EPS ($000)	(23,210)	(40,643)
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS (number of shares)	377,640,126	360,068,213
Basic earnings / (losses) per share (cents per share)	(6.14)	(11.29)

Notes to the Consolidated Financial Statements

GROUP PERFORMANCE (continued)

4. EARNINGS / LOSS PER SHARE (continued)

Diluted earnings per share

Dilutive potential shares relate to Performance Rights granted to eligible employees under the Group's Long Term Incentive Plan (refer Note 22). There is no material impact on basic EPS arising from dilutive potential shares due to loss in 2020.

5. SUBSEQUENT EVENTS

In the interval between the end of the financial year and the date of this report, the Group executed a renegotiation and extension to its primary banking facilities with the Commonwealth Bank of Australia extending the existing facilities to 30 September 2021. On 28 August 2020, the Company received a credit approved term sheet from CBA in relation to the extension of the Group's existing financing facilities extending the term through to 30 September 2021. The extension of the facilities will require the Group to amortise a minimum of $2.3 million of the outstanding Term Loan by 30 June 2021. Veris expects that the documentation pertaining to these extensions will be executed in September 2020.

Additionally, on 2 August 2020, the Victorian Government announced significant restrictions within the Melbourne metropolitan area and surrounding regions. The Victorian market is a key market for the Group's services. Whilst the Victorian market remains challenging due to the impacts and restrictions imposed in response to recent outbreaks of COVID-19 pandemic, Veris is adapting its work practices to comply with these restrictions and work with clients to ensure projects can continue under revised operating protocols aimed at ensuring the health and wellbeing of staff, clients and the community is paramount. Veris remains well positioned to benefit from any increased or accelerated infrastructure spend within the Victorian market.

Veris enters FY21 with approximately $30,000,000 of work in hand and a strong tender pipeline.

Other than noted above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

RISK MANAGEMENT

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the consolidated financial statements in conformity with Australian Accounting Standards, due consideration has been given to the judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The ongoing COVID-19 pandemic has increased estimation uncertainty in the preparation of the consolidated financial statements. At 30 June 2020, the Group has reassessed all significant judgements, assumptions and critical estimates included in the consolidated financial statements, including but not limited to, provisions against trade debtors and work in progress and impairment of non-current assets. Actual results may differ from these estimates and are subject to achievement of forecasts and the extension of the Group's existing financing facilities.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements relate to contract revenue, contract assets, deferred vendor payments, contingent consideration and impairment of assets such as goodwill (refer Note 14). Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimates are revised and in any future periods affected.

RISK MANAGEMENT (continued)

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Going Concern

For the year ended 30 June 2020, the Group recorded a loss from continuing operations of $18,623,000 (before tax), which included an impairment of intangible assets of $3,133,000 and equipment assets of $2,016,000. The Group's net cash outflow from operating activities was $7,973,000, including $1,515,000 of JobKeeper receipts. In accordance with AASB 16 Leases, $9,800,000 of lease payments primarily pertaining to property leases are presented within financing activities.

Cash advance facilities (the 'facilities') were utilised at 30 June 2020 to $6,948,000, with $4,552,000 of undrawn cash advance facilities and overdraft facilities available subject to ongoing covenant compliance. The Group has commenced negotiations with the Group's primary external lender CBA (the 'lender') to extend the term of the facilities. On 28 August 2020 CBA confirmed that credit terms have been agreed and approved subject to finalisation of standard loan documentation, extending the tenure to 30 September 2021. Facility terms, including covenant requirements are materially consistent with those under existing facilities, including quarterly EBITDA calculations, measured against FY21 forecasts as agreed with the lender.

Management forecasts include conversion of engagement pipeline of work, factoring in some growth in project activity assuming recovered rates materially consistent with existing contracts and execution of ongoing cost reduction programs have taken into consideration the experience to date of the impact of COVID-19 pandemic on market activity levels, including government stimulus activities, cost management strategies, and receipt of JobKeeper funding under phase 1 of the program and consider these to be appropriate based on available information.

The going concern assessment is based on the achievement of these forecasts. Given the uncertainty associated with forecasts and current economic conditions, should it be required, the Group may pursue alternatives available to it, including further cost reduction measures, asset or business sales, or equity funding to support the ongoing requirements of the business.

For these reasons the Directors continue to adopt the going concern basis in preparing these financial statements.

Contract Revenue and Contract Assets

Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement such as the assessment of the probability of customer approval of variations and acceptance of claims, estimation of project completion date and assumed levels of project execution productivity. In making these assessments we have considered, for applicable contracts, the individual status of legal proceedings, including arbitration and litigation.

Revenue from the Group arises from providing professional services to our customers whereby we deliver surveying, professional and advisory, and geospatial services to various industries. These are to be predominately recognised over time with reference to inputs on satisfaction of the performance obligations. The services that have been determined to be one performance obligation are highly inter-related and fulfilled over time, therefore revenue continues to be recognised over time. Incentives, variations and claims exist which are subject to the same higher threshold criteria of only recognising revenue to the extent it is highly probable that a significant reversal or revenue will not happen.

Deferred Tax Assets Relating to Tax Losses

The Group recognises a deferred tax asset relating to tax losses incurred, as detailed in Note 16. The recoverability of this deferred tax asset is dependent on the generation of sufficient taxable income to utilise those tax losses. Management judgements and estimates are required in the assessment of this recoverability, including forecasting sufficient future taxable income.

Notes to the Consolidated Financial Statements

RISK MANAGEMENT (continued)

7. FINANCIAL INSTRUMENTS

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit & Risk Committee, which is responsible for overseeing how management monitors risk and reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Committee reports regularly to the Board of Directors on its activities. Risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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 fair values and carrying amounts of various financial instruments recognised at reporting date are noted below:

	2020		2019	
	Carrying Amount	**Fair Values**	**Carrying Amount**	**Fair Values**
	$000	**$000**	**$000**	**$000**
Lease liabilities (2019: Hire purchase liabilities)	(22,635)	(22,635)	(10,349)	(10,349)
Cash advance facility	(6,948)	(6,948)	(11,410)	(11,410)

The carrying amounts of the financial instruments are a reasonable approximation of their fair values, on account of their short maturity cycle.

Measurement at Fair Values

i. Level 3 fair values

Movements in the value of Deferred Vendor Payments

	Opening Balance	**Acquired in the year**	**Paid in the year (cash)**	**Paid in the year (shares)**	**Adjusted in the year**	**Closing Balance**
	$000	$000	$000	$000	$000	$000
LANDdata	491	-	(250)	-	(241)	-
Elton Consulting	3,063	-	(2,238)	(942)	117	-
	3,554	-	(2,488)	(942)	(124)	-

Landdata

Deferred Vendor Payment Provision at 30 June 2019 was based on Earnout Period 2 which ran from 31 July 2018 to 30 July 2019. Earn-out was conditional on a percentage gross margin being achieved and of minimum revenues of $8,625,000 in Earnout Period 2. An incentive bonus of 25% was paid at the end of Earnout Period 2 as gross margin was greater than $4,400,000.

Notes to the Consolidated Financial Statements

RISK MANAGEMENT (continued)

7. FINANCIAL INSTRUMENTS *(continued)*

Elton

Deferred Vendor Payment Provision at 30 June 2019 was based on Earn-out Period 2 for $1,000,000 which ran from 30 March 2019 to 29 March 2020 and was paid 50% in cash and 50% in shares. Earn-out required EBITDA to be over $2,600,000 and was capped at $3,100,000. In addition, there was an additional deferred payment of $2,000,000 paid 50% in cash and 50% in shares and was be paid 2 years after completion of the acquisition.

Risk Management Strategies

The Group is primarily exposed to (i) credit risks; (ii) liquidity risks; and (iii) interest rate risks. The nature and extent of risk exposure, and the Group's risk management strategies are noted below.

Credit Risks

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. As detailed in Note 1, the Company has successfully implemented its diversification strategy, through the acquisition of surveying businesses, and thus mitigated the risk of dependence on key customers. Credit risk is kept continually under review and managed to reduce the incidence of material losses being incurred by the non-receipt of monies due.

Credit risk is managed through monitoring and follow-up of accounts receivable on a regular basis, and follow up on overdue customer balances. Bad debts are written off in the year in which they are identified. Specific provisions are made against identified doubtful debts. There has been no change in the above policy since the prior year.

The Group's maximum exposure to credit risk is:

	2020 $000	2019 $000
Cash and cash equivalents	1,939	3,685
Trade and other receivables	13,178	25,864
Contract assets	5,836	8,280
	20,953	37,829

The Group does not hold collateral against the credit risks, however, management considers the credit risks to be low on account of the risk management policy noted above. The trading terms generally offer 30 days credit from the date of invoice. As of the reporting date, none of the receivables have been subject to renegotiated terms.

The ageing analysis of past due trade and other receivables at reporting date are:

	2020 $000	2019 $000
Current (not past due)	8,879	14,289
Past due 1 – 30 days	3,227	7,441
Past due 31 – 60 days	1,178	2,046
Past due 61 – 90 days	210	816
Past due 90 days	309	2,092
Provision for impairment	(625)	(820)
Total	13,178	25,864

The Group is also subject to credit risks arising from the failure of financial institutions that hold the entity's cash and cash equivalents. However, management considers this risk to be negligible.

Notes to the Consolidated Financial Statements

RISK MANAGEMENT (continued)

7. FINANCIAL INSTRUMENTS *(continued)*

The Group's maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was $13,178,000 (2019: $25,864,000) for Australia. The allowance for impairment for 2020 amounted to ($625,000) (2019: $820,000). Based on historic default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days.

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

	2020 $000	2019 $000
Balance 1 July under AASB 9	820	928
Impairment loss reversed	(444)	(203)
Impairment loss provided	249	95
Total	625	820

Liquidity Risks

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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 Group's reputation. Liquidity risk is constantly monitored and managed through forecasting short term operating cash requirements and the committed cash outflows on financial liabilities.

The table below details the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

The following are the contractual maturities of financial liabilities including interest:

2020

Non-derivative financial liabilities	Carrying Amount $000	Contractual Cash Flows $000	6 Months or less $000	6 – 12 Months $000	1 – 2 Years $000	2 – 5 Years $000	>5 Years $000
Lease liabilities*	22,635	24,914	3,621	3,599	7,177	9,367	1,150
Trade and other payables	13,835	13,835	13,835	-	-	-	-
Cash advance facility	6,948	6,948	142	6,806	-	-	-
	43,418	45,697	17,598	10,405	7,177	9,367	1,150

* 2020 balances include lease liabilities in accordance with AASB 16.

2019

Non-derivative financial liabilities	Carrying Amount $000	Contractual Cash Flows $000	6 Months or less $000	6 – 12 Months $000	1 – 2 Years $000	2 – 5 Years $000	>5 Years $000
Hire purchase liabilities	10,349	11,131	1,752	1,751	3,447	4,181	-
Trade and other payables	18,765	18,765	18,765	-	-	-	-
Deferred vendor Payments	3,554	3,681	491	3,190	-	-	-
Cash advance facility	11,410	13,405	287	287	3,359	8,737	735
	44,078	46,982	21,295	5,228	6,806	12,918	735

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the Consolidated Financial Statements

RISK MANAGEMENT (continued)

7. FINANCIAL INSTRUMENTS *(continued)*

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest Rate Rsk

Interest rate risk is the risk that the fair values and cash-flows of the Group's financial instruments will be affected by changes in the market interest rates.

The Group's cash and cash equivalents, and loans and borrowings are exposed to interest rate risks. The average nominal interest rate is 2.9% for loans and borrowings (2019: 4.42%) detailed in note 19. Interest sensitivity is calculated for a 1% change below:

	2020		2019	
	+1% $000	**-1% $000**	**+1% $000**	**-1% $000**
Consolidated Group				
Cash and cash equivalents	19	(19)	37	(37)
Loans and borrowings	296	(296)	218	(218)
	315	(315)	255	(255)

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 has not implemented a formal capital management policy or a dividend policy.

There were no changes in the Group's approach to capital management during the year other than updated loan covenants (refer Note 19). The Group is not subject to externally imposed capital requirements. Capital comprises share capital and retained earnings.

Currency Risk

The Group receivables are all denominated in Australian dollars and accordingly no currency risk exists.

8. COMMITMENTS

Operating Leases

Commitments in relation to future minimum lease payments under non-cancellable operating leases:

	2020 $000	2019 $000
Not later than one year	-	4,206
Later than one year but not later than five years	-	8,676
Later than five years	-	1,597
Total commitments not recognised in financial statements	-	14,479

2020 balances have been included as part of Note 7 (financial instruments) in accordance with AASB 16.

The non-cancellable operating leases are predominately for the lease of office accommodation and motor vehicles. The leases are generally for a term of between 1 to 5 years and the leases typically have options to extend the term. The above figures do not contain values for these options as the group is not committed to taking the options as at 30 June 2020.

RISK MANAGEMENT (continued)

9. CONTINGENT LIABILITIES

A contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by occurrence or non-occurrence of one of more uncertain future events not wholly within the control of the Group. A contingent liability may also be a present obligation arising from past events but is not recognised on the basis that an outflow of economic resources to settle the obligation is not viewed as probable, or an amount of the obligation cannot be reliably measured. When the Group has a present obligation, and an outflow of economic resources is assessed as probable and the Group can reliably measure the obligation, a provision is recognised.

As a result of operations the Group may receive contractual claims from clients or end users seeking compensation or litigation. The Group maintains professional indemnity insurance or other contractual arrangements that would severally apply to such claims. At 30 June 2020 no individually significant matters exist where the Group estimates a more than remote likelihood of economic outflow.

WORKING CAPITAL

10. TRADE AND OTHER RECEIVABLES

	2020 $000	**2019 $000**
Trade receivables	11,663	25,864
JobKeeper receivable	1,515	-
	13,178	25,864

The Group's exposure to credit and currency risk is disclosed in Note 7. Payment terms are typically 30 days.

11. TRADE AND OTHER PAYABLES

	2020 $000	**2019 $000**
Trade and other payables	13,835	18,765
	13,835	18,765

CAPITAL EMPLOYED

12. EMPLOYEE BENEFITS

	2020 $000	**2019 $000**
Current		
Annual leave	3,980	4,396
Long service leave	2,612	2,697
Superannuation	1,424	1,693
Other employee provisions	173	390
	8,189	9,176
Non-current		
Long service leave	1,027	1,640
	1,027	1,640

Notes to the Consolidated Financial Statements

CAPITAL EMPLOYED (continued)

13. PROPERTY, PLANT AND EQUIPMENT

	2020 $000	2019 $000
Leasehold Improvements at cost	1,132	1,669
Less: accumulated depreciation	(648)	(627)
	484	1,042
Plant and equipment at cost	23,727	22,998
Less: accumulated depreciation	(17,048)	(13,598)
	6,679	9,400
Motor vehicles at cost	7,111	5,402
Less: accumulated depreciation	(3,274)	(2,293)
	3,837	3,109
Property at cost	17,789	-
Less: accumulated depreciation	(3,189)	-
	14,600	-
Total written down value	25,600	13,551

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out below:

2020	Leasehold Improvements $000	Plant & Equi pment $000	Motor Vehicles $000	Total $000
Carrying amount at 1 July 2019	1,042	9,400	3,109	13,551
Additions at cost	37	3,148	63	3,248
Disposals at carrying value	(337)	(187)	(640)	(1,164)
Depreciation	(258)	(5,868)	(808)	(6,934)
Carrying amount at 30 June 2020	484	6,493	1,724	8,701

Right-of-use assets	Property $000	Plant & Equipment $000	Motor Vehicles $000	Total $000
Carrying amount at 1 July 2019	17,379	292	2,121	19,792
Additions at cost	494	-	1,186	1,680
Depreciation	(3,273)	(106)	(1,194)	(4,573)
Carrying amount at 30 June 2020 (note 29)	14,600	186	2,113	16,899

Notes to the Consolidated Financial Statements

CAPITAL EMPLOYED (continued)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

2019	**Leasehold Improvements $000**	**Plant & Equipment $000**	**Motor Vehicles $000**	**Total $000**
Carrying amount at 1 July 2018	932	10,136	4,174	15,242
Additions at cost	319	2,975	480	3,774
Disposals at carrying value	-	(23)	(355)	(378)
Depreciation	(209)	(3,688)	(1,190)	(5,087)
Carrying amount at 30 June 2019	1,042	9,400	3,109	13,551

Impairment Loss

The Group assesses whether there are indicators that property, plant and equipment may be impaired at each reporting date. There was a $2,100,000 impairment present in 2020 (2019: none) relating to property, plant and equipment.

CAPITAL EMPLOYED (continued)

14. INTANGIBLE ASSETS

	Goodwill $000	Customer Relationships $000	Brands $000	Total $000
Carrying amount at 1 July 2018				
Veris Australia	34,431	8,376	-	42,807
Elton Consulting	12,251	3,268	272	15,791
	46,682	11,644	272	58,598
Movements during the year				
Amortisation:				
Veris Australia	-	(2,908)	-	(2,908)
Elton Consulting	-	(912)	(78)	(990)
Adjustments:				
Elton Consulting	(1,079)	-	-	(1,079)
Impairment:				
Veris Australia	(34,431)	-		(34,431)
Carrying value 1 July 2019				
Veris Australia	-	5,468	-	5,468
Elton Consulting	11,172	2,356	194	13,722
	11,172	7,824	194	19,190
Movements during the year				
Amortisation:				
Veris Australia	-	(2,335)	-	(2,335)
Elton Consulting	-	(304)	(26)	(330)
Disposed of:				
Elton Consulting	(11,172)	(2,052)	(168)	(13,392)
Impairment:				
Veris Australia	-	(3,133)	-	(3,133)
Carrying amount at 30 June 2020				
Veris Australia	-	-	-	-
Elton Consulting	-	-	-	-
	-	-	-	-

Impairment Assessment

As a result of changes in customer base and office closure an impairment loss of $3,133,000 was recognised in Veris Australia for the current reporting period.

Notes to the Consolidated Financial Statements

TAXATION

15. INCOME TAX

	2020 $000	2019 $000
Current tax- Australia	-	-
Deferred tax	(5,590)	(2,130)
Adjustment for prior periods	(264)	(13)
Adjustment- other	(668)	-
Non-recognition of current year deferred taxes	11,018	-
Income tax expense / (benefit) reported in income statement	4,496	(2,143)

The prima facie tax on the result from ordinary activities before income tax is reconciled to the income tax as follows:

Reconciliation of Effective Tax Rate

	2020 $000	2019 $000
(Loss) / Profit before income tax – continuing operations	(18,623)	(43,440)
Income tax at 30% (2019: 30%)	(5,587)	(13,032)
Add (less) tax effect of:		
Other non-allowable / assessable items	1,635	10,248
Research and development offset	-	-
Adjustment for prior periods	(264)	4
Adjustment- other	(1)	(17)
Non-recognition of current year deferred taxes	8,804	-
Income tax expense / (benefit) – continuing operations	4,587	(2,797)
(Loss) / Profit before income tax – discontinued operations	(3,375)	1,207
Income tax at 30% (2019: 30%)	(1,012)	362
Add (less) tax effect of:		
Other non-allowable / assessable items	(626)	292
Adjustment for prior periods	-	-
Adjustments – disposal of Elton	(667)	-
Non-recognition of current year deferred taxes	2,214	-
Income tax expense / (benefit) – discontinued operations	(91)	654

Notes to the Consolidated Financial Statements

TAXATION (continued)

16. DEFERRED TAX ASSETS / LIABILITIES

Deferred tax	**Assets**		**Liabilities**		**Net**	
	2020 $000	**2019 $000**	**2020 $000**	**2019 $000**	**2020 $000**	**2019 $000**
Contract assets	-	-	(1,751)	(1,524)	(1,751)	(1,524)
Plant & Equipment	-	-	(9)	(526)	(9)	(526)
Right of use asset	-	-	(5,070)	-	(5,070)	-
Right of use liability	-	-	5,284	-	5,284	-
Employee Benefits	2,748	3,182	-	-	2,748	3,182
Provisions	1,451	747	-	-	1,451	747
Intangibles	-	-	-	(2,425)	-	(2,425)
Carried forward R&D offset available	4,834	8,453	-	-	4,834	8,453
Carried forward tax losses available	8,452	916	-	-	8,452	916
Other	74	145	(560)	(55)	(486)	90
Total	17,559	13,443	(2,106)	(4,530)	15,453	8,913
Less: derecognised*	(10,972)	-	-	-	(10,972)	-
Tax assets / (liabilities)	6,588	13,443	(2,106)	(4,530)	4,481	8,913

Movement in deferred tax balances	**2020 $000**	**2019 $000**
Opening balance	8,913	6,276
Prior year adjustments	264	490
Other adjustments- disposal of Elton	688	17
Charge to profit or loss – continuing operations	3,951	2,130
Charge to profit or loss – discontinued operations	1,637	-
Derecognised*	(10,972)	
Closing deferred tax asset	4,481	8,913

* Veris Limited tax consolidated group has significant carried forward tax losses available as at 30 June 2020. Following the sale of subsidiary Elton Consulting Pty Ltd, management have performed a review based on current management forecasts and determined that it is not probable that future taxable profit over the forecast period will be sufficient to utilise all carried forward tax losses and have derecognised $10,972,000 of deferred tax assets ($6,855,000 that had previously been recognised plus $4,117,000 of income and capital losses that arose in the current period). This derecognition does not impact the future availability of such tax losses. Management will continue to reassess the recoverability of deferred tax assets at future reporting dates.

Notes to the Consolidated Financial Statements

NET DEBT

17. CASH AND CASH EQUIVALENTS

	2020 $000	2019 $000
Cash at bank and in hand	1,939	3,685
Cash and cash equivalents in the statement of cash flows	1,939	3,685

The Group's exposure to interest rate risk and a sensitivity analysis for the financial assets and liabilities disclosed in Note 7.

18. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT AFTER INCOME TAX

	2020 $000	2019 $000
Cash flows from operating activities		
Profit / (loss) after income tax	(26,493)	(40,089)
Non-cash flows in profit:		
Depreciation (Note 13)	11,544	5,087
Amortisation of intangible assets (Note 14)	2,665	3,898
Impairment of intangible assets	3,133	34,431
Profit on sale of fixed assets	(280)	(1,391)
Loss on sale of Elton Consulting	3,636	-
Other	574	24
Share based payment	421	586
Income tax expense / (benefit) from all operations	4,496	(2,143)
	(304)	403
Change in trade and other receivables	9,426	4,347
Change in other assets	(701)	(1,208)
Change in contract assets	821	965
Change in trade payables	(3,924)	1,219
Change in provisions and employee benefits	(141)	519
Change in provisions – AASB 16	726	-
Net cash used in operating activities	5,903	6,245

Movements in Borrowings

	$000
Opening balance 1 July 2019	21,759
Movements:	
AASB 16 Transition adjustment	19,792
Additional borrowings on adoption of AASB 16	1,354
Proceeds from borrowings	2,742
Repayments of borrowings and lease liabilities	(16,064)
Closing balance 30 June 2020	29,583

NET DEBT (continued)

19. LOANS AND BORROWINGS

	2020 $000	2019 $000
Current liabilities		
Lease liabilities (2019: Hire purchase liabilities)	6,271	3,356
Cash advance facility	6,948	-
	13,219	3,356
Non-current liabilities		
Lease liabilities (2019: Hire purchase liabilities)	16,364	6,993
Cash advance facility	-	11,410
	16,364	18,403

TERMS AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

	Nominal interest rate%	Year of maturity	2020 $000 Carrying Amount	2019 $000 Carrying Amount
Lease liabilities (2019: Hire purchase liabilities)	3.32 – 5.50	2020 – 2025	22,635	10,349
Cash advance facility	2.9 – 3.1	2020 – 2021	6,948	11,410
			29,583	21,759

The weighted average incremental borrowing rate is applied to lease liabilities. The cash advance facility has a variable interest rate. All loans and borrowings are denominated in Australian Dollars.

	Facility Available 2020 $000	Used 2020 $000	Unused 2020 $000	Facility Available 2019 $000	Used 2019 $000	Unused 2019 $000
Cash advance facility (a)	8,000	(6,948)	1,052	17,000	(11,410)	5,590
Insurance Bonds	-	-	-	5,000	(56)	4,944
Other (b)	7,450	(1,247)	6,203	8,500	(433)	8,067
Total financing facilities	15,450	(8,195)	7,255	30,500	(11,899)	18,601

a) The carrying amount of this facility was $6.9 million as at 30 June 2020 (2019: $11.4 million). The funds are available for business acquisitions. The facility is repayable in tranches. The loan contains covenants stating that at the end of each quarter the Group is to maintain EBITDA in line with bank agreed forecast.

b) Other facilities include a $4.5 million bank overdraft, $2.5 million contingent instrument facility and $450,000 credit card facility.

c) Lease liabilities are effectively secured as the rights to leased assets revert to the lessor in the event of default.

NET DEBT (continued)

19. LOANS AND BORROWINGS (continued)

Lease liabilities (2019: Hire purchase liabilities) of the Group are payable as follows:

	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum HP payments	Interest	Present value of minimum HP payments
	2020 $000	2020 $000	2020 $000	2019 $000	2019 $000	2019 $000
Less than 1 year	7,220	(949)	6,271	3,802	(448)	3,354
Between 1 & 5 years	17,694	(1,330)	16,364	7,329	(334)	6,995
	24,914	(2,279)	22,635	11,131	(782)	10,349

Financing is arranged for major leasehold improvements, plant and equipment, and motor vehicle additions.

EQUITY

20. CAPITAL AND RESERVES

Share capital

	2020 $000	2019 $000	2020 No. of Shares	2019 No. of Shares
Balance at the beginning of the year	43,051	40,887	370,014,589	345,358,386
Issued via Dividend Reinvestment Plan	-	1,696	-	8,428,718
Conversion of Performance Rights	-	-	1,183,240	9,249,495
Issued as consideration for business combinations	134	468	2,456,141	6,977,990
Deferred consideration	942	-	31,597,316	
Balance at the end of the year	44,127	43,051	405,251,286	370,014,589

Issues of ordinary shares

- On 2 July 2019, 828,848 ordinary shares were issued for $nil consideration on vesting of Performance Rights to a key executive under the Veris FY17 Employee Incentive Scheme.
- On 2 July 2019, 354,392 ordinary shares were issued for $nil consideration on vesting of Performance Rights to a key executive under the Veris FY19 Employee Incentive Scheme.
- On 14 August 2019, 2,105,264 ordinary shares were issued as an incentive for continued employment to key personnel following the acquisition of Landdata in July 2017. The shares were issued for nil cash consideration with a fair value of $0.057 per share.
- On 2 October 2019, 350,877 ordinary shares were issued as an incentive for continued employment to key personnel following the acquisition of Landdata in July 2017. The shares were issued for nil cash consideration with a fair value of $0.057 per share.
- On 29 April 2020, 31,597,316 ordinary shares were issued as deferred consideration pursuant to the sale of Elton Consulting Group during the year. The shares were issued for nil cash consideration with a fair value of $0.0298 per share.

Notes to the Consolidated Financial Statements

EQUITY (continued)

20. CAPITAL AND RESERVES (continued)

The Group does not have authorised capital or par value in respect of its issued shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group. All shares rank equally with regard to the Group's residual assets.

The Group does not have authorised capital or par value in respect of its issued shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group. All shares rank equally with regard to the Group's residual assets.

Reserves

	2020 $000 Share Based Payments	2019 $000 Share Based Payments	2020 $000 Retained Earnings/ (Accumulated Losses)	2019 $000 Retained Earnings (Accumulated Losses)
Balance at the beginning of the year	2,949	2,349	(18,906)	24,967
Profit / (loss) for the year	-	-	(26,493)	(40,089)
Dividends paid	-	-	-	(1,770)
Adoption of new standards	-	-	-	(2,014)
Share based payment transactions	(421)	600	-	-
Balance at the end of the year	2,528	2,949	(45,399)	(18,906)

The retained earnings reserve represents profits of entities within the Group. Such profits are available to enable payment of franked dividends in future years. No dividends were distributed during the year (2019: $1.8 million).

21. DIVIDENDS

There was no dividends paid or declared by the Company during the financial year, the dividend declared in the 2019 financial year amounted to $1,770,000.

Franking Credit Balance

The amount of franking credits available for the subsequent financial year are:

	2020 $	2019 $
Franking account balance as at the end of financial year at 30% (2019: 30%)	5,535,898	5,535,898

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

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

- franking credits that will arise from the payment of the current tax liabilities;
- franking debits that will arise from the payment of dividends recognised as a liability at the year-end;
- franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year-end; and
- franking credits that the entity may be prevented from distributing in subsequent years.

EQUITY (continued)

22. SHARE-BASED PAYMENTS

(a) Share – Based Payment Arrangements

As at 30 June 2020, the Group had the following share-based payment arrangements.

(i) 2017 Performance Rights Plan

On 5 June 2017, the Group granted Performance Rights to eligible employees under the Group's Long Term Incentive Plan in respect of the three financial years 30 June 2017 to 30 June 2019. Subject to continued employment and achievement of financial performance hurdles absolute total shareholder return and absolute earnings per share growth), the Performance Rights will vest as follows:

Number of Performance Rights granted	Vesting Date (A)	Lapsed	Vested during the Period (B)
828,848	1 July 2019	-	828,848
828,848		**-**	**828,848**

Vesting Hurdles			
50% TSR (C)		50% 3 Year Absolute EPS Pooling (D)	
<100%	Nil	< 6 c	Nil
100% < 180%	Pro-rata vesting between 25% and 100%	>6- <6.5 c	pro rata vesting between 25%-100%
180%	100%	6.5 c >	100%

(A) On vesting, Performance Rights will automatically convert to ordinary shares on a one for one basis. Performance Rights that do not vest will lapse. An unvested Performance Right will lapse upon the earlier to occur of:

i. failure to satisfy the applicable vesting conditions;

ii. the holder purporting to transfer the Performance Right otherwise than with the consent of the Board or by force of law;

iii. the employment of the holder ceasing, where such a condition was imposed on the grant of the Performance Right;

iv. in the opinion of the Board, the holder commits any fraudulent or dishonest act or is in breach of his or her obligations to the Company or subsidiary;

v. the expiry date; or

vi. the seven year anniversary of the date of grant of the Performance Rights.

(B) During the period, 828,848 Performance Rights vested on cessation of employment.

(C) Performance of management measured against an absolute shareholder return target of VRS.

(D) Performance management measured against a normalised EPS pooled approach setting an aggregate value of dollars of EPS that must be achieved over the three years (i.e. a pool consisting of year 1 EPS plus year 2 EPS plus year 3 EPS.

(ii) 2019 Performance Rights Plan

DIRECTORS & KMP'S

On 20 December 2018, the Group granted Performance Rights to the Managing Director, Adam Lamond and Executive Director, Brian Elton and on 12 April 2019, the Group granted Performance Rights to key management personnel under the Group's new Veris combined Incentive Plan ("VIP") relating to financial years 30 June 2019 to 30 June 2022 based on the achievement KPIs outlined in the below Balanced Scorecard:

Balanced Scorecard and Weightings			
Financial	**Market**	**Individual**	**Values**
Budgeted EBITDA (14%)	Absolute EPS (19%)	KPI's (20%)	Behaviours (5%)

EQUITY (continued)

22. SHARE-BASED PAYMENTS (continued)

On the basis that the Balanced Scorecard was achieved, 50% will be paid in cash and 50% in equity by way of issue of Performance Rights, of which 60% would have vested based on achievement of a 3 year absolute TSR hurdle and 40% would have vested in a future period in time, depending on continued employment for 4 years post issue (33% year 2; 33% year 3, 33% year 4). The Balanced Scorecard was not achieved for the FY19 year and all Performance Rights have lapsed. The absolute TSR hurdle is outlined in the below table:

Number of Performance Rights granted	Vesting Date (A)	Lapsed	Vested during the Period (B)
354,392	1 July 2019	-	354,392
354,392		**-**	**354,392**

Vesting Hurdles*			
60% TSR (C)		40% 3 Year Retention (D)	
<75%	Nil	Yr 2	1/3
75% < 120%	Pro-rata vesting between 25% and 100%	Yr 3	1/3
120%	100%	Yr 4	1/3

* Safety must be maintained at all times and no LTI's will vest in the instance of a major safety breach such as a serious injury or fatality.

(A) On vesting, Performance Rights will automatically convert to ordinary shares on a one for one basis. Performance Rights that do not vest will lapse. An unvested Performance Right will lapse upon the earlier to occur of:

i. failure to satisfy the applicable vesting conditions;

ii. the holder purporting to transfer the Performance Right otherwise than with the consent of the Board or by force of law;

iii. the employment of the holder ceasing, where such a condition was imposed on the grant of the Performance Right;

iv. in the opinion of the Board, the holder commits any fraudulent or dishonest act or is in breach of his or her obligations to the Company or subsidiary;

v. the expiry date; or

vi. the seven year anniversary of the date of grant of the Performance Rights.

(B) Vested on cessation of employment.

(C) Performance of management measured against an absolute shareholder return target of VRS.

(D) Based on continued employment and disposal restrictions.

SENIOR MANAGEMENT

On 12 April 2019 the Group granted 2,419,949 Performance Rights to eligible employees which will vest subject to their continued employment over a two year period.

Number of Performance Rights Granted	Vesting Date (A)	Lapsed	Vested	Vesting Hurdle (B)
1,085,327	30 June 2021	-	-	2 Year Retention

(A) On vesting, Performance Rights will automatically convert to ordinary shares on a one for one basis. Performance Rights that do not vest will lapse. An unvested Performance Right will lapse upon the earlier to occur of:

i. failure to satisfy the applicable vesting conditions;

ii. the holder purporting to transfer the Performance Right otherwise than with the consent of the Board or by force of law;

iii. the employment of the holder ceasing, where such a condition was imposed on the grant of the Performance Right;

iv. in the opinion of the Board, the holder commits any fraudulent or dishonest act or is in breach of his or her obligations to the Company or subsidiary;

v. the expiry date; or

vi. the seven year anniversary of the date of grant of the Performance Rights.

(B) Based on continued employment for two years to 30 June 2021.

EQUITY (continued)

22. SHARE-BASED PAYMENTS (continued)

(iii) 2020 Performance Rights Plan

On 29 October 2019 the Group granted 1,000,000 Performance Rights to the CEO of Veris Australia on commencement of his employment will vest subject to his continued employment over a two year period and subject to achievement of an increase in Veris Australia's EBITDA margin by 40% or greater.

Number of Performance Rights Granted	Vesting Date [(A)]	Lapsed	Vested	Vesting Hurdle [(B)]
1,000,000	29 October 2021	-	-	2 Year Retention and increase in EBITDA margin by 40%

(A) On vesting, Performance Rights will automatically convert to ordinary shares on a one for one basis. Performance Rights that do not vest will lapse. An unvested Performance Right will lapse upon the earlier to occur of:

i. failure to satisfy the applicable vesting conditions;

ii. the holder purporting to transfer the Performance Right otherwise than with the consent of the Board or by force of law;

iii. the employment of the holder ceasing, where such a condition was imposed on the grant of the Performance Right;

iv. in the opinion of the Board, the holder commits any fraudulent or dishonest act or is in breach of his or her obligations to the Company or subsidiary;

v. the expiry date; or

vi. the seven year anniversary of the date of grant of the Performance Rights.

(B) Based on continued employment for two years to 29 October 2021.

(b) Measurement of Fair Values of Share-Based Payments

During the period, 1,000,000 Performance Rights were issued to a member of the key management personnel (2019: 3,717,145). The Performance Rights will vest into fully paid ordinary shares subject to the individuals continued employment as at 29 October 2021 (2 year retention) and the achievement of an increase in Veris Australia's EBITDA margin by 40% or greater. The measurement of the Fair Values of the Share-Based Payments is the Veris Share Price at the effective Grant date.

Subsequent to the period end 3,371,334 Performance Rights were issued to key management personnel and senior management as a discretionary bonus based on behaviours and the individual's contribution to the FY20 financial year. These Performance Rights were issued post the reporting period. The Performance Rights will vest into fully paid ordinary shares subject to the individuals continued employment as at 30 June 2021 (1 year retention). The measurement of the Fair Values of the Share-Based Payments is the Veris Share Price at the effective Grant date.

(c) Unvested Unlisted Performance Rights

1,085,327 Performance Rights issued in April 2019 to senior management remain unvested at 30 June 2020 (2019: Nil). 1,000,000 Performance Rights issued in October 2019 to a member of the key management personnel remain unvested at 30 June 2020 (2019: Nil). 3,371,334 Performance Rights issued in August 2020 to Senior Management remain unvested at 30 June 2020 (2019: Nil).

Notes to the Consolidated Financial Statements

OTHER INFORMATION

23. RELATED PARTIES

Key management personnel compensation

The key management personnel compensation included in 'employee benefits' is as follows:

	2020 $	2019 $
Short-term employee benefits	1,488,267	1,485,240
Post-employment benefits	100,658	99,750
Share-based payment	46,903	2,377
Termination benefit- Cash	162,247	363,385
Termination benefit – Share-based	-	18,874
	1,798,075	1,969,626

During the year, the Company did not have or repay any loans from related parties (2019: $nil).

Individual directors and executives compensation disclosures

Information regarding individual Directors and executive's compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 is provided in the remuneration report section of the Directors' report on pages 29 to 39.

Key management personnel transactions

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control of significant influence was as follows.

	Transaction values for the year ended 30 June		Balance outstanding as at 30 June	
Transaction	2020 $	2019 $	2020 $	2019 $
Rent (a)	104,261	372,514	-	
	104,261	372,514		

(a) The Company rents office space from Elton Property, a company controlled by a Director. Amounts billed were based on market rates and were due and payable under normal payment terms.

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

24. AUDITOR'S REMUNERATION

Audit and review services

	2020 $	2019 $
KPMG		
Audit and review of financial reports	250,000	226,448
Integration	-	8,724
	250,000	235,172

GROUP STRUCTURE

25. SUBSIDIARIES

The following entities are consolidated:

Name of Entity	Country of Incorporation	Ownership Interest	
		2020 %	2019 %
Parent Entity			
Veris Limited	Australia		
Controlled Entity			
Veris Australia Pty Ltd	Australia	100	100
Elton Consulting Group Pty Ltd	Australia	-	100
Aqura Technologies Pty Ltd *(previously named OTOC Australia Pty Ltd)*	Australia	100	100
Emerson Stewart Pty Ltd	Australia	100	100
Whelans Australia Pty Ltd	Australia	100	100
Whelans International Pty Ltd	Australia	100	100
Bosco Jonson Pty Ltd	Australia	100	100
Geo-metric Surveying Pty Ltd	Australia	100	100
Linker Surveying Pty Ltd	Australia	100	100
Queensland Surveying Pty Ltd	Australia	100	100
Southern Hemisphere Investments Pty Ltd	Australia	100	100
A Perfect Day Elise Pty Ltd	Australia	100	100
TBBK Pty Ltd	Australia	100	100
Lawrence Group Pty Ltd	Australia	100	100
Lester Franks Survey & Geographic Pty Ltd	Australia	100	100

26. DEED OF CROSS GUARANTEE

Pursuant to ASIC Corporation (wholly-owned companies) Instrument 2016/785, all the wholly-owned subsidiaries of Veris Limited are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and Directors' report.

It is a condition of the Instrument that the Company and each of the subsidiaries (referenced in Note 25) enter into a Deed of Cross Guarantee ("the Deed"). The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and controlled entities which are a party to the Deed as at 30 June 2020, after eliminating all transactions between parties to the Deed of Cross Guarantee, as of and for the year ended 30 June 2020 is the same as the consolidated statement of comprehensive income and consolidated statement of financial position of the Group as of and for the year ended 30 June 2020.

GROUP STRUCTURE (continued)

27. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ended 30 June 2020 the parent Company of the Group was Veris Limited.

Results for the Year	**2020**	**2019**
	$000	**$000**
(Loss) / Profit for the year	(23,344)	(35,000)
Other comprehensive income	-	-
Total comprehensive profit / (loss) for the year	(23,344)	(35,000)

Financial position of parent entity at year end	**2020**	**2019**
	$000	**$000**
Current assets	9,299	8,504
Total assets	19,117	48,847
Current liabilities	(7,259)	(14,774)
Total liabilities	(17,974)	(26,273)
Total equity of the parent entity comprising of:		
Share capital	44,127	43,051
Accumulated loss & Reserves	(42,984)	(20,477)
Total equity	1,143	22,574

ACCOUNTING POLICIES

28. BASIS OF PREPARATION

(a) Presentation Currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency. The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191 dated 1 April 2016. All financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(b) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- financial instruments at fair value through profit or loss are measured at fair value.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

ACCOUNTING POLICIES (continued)

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Financial Instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: cash, loans and receivables.

ACCOUNTING POLICIES (continued)

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

Expected credit loss

From 1 July 2019, the Group assesses on a forward looking basis the expected credit losses associated with its financial assets measured at amortised cost, contract assets and debt instruments at Fair Value through Other Comprehensive Income (FVOCI) but not to investments in equity instruments. The Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) Non-derivative financial liabilities

The Group initially recognises financial liabilities (including liabilities designated at fair value through profit or loss) on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method for all others.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

ACCOUNTING POLICIES (continued)

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on either a straight-line or diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use.

The depreciation rates for the current and comparative periods are as follows:

▪ Plant and equipment	14-33%
▪ Motor vehicles	14-33%
▪ Leasehold Improvements	20%
▪ Property	8-20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(d) Intangible Assets and Goodwill

(i) Goodwill

Goodwill represents the excess of the cost of a business acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill acquired in a business combination is not amortised. Instead goodwill 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 disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to individual cash generating units for the purpose of impairment testing.

(ii) Other intangible assets

Other intangible assets including customer relationships and brands that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

ACCOUNTING POLICIES (continued)

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Intangible Assets and Goodwill (continued)

(iv) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Customer relationships and Brands 3-5 years.

(e) Impairment

(i) Non-derivative financial assets (including receivables)

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security.

The Group considers evidence of impairment for receivables and they are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

ACCOUNTING POLICIES (continued)

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Impairment (continued)

(ii) Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains of losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

(f) Employee Benefits

(i) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. That benefit is discounted to determine its present value.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iii) Share-based payment transactions

The grant date fair value of rights granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of performance rights for which the related service and non-market vesting conditions are met.

(g) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

ACCOUNTING POLICIES (continued)

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Construction contract revenue is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

(i) Contract Assets

Contract assets represents the gross unbilled amount expected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

(j) Finance Income and Expense

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance expenses comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit and loss using the effective interest method.

(k) Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss 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 reporting date, and any adjustment to tax payable in respect of previous years. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

ACCOUNTING POLICIES (continued)

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Income Tax (continued)

(i) Tax consolidation

The Group and its wholly-owned entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity from that date. The head entity within the tax-consolidated group is Veris Limited.

The Group 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 asset 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 is 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 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 amounts under the tax sharing agreement is considered remote.

(iii) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(l) Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise performance rights granted to employees.

(m) Segment Reporting

The Group determines and presents operating segments based on the information that internally is provided to the CEO's, who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters), head office expenses, and income tax assets and liabilities.

ACCOUNTING POLICIES (continued)

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. As a result of the ongoing COVID-19 pandemic, the Group received government assistance in the form of wage subsidies under the Australian JobKeeper program.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the statement of profit or loss in the period in which they become receivable.

(o) Prior Year Comparatives

Certain comparative information has been re-presented so it is in conformity with the current year classification.

(p) Changes in Accounting Policies

Veris has adopted all of the new and revised Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of Veris and effective for reporting periods beginning on or after 1 July 2019.

AASB 16 Leases

AASB 16 Leases specifies how to recognise, measure and disclose leases and applies to annual reporting periods beginning on or after 1 July 2019. Previously, under AASB 117, the Group classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. The new AASB 16 standard replaces AASB 117 Leases, and the related interpretations, and provides a single lessee accounting model, requiring lessees to recognise right-of-use assets and lease liabilities for almost all leases but will have the option not to recognise 'short-term' leases and leases of 'low-value' assets.

The Group recognised all lease liabilities and corresponding right of use assets, with the exception of short-term (12 months or fewer), low value leases and practical expedients allowed under the standard, on the balance sheet. Right of use assets are measured at either their carrying amount as if AASB 16 had been applied since their commencement date, discounted using the Group's incremental borrowing rate at the date of initial application or an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

Lease liabilities are recorded at the present value of: fixed payments; variable lease payments that depend on an index or rate; amounts paid under residual value guarantees; and extension options expected to be exercised. Where a lease contains an extension option which the Group can exercise without negotiation, lease payments for the extension period are included in the liability if the Group is reasonably certain that it will exercise the option.

Variable lease payments not dependent on an index of rate are excluded from the calculation of the lease liabilities. Payments are discounted at the incremental borrowing rate of the lessee, unless the interest rate implicit in the lease can be readily determined. For lease agreements relating to properties, certain non-lease components are excluded from the projection of future lease payments and are recorded separately within operating costs. The right of use asset, resulting from a lease arrangement, at initial recognition reflects the lease liability, initial direct costs and any lease payments made before the commencement date of the lease less any lease incentives.

The Group recognises depreciation of right of use assets and interest on lease liabilities in the income statement over the lease term. Right of use assets are included in the review for impairment of property, plant and equipment and intangible assets with finite lives, if there is an indication that the carrying amount of the cash generating unit may not be recoverable.

ACCOUNTING POLICIES (continued)

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 16 Leases (continued)

The nature of the Group's leasing activities includes leasing of office space, leasing of IT equipment and leasing of motor vehicles.

Impact of transition to AASB 16 'Leases'

The Group implemented the standard as at 1 July 2019 using the modified retrospective approach. Accordingly, the comparative information presented for FY19 is not restated.

The impact of transition to AASB 16 on the Group's 1 July 2019 balance sheet is an increase in lease liabilities (debt) of $19,792,000, an increase in right of use assets of $19,792,000.

The weighted average incremental borrowing rate applied to the Group's lease liabilities recognised in the balance sheet at 1 July 2019 is 4.55%.

	30 June 2020 $000	1 July 2019 $000
Discounted operating lease commitments using incremental borrowing rate at 1 July 2019		14,479
Finance lease liabilities recognised as at 30 June 2019		10,349
Additional lease liabilities from adopting AASB 16		5,313
Lease liabilities recognised at 1 July 2019		30,141
Comprising:		
Current	6,271	7,122
Non-current	16,364	23,019
	22,635	30,141

The newly recognised right-of-use assets relate to the following type of assets:

	June 2020 $000	July 2019 $000
Property	14,600	17,379
Motor Vehicles	2,113	2,121
Plant and Equipment	186	292
	16,899	19,792

The change in accounting policy affected the following items on the statement of comprehensive income during the period:

- Interest expense on lease liabilities – increase by $798,000.
- Depreciation expense – increase by $4,573,000.

The change in accounting policy affected the following items in the statement of cash flows during the period:

- Decrease in operating cash outflows $4,675,000.
- Increase in financing cash outflows $4,675,000.
- Effect on cash and cash equivalents $nil.

ACCOUNTING POLICIES (continued)

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases.
- The exclusion of low-value assets.
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

30. NEW STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier adoption is permitted, however, the Group has not elected early adoption of the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations have not yet been assessed by the Group but are not expected to have a significant impact on the Group's consolidated financial statements:

- Amendments to References to Conceptual Framework in AASB standards.
- Definition of a Business (Amendments to AASB 3).
- Definition of Material (Amendments to AASB 101).

31. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the methods set out below. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

(ii) Intangible assets

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

(iii) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date

ACCOUNTING POLICIES (continued)

31. DETERMINATION OF FAIR VALUES (continued)

(iv) Share-based payment transactions

The fair value of employee stock options is measured using a binomial option pricing model. The fair value of share performance rights is measured using the Monte Carlo formula.

Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(v) Deferred Vendor Payments

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Directors' Declaration

1. In the opinion of the Directors of Veris Limited ("the Company"):
   (a) the consolidated financial statements and notes set out on pages 42 to 84 and the Remuneration report on pages 29 to 39 in the Directors' report, are in accordance with the Corporations Act 2001 including:
      (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that the Company and the Group entities identified in Note 25 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those Group entities pursuant to ASIC Class Order 2016/191.
3. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and the Chief FinancialOfficer for the financial year ended 30 June 2020.
4. The Directors draw attention to page 46 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Karl Paganin
Chairman

Dated at Perth 31 August 2020

Independent Auditor's Report

Independent Auditor's Report

To the shareholders of Veris Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Veris Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the ***Group***'s financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- Complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2020.
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- Notes including a summary of significant accounting policies.
- Directors' Declaration.

The ***Group*** consists of Veris Limited (the Company) and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Going concern basis of accounting.
- Recognition of revenue and WIP.

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.

Independent Auditor's Report

KPMG

Going concern basis of accounting	
Refer to Note 6 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
The Group's use of the going concern basis of accounting and the associated extent of uncertainty is a key audit matter due to the high level of judgement required by us in evaluating the Group's assessment of going concern and the events or conditions that may cast significant doubt on their ability to continue as a going concern. These are outlined in Note 6 to the Financial Report. The Directors have determined that the use of the going concern basis of accounting is appropriate in preparing the financial report. Their assessment of going concern was based on cash flow projections through to 31 August 2021. The preparation of these projections incorporated a number of assumptions and significant judgements, and the Directors have concluded that the range of possible outcomes considered in arriving at this judgement does not give rise to a material uncertainty casting significant doubt on the Group's ability to continue as a going concern. We critically assessed the levels of uncertainty, including potential impact of COVID-19, as it related to the Group's ability to continue as a going concern, within these assumptions and judgements, focusing on the following: • Impact of forecasting risk and uncertainty to cash flows projected; • The Group's planned levels of revenue and operational and capital expenditures, and the ability of the Group to manage cash outflows within available funding, particularly in light of recent loss making operations; and • The Group's ability to raise additional funds, if required, from shareholders, and the Group's options to raise additional funds, if required, through the sale of assets or parts of the Group. This included the feasibility and quantum of potential proceeds. In assessing this key audit matter, we involved senior audit team members who understand the Group's business, industry and the economic environment it operates in.	Our procedures included: • We analysed the cash flow projections by: – Analysing the impact of reasonably possible changes in projected cash flows and their timing, to the projected periodic cash positions. Assessing the resultant impact to the ability of the Group to pay debts as and when they fall due and continue as a going concern. The specific areas we focused on were informed by assessing actual cashflows including but not limited to the final quarter of FY20 and FY21 to date, and having regard to current market conditions; – Assessing the revenue pipeline and planned levels of operating and capital expenditures for consistency of relationships and trends to the Group's historical and recent results, particularly in light of the recent loss making operations, results since year end, and our understanding of the business, industry and economic conditions of the Group, including consideration of potential COVID-19 impacts; • We read correspondence with existing financiers to understand and assess the options available to the Group including renegotiation of existing debt facilities, and revision of terms of financial loan covenants; • We assessed management's evidence to support options available to the Group including ability to raise additional funds from shareholders and potential sale of assets or businesses within the Group; and • We evaluated the Group's going concern disclosures in the Financial Report by comparing them to our understanding of the matter, the events or conditions incorporated into the cash flow projection assessment, the Group's plans to address those events or conditions, and accounting standard requirements.

Independent Auditor's Report

KPMG

Recognition of Revenue, Trade Receivables and Work In Progress (WIP) (Revenue $94.1m, Trade Receivables $11.7m and WIP $5.8m)	
Refer to Notes 3, 7 and 10 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Recognition of revenue is a Key Audit Matter due to the: • Significance of revenue to the financial statements, including a large number of contracts with customers, and the degree of estimation and judgement involved in revenue recognition, particularly at year end. We focused on the Group's assessment of the following elements of revenue recognition: • The Group's determination of the amount of revenue recognised from variable consideration being highly probable of not reversing. The Group's determination of an amount that is highly probable requires a degree of estimation and judgement. This increased the audit effort we applied to gather sufficient appropriate audit evidence that the variable consideration is highly probable. The Group's determination of contractual entitlement to Work In Progress balances including assessment of performance obligations.	Our procedures included: • We assessed the Group's estimation in recognising revenue to the extent it is highly probable that a significant reversal will not occur, through corroborating to underlying evidence including, where applicable, project spend and correspondence with customers accepting contract terms or invoicing; • We assessed management's line-by-line Work In Progress (WIP) analysis to corroborate the findings of our detailed testing of WIP balances, to support that the recognition criteria in AASB 15 had been met. This included obtaining evidence of an enforceable right and achievement of performance obligations; and • We assessed the basis for management's WIP recognition against the findings of our testing, and evaluated the conclusions reached by the Group using our understanding of the contracts obtained in the procedures noted above, in the context of the requirements of AASB 15.

Other Information

Other Information is financial and non-financial information in Veris Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Independent Auditor's Report

KPMG

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*.
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Veris Limited for the year ended 30 June 2020, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2020.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Jane Bailey

Jane Bailey

Partner

Perth

31 August 2020

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Veris Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Veris Limited for the financial year ended 30 June 2020 there have been:

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

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

KPMG

KPMG

Jane Bailey

Jane Bailey
Partner
Perth
31 August 2020

Additional Information

Additional Information per ASX Listing Rules - Unaudited

Additional information requires by ASX Listing Rules and not disclosed elsewhere in this report is set out below.

Corporate Governance Statement

The Group's Corporate Governance Statement can be found at:
https://www.veris.com.au/media/2900/corporate-governance-statement-2020.pdf

Shareholder Information as at 24 August 2020

Top 20 Shareholders of Quoted Securities

Rank	Name	Shares	% of Issued Capital
1	OCEAN TO OUTBACK ELECTRICAL PTY LTD <AP & TL LAMOND FAMILY A/C>	47,344,315	11.68
2	SHERKANE PTY LTD	40,186,896	9.92
3	MR BRIAN ELTON	27,558,035	6.80
4	SHERKANE PTY LTD	21,293,584	5.25
5	MR CRAIG GRAEME CHAPMAN <NAMPAC DISCRETIONARY A/C>	16,981,719	4.19
6	CONCEPT WEST COMMUNICATIONS PTY LTD <THE T YOUNG FAMILY A/C>	11,508,540	2.84
7	CARRIER INTERNATIONAL PTY LIMITED <SUPER FUND A/C>	11,000,000	2.71
8	MR THOMAS BRIAN LAWRENCE <TOM LAWRENCE A/C>	10,690,153	2.64
9	ICON HOLDINGS PTY LTD <THE K & A PAGANIN S/F A/C>	9,500,000	2.34
10	EVANS FAMILY NOMINEES PTY LTD <THE EVANS FAMILY A/C>	9,286,738	2.29
11	BERTOLI CONTRACTING PTY LTD <THE BERTOLI FAMILY A/C>	6,303,597	1.56
12	ELTON PROPERTY PTY LTD <ELTON CONSULTING S/F A/C>	5,750,115	1.42
13	MS JENNY LEE RUDOLPH	4,829,104	1.19
14	MR PETER HOWELLS	4,815,020	1.19
15	SILCHESTER INVESTMENTS PTY LTD	4,286,625	1.06
16	MRS JASMINE KRKLJES	4,240,000	1.05
17	J&A CASHIN INVESTMENTS PTY LTD <CASHIN FAMILY A/C>	3,733,297	0.92
18	MR STEVE ROSSITER	3,714,696	0.92
19	MILES AND MILES PTY LTD <MILES ATC SUPER FUND A/C>	3,496,603	0.86
20	INSIDE-OUT CARPENTRY SERVICES PTY LTD <THE MCNEILL FAMILY A/C>	3,200,000	0.79
Total		**249,719,037**	**61.62**

Additional Information

Substantial Holders of 5% or more of fully paid ordinary shares

Shareholder	Number	Shares	Voting Power
SHERKANE PTY LTD	61,480,480	61,480,480	15.17%
OCEAN TO OUTBACK ELECTRICAL (and other related parties of Adam Lamond)	48,591,815	48,591,815	11.99%
BRIAN ELTON	33,308,150	33,308,150	8.22%

Distribution of Shareholders

Spread of Holdings	Ordinary Shares	Performance Rights
1 – 1,000	43	-
1,001 – 5,000	92	-
5,001 – 10,000	115	-
10,001 – 100,000	535	1
100,001	304	4
Total on Register	1,089	5

Non-Marketable Parcels

Number of shareholders holding less than a marketable parcel is 299.

Voting Rights

Ordinary Shares

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

Performance Rights

There are no voting rights attached to Performance Rights.

Restricted Securities

There are no restricted securities on issue.

Unquoted Equity Securities

There are 2,085,327 unquoted Performance Rights on issue with 4 holders.

Securities Exchange

The Group is listed on the Australian Securities Exchange. The Home exchange is Perth. The ticker code is VRS.

Corporate Information

The registered office of the Company is:

Veris Limited
Level 12, 3 Hasler Road
Osborne Park WA 6017

Company Secretary:

Lisa Wynne

The principal place of business is:

Veris Limited
Level 12, 3 Hasler Road
Osborne Park WA 6017
Telephone: (08) 9317 0600

Share Registry:

Computershare
Level 11, 172 St Georges Terrace
Perth WA 6000
Telephone: (08) 9323 2005

Corporate Directory

Veris Limited

ABN: 80 122 958 178

ASX Code: VRS

Level 12, 3 Hasler Road Osborne Park, WA, 6017

T: +61 8 9317 0600

www.veris.com.au

Directors

Karl Paganin
Non-Executive Chairman

Adam Lamond
Executive Director – Corporate & Strategy

Brian Elton
Non-Executive Director

Tom Lawrence
Non-Executive Director

Corporate Executive Team

Michael Shirley
Chief Executive Officer – Veris Australia

Travis Young
Chief Executive Officer – Aqura Technologies

Steve Harding
Chief Financial Officer

Lisa Wynne
Company Secretary & Head of Commercial

Principal Registered Address

Veris
Level 12, 3 Hasler Road Osborne Park, WA, 6017

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E: veris@veris.com.au

www.veris.com.au

Auditor

KPMG
235 St Georges Terrace Perth, WA, 6000

P: +61 8 9263 7171
F: +61 8 9263 7129

Solicitors

Steinepreis Paganin
Level 4, The Read Building, 16 Milligan Street, Perth, WA, 6000

P: +61 8 9321 4000
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Share Registry

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P: +61 8 9323 2005
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